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Tai-Tech Advanced Electronics
Co., Ltd.

2024 Annual Report

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V. Name of overseas stock exchange and method for accessing information on overseas negotiable securities: Not applicable

VI. Company Website: www.tai-tech.com.tw

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One. Letter to Shareholders

I. 2024 Business Report

Dear Shareholders,

The year 2024 remains a year full of uncertainties for the world. Challenges such as geopolitics, regional conflicts, supply chain adjustments and labor shortages have made the industrial environment more complicated. However, the information electronics industry still shows strong resilience, especially driven by the rapid development of emerging applications such as artificial intelligence and automotive electronics. Market demand continues to grow, and the passive component industry, as a member of the supply chain, has also benefited from such situation.

The Company has gone through quite a journey in recent years. In the past two years, we have experienced a decline in operating revenue, but we did not get discouraged. Instead, we actively adjusted our strategy and continued to strengthen our technology and market layout, so that the Company can gradually return to the growth track. In terms of products, we continue to improve technical specifications and product competitiveness; and for market expansion, we have successfully developed more new customers, especially in automotive electronics, passed qualification from many well-known companies, and started mass production and delivery. In terms of production transformation, we have invested resources to introduce fully automated production equipment for multiple product lines, upgraded software and hardware, and improved production efficiency and smart manufacturing capabilities. In terms of the layout of production bases, after some efforts, our new factory in Malaysia will soon start mass production in the first half of 2025. In terms of growth strategy layout, we will appropriately invest capital in equity transfers in peers of the industry of passive components to strengthen market competitiveness and create sustainable shareholder value. These efforts have enabled us to successfully return to the growth track in 2024. In addition to revenue and profit growth, we have also further enhanced the Company's competitiveness and laid a solid foundation for the company's development in the next few years.

Analysis of the Company's operating results and profitability for 2024 is as follows:

Item	2024	2023	Growth rate
Net operating	5,506,106	4,431,789	+24.2%
Gross profit	1,331,975	1,117,683	+19.2%
Gross margin	24.2%	25.2%	
Operating	566,327	463,144	+22.3%
Non-operating	285,017	206,081	+38.3%
Net Income	746,886	592,783	+26.0%
Earnings per	7.33	5.82	

Unit: Except for earnings per share which is in NT\$, all other figures are in NT\$1,000.

In 2024, computer-related customers accounted for 29.5%; communication electronics-related customers accounted for 17.2%; consumer electronics-related customers accounted for 13.7%; automotive grade electronics-related customers accounted for 33.1%; other applications accounted for 6.5%. Except for a slight decline in communications electronics revenue, revenues from other application markets all grew; and automotive electronics revenue was the largest growing application market.

In 2024, regarding the product revenue of the Company, the multilayer products accounted for 20.06% of the total revenue; wire-wound products accounted for 72.59% of the total revenue; LAN transformer products accounted for 6.58% of the total revenue; other products accounted for 0.77%, with the total sales reaching 25.82 billion products. The performance of the main product lines in 2024 is summarized as follows:

1. Multilayer products

For the multilayer product line, downstream customers had relatively positive order demand for such products in 2024, with only a slight decline in orders in the fourth quarter as agency customers began to control inventory. The shipment volume throughout the year was approximately 20.3 billion, growing by 23.6% from 2023.

2. Wire round products

(1) Wire-wound inductors

Wire-wound inductor products benefited from the recovery of the automotive electronics and consumer electronics markets and achieved revenue growth. In particular, medium and large-sized semi-shielded power inductors used in automotive electronics and panel products, some automotive-grade single-wire products, tire pressure monitor low-frequency antennas, and high current magnetic beads performed relatively well, driving the overall performance improvement. However, demand for small-sized products used in network communications, mobile phones and wearable devices continued to be sluggish. The shipment volume throughout the year was approximately 1.82 billion, growing by 20.4% from 2023.

(2) Molded power inductors

The order demand for such type of product was the strongest in 2024, and the production capacity continued to be fully loaded. The market demand for automotive electronics, PCs and consumer electronics grew simultaneously, driving a steady increase in revenue. The shipment volume throughout the year was approximately 1.05 billion, growing by 39.2% from 2023. Among them, products used in automotive electronics account for the largest proportion, and are also the product line with the best revenue and profit performance of the Company.

(3) Common mode filter

The common-mode filter products are widely used in high-speed network interfaces of consumer electronics (such as HDMI2.1, USB3.0/3.1/4.0), and are also widely adopted in automotive electronic module interfaces. Benefiting from the recovery of the consumer market, the revenue of the product line has grown significantly. In addition, European and American automotive electronics brand customers supplemented their inventories, coupled with new orders from well-known Chinese mainland automakers, resulting in a 31.0% increase in shipments compared to 2023, with annual shipments reaching 760 million units. Among them, the order growth of automotive-grade common-mode filters and medium and large-sized high current common-mode filters is the most obvious, and there is still great growth potential in the future.

2. LAN transformer products

Being affected by the low-price order competition strategy adopted by competitors in mainland China, the market price of the Company's network transformer products has been under pressure. The slow recovery of the Chinese market after the epidemic and more intense competition have led to widespread profitability challenges for suppliers. In order to maintain stable operations, the Company actively introduced cost control measures and adopted a selective order acceptance strategy, abandoning low-priced orders to ensure stable profits. Although the shipment volume in 2024 reached 1.7 billion units, a 6.4% increase over 2023, the revenue decreased by 12.1% over the previous year due to the decline in average unit price, showing a downward trend for two consecutive years, which also became the main factor affecting the annual profit performance. Looking ahead, as the positive benefits of the Company's strategic adjustments gradually emerge, gross profit margin has improved significantly. In addition, benefiting from the policy stimulus in mainland China and the upgrading of product specifications, market demand has also shown a trend of rebounding. It is expected that the revenue and profitability of such products will gradually recover.

In the face of changes in the industrial environment and upgraded market demands in 2024, the Company continued to promote a number of R&D strategies to optimize its product portfolio, strengthen its technological advantages, and ensure steady improvement in its market competitiveness. The major guidelines are as follows:

First, the Company further increased its investment in R&D resources for automotive electronic components, paying special attention to the growth trend of the electric vehicle industry. With technology upgrades and quality optimization, the Company actively strives for obtaining product qualification from European and American automotive electronics brands and well-known brand car manufacturers in mainland China to deepen partnerships and expand long-term market share.

Secondly, in terms of inventory adjustment and product strategy optimization, the Company prudently adjusted its order-taking policy, removed low-profit orders, and concentrated resources on high-value-added products with market potential. Meanwhile, with its core technological advantages, the Company is accelerating the development of new products to ensure that products affected by market fluctuations can quickly restore their gross profit margin levels.

In addition, the Company continues to improve product design, process and material technology to further enhance product performance and stability to ensure it maintains a competitive advantage in the high-end market. With technological innovation, the Company is committed to improving the high-frequency, high-temperature resistance, high current resistance, and high-performance features of its products to meet the needs of industrial and automotive applications.

Last but not least, in order to seize market opportunities in popular applications, the Company has actively invested in strengthening its R&D capabilities. In addition to automotive electronics, it also focuses on areas such as AI servers, high-speed computing and high-speed networking. With close collaboration with customers, the Company expects to incorporate innovative technology solutions into applications at the early stages of product design to increase market penetration and competitiveness. Major products developed include:

- (1) Multilayer chip beads with high current resistance and low DC impedance for automotive grade usage.
- (2) multilayer chip beads with a heat resistance of up to 175 degrees Celsius for automotive grade usage.
- (3) Automotive grade magnetic material top-cover single wire-wound inductor products
- (4) Automotive grade common mode filter products.
- (5) Common mode filter products that can withstand large currents.
- (6) Innovative LAN transformer modules.
- (7) SLPI/SEPI series of single-wire assembled inductors SLPI/SEPI products for high-end servers
- (8) TLVR series assembled products, dual wire-wound inductors used in high-end servers.
- (9) TLVR integrated products, dual wire-wound power inductors used in high-end servers.
- (10) Sintered alloy molded high current-resistant power inductor.
- (11) Carbonyl base /alloy integrated hot pressing process power inductor.

II. 2025 Business Plan

Facing the market changes in 2025, we carefully evaluated the industry challenges and opportunities to ensure that the Company continues to maintain its competitive advantage. The challenges and risks we face include pressure from geopolitical instability leading to restructuring of product production locations; inflation affecting the consumer market, leading to increased volatility in the application market; and stricter ESG regulations, as well as higher requirements from governments and customers for the environment, social responsibility and corporate governance. The market opportunities we expect include the growing demand for inductive components in the upgrading of application functions; the continued expansion of markets such as AI applications, automotive electronics, and networking equipment; client inventories have reached normal levels, and market demand has rebounded.

To ensure the smooth realization of the goals for 2025, the Company will focus on the following four core strategies:

1. Anti-risk strategy: Diversified production base layout ensures supply chain stability and production flexibility; strengthen brand influence, improve production efficiency, and reduce operating costs to enhance competitiveness; predict market changes in advance and flexibly adjust sales and production plans.
2. Strategy for seizing business opportunities: Develop high value-added products, such as EMI application components, automotive electronic components, AI application components, etc.; strengthen the layout of EMI application, automotive electronics, network communication and AI markets, and deepen regional market development; strengthen the construction of sales networks in emerging markets in the Indo-Pacific and European and American markets; expand production capacity for key product lines to meet market demand.
3. Operational efficiency improvement strategy: digital transformation, strengthening digital management system, improving decision-making efficiency; optimizing production processes, improving production efficiency and yield. Reduce unit production costs through process improvement and material cost control.
4. Operational resilience enhancement strategy: Strengthen team and ESG development, ensure compliance with the latest regulations and customer requirements, and promote sustainable development projects.

Although the market environment is still full of challenges, the company remains cautiously optimistic about the operating outlook for 2025 and looks forward to taking advantage of the recovery trend of the electronics industry to actively expand the terminal application market and ensure the stability and improvement of market share. On the basis

of the 24% growth in 2024, the Company aims to achieve further revenue growth and total shipments exceeding 28 billion units.

III. Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment

In the economic environment of 2025, the passive component industry as a whole will be under multiple pressures from intensified external competition, stricter regulatory environment and more complex business environment. Global economic growth is moderate, and the effects and impacts of the new US government's political and economic policies remain to be seen. mainland China is facing the impact of a structural slowdown in the economy, resulting in insufficient growth momentum in market demand, slowing demand for consumer electronics products, and the supply chain entering a situation of supply and demand re-balancing or even oversupply, forming fierce price competition. Among them, the technical capabilities of mainland Chinese manufacturers have significantly improved, gradually moving from the low- and mid-end markets to the mid- and high-end markets, making market competition more intense. Manufacturers from various countries are competing to invest in the research and development of high-end products, such as electric vehicles, 5G/6G communications, high-speed networking, AI computing and other fields, further pushing up the market's requirements for high-quality and high-reliability products. In addition, the impact of the regulatory environment is gradually increasing. For example, the Carbon Border Adjustment Mechanism (CBAM) and carbon tax policies promoted by the European Union have caused the industry to face higher environmental costs and material management pressures. Meanwhile, the global supply chain has increasingly emphasized ESG requirements, forcing manufacturers to actively invest in sustainable development and carbon management. From the perspective of the overall business environment, the global market is still affected by factors such as geopolitical risks, US-China technology trade frictions, inflationary pressure and rising financing costs. Manufacturers must further enhance supply chain resilience and regional diversification, which increases operating costs and challenges. However, despite the complicated business environment and increasing challenges, the passive component industry still has long-term market opportunities in the fields of automotive electronics, networking, AI and high-end industrial applications. The manufacturers that will win in the future will depend on whether they can respond quickly to regulatory changes, have the technical capabilities of high-end products, and effectively integrate differentiation strategies and supply chain resilience to create space for growth of new value.

IV. Future Company Development Strategy and Outlook

Looking ahead, the electronic terminal products and application markets are evolving rapidly, driving the electronic components industry towards higher technical specifications and application requirements, creating opportunities for the Company to continue its growth.

In the next few years, the Company will actively expand into areas such as automotive electronics, network communications, high-speed computing, and AI artificial intelligence, and with technological innovation as the core, develop products that meet market demand, including high-performance electronic components that are miniaturized, high-frequency, high-speed, resistant to high currents, and have increased operating temperatures and reduced current losses. In addition, the Company will continue to optimize its product portfolio and increase the proportion of high value-added products to enhance gross profit margin and profitability. In terms of production line deployment, we will flexibly respond to changes in the international political and economic situation, further strengthen the production capacity allocation of the headquarter in Taiwan, mainland Chinese subsidiaries and new factories in Malaysia, so as to ensure the stability of the global supply chain, and meet the diverse market demands. Meanwhile, the Company adheres to the philosophy of "focusing on core business and operating in a pragmatic manner", deepens its ESG strategy, actively implements environmental sustainability, and enhances corporate competitiveness. We will aim to become a leading supplier in the global magnetic components market, continue to innovate and make breakthroughs, strive to drive the Company to a higher level of growth, and share long-term and stable operating results with shareholders.

We sincerely appreciate shareholders' long-term support and care. We wish you all the best.

Good Health and Prosperous

Tai-Tech Advanced Electronics Co., Ltd.



Chairman: Ming-Yen Hsieh



President: Ming-Liang Hsieh



Accounting Officer: Hui-Yu Ho



Two. Corporate Governance Report

I. Information on directors, supervisors, the President, vice presidents, associate managers, and supervisors of various departments and branches

(I) Information on directors and supervisors

Book closure date: March 25, 2025; Unit: Shares

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks							
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship								
Chairman	Republic of China	Representative: Ming-Yen Hsieh	Male 51- 60	2022.06.21	3 years	2006.07.21	2,464,829	2.39%	1,034,829	1.01%	233,271	0.23%	—	—	Master of Business Administration, Pacific Western University (US) Department of Mechanical Engineering, Minghsin University of Science and Technology CEO, TAI-TECH Advanced Electronics Co., Ltd. President, TAI-TECH Advanced Electronics Co., Ltd. Vice President, TAI-TECH Advanced Electronics Co., Ltd. Executive Vice President, TAI-TECH Advanced Electronics Co., Ltd.	Chairman and Director, TAIPAQ Electronics (Si-Hong) Co., Ltd. Chairman, President and Director, TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. Chairman and Director, Fixed Rock Holding Limited Chairman and Director, North Star International Limited Chairman and Director, Best Bliss Investments Limited Director, Superworld Holdings (S) Pte. Ltd. Chairman and Director, Northwest Investment Corporation Director, AIPAQ Technology Co., Ltd. Chairman and Director, Xie Hengde Investment Co., Ltd. Chairman and Director, Yizhi Investment Co., Ltd. Chairman and director, Yu Chi Investment Co., Ltd. Chairman and Director, TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Chairman and Director, TAIPAQ Electronics (Si-Hong) Co., Ltd. Chairman, President and Director, TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. Chairman and Director, Fixed Rock Holding Limited Chairman and Director, North Star International Limited Chairman and Director, Best Bliss Investments Limited Director, Superworld Holdings (S) Pte. Ltd. Chairman and Director, Northwest Investment Corporation Director, AIPAQ Technology Co., Ltd. Chairman and Director, Xie Hengde Investment Co., Ltd. Chairman and Director, Yizhi Investment Co., Ltd. Chairman and director, Yu Chi Investment Co., Ltd. Chairman and Director, TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Director	Yu-Hsiang Yu Hsieh	Mother/Son	President	Ming-Liang Hsieh	Brother	Sales and Marketing Group Associate Manager	Ming-Chi Hsieh	Brother	

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
	Republic of China	Northwest Investment Corporation	-	2022.06.21	3 years	2006.07.21	6,121,718	5.94%	6,121,718	6.00%	—	—	—	—	—	—	—	—	—	
Director	Republic of China	Representative: Yu-Hsiang Hsieh Yu	Female 71- 80	2022.06.21	3 years	2010.05.14	1,419,902	1.38%	1,449,902	1.42%	—	—	—	—	Yang Mei Elementary School	Chairman and Director, Hengyang Investment Co., Ltd. Supervisor, PinChen Investment Co., Ltd.	Chairman	Ming-Yen Hsieh	Mother/Son	—
	Republic of China	Heng Yang Investment Corporation	-	2022.06.21	3 years	2010.05.14	6,467,995	6.27%	6,540,995	6.41%	—	—	—	—	—	—	—	—	—	—
	Director	Singapore	Chin-Sheng Chen	Male 61- 70	2022.06.21	3 years	2010.05.14	—	—	—	—	—	—	—	EMBA, College of Management, National Taiwan University	Chairman and Director, Superworld Holdings (S) Pte. Ltd. Chairman and Director, Superworld Electronics (S) Pte. Ltd.	—	—	—	—

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															Department of Electrical Engineering, Hwa Hsia University of Technology	Chairman and Director, TAI-TECH Advanced Electronics (S) Pte.				
															Director, TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Chairman and Director, Superworld Electronics (HK) Limited				
															Chairman and Director, Superworld Electronics Co., Ltd.	Chairman and Director, Superworld Electronics Co., Ltd. (Dongguan)				
															Director, KL Venture Limited	Chairman and Director, Johnson Enterprise Co., Ltd.				
															Director, Best Merits Ventures Limited	Chairman and Director, Superworld Electronics (M) Sdn. Bhd.				
															Director, SerLink International LTD.	Director, AZ Venture Investment I Limited				
															Chairman and Director, AZ Venture Investment II Limited	Chairman and Director, TechWorld Electronics Singapore Pte. Ltd.				
															Director, TechWorld Electronics (M) Sdn. Bhd.	Director, TechWorld Electronics (M) Sdn. Bhd.				

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
	Republic of China	Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank		2022.06.21	3 years	2022.06.21	10,207,649	9.90%	10,207,649	10.00%	—	—	—	—	—	—	—	—	—	
Director	Republic of China	Chien-Jung Lin	Male 71- 80	2022.06.21	3 years	2001.08.07	1,836,610	1.78%	1,836,610	1.80%	629,810	0.62%	—	—	Department of Electromechanical Engineering, Minghsin University of Science and Technology Chairman's Office Director, Managing Director, Consultant, Tai-Tech Advanced Electronics Co., Ltd. President, TAI-TECH Advanced Electronics Co., Ltd. Technical Vice President, North West Electric Engineering Specialist, TDK Corporation	Supervisor, Northwest Investment Corporation Supervisor, TAIPAQ Electronics (Si-Hong) Co., Ltd. Chairman and Director, Ruiguang Investment Co., Ltd.	—	—	—	—
Director	Republic of China	Chih-Cheng Hung	Male 51- 60	2022.06.21	3 years	2010.05.14	1,225,615	1.19%	1,231,815	1.21%	46,650	0.05%	—	—	Master, School of Health Care Administration,	Director, Chimay Plastic Surgery Clinic	—	—	—	—

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															Taipei Medical University Bachelor, School of Medicine, Chung Shan Medical University Official Research Fellow, Oregon Health & Science University, U.S.A. Attending Physician, Linkou Chang Gung Medical Cosmetic Center President, Taipei Head Office, Han Fong Cosmetic Clinic					
Director	Republic of China	Kuei-Kuang Huang	Male 71- 80	2022.06.21	3 years	2000.10.16	2,564,591	2.51%	1,824,591	1.79%	369,612	0.36%	—	—	Department of Mechanical Engineering, Taipei Municipal Da-An Vocational High School President, Tai Tuo Technology Co., Ltd. Management Department Vice President, North West Electric Engineering Factory Director, North West Electric Engineering Section Chief, TDK Corporation	Chairman and Director, Hua Lan Investment Corporation	—	—	—	—

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China	Yu-Tsun Li	Male 71- 80	2022.06.21	3 years	2015.10.06	—	—	—	—	—	—	—	—	Department of Civil Engineering, Taoyuan Municipal Zhongli Commercial High School Independent Director, Tecstar Technology Co., Ltd. Chairman, TDK Corporation	—	—	—	—	
Independent Director	Republic of China	Yang-Pin Shen	Male 61- 70	2022.06.21	3 years	2021.07.23	—	—	—	—	—	—	—	—	PhD in Finance, Louisiana State University (USA) Chief Secretary, Yuan Ze University EMBA President, Yuan Ze University Department Chair, Department of Finance of Yuan Ze University Director, Graduate Institute of Management of Yuan Ze University Associate Professor, Department of Finance of National Chung Cheng University. Director, HanTech Venture Capital Corporation Director, CDIB BioScience Ventures I, Inc.	Associate Professor, Department of Finance and Banking, College of Management, Yuan Ze University Director, Human Resource Office of Yuan Ze University Independent Director, ICP DAS Co., Ltd. Independent Director, Hsin Tao Power Corporation	—	—	—	
Independent Director	Republic of China	Yi-Chun Chiang	Female 51- 60	2022.06.21	3 years	2021.07.23	—	—	—	—	—	—	—	—	Master in Civil and Commercial Law, National Chengchi University College of Law	Attorney, Premium Attorneys-at-Law Independent Director, ICP DAS Co., Ltd.	—	—	—	

Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of first election	Shares held at the time of appointment		Number of shares currently held		Current shareholdings of spouse and minor children		Shares held by proxy		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															EMBA, National Chiao Tung University Project Manager, Legal Department of Vanguard International Semiconductor Corporation Associate Manager/Attorney, PwC Legal					

(2) Major shareholders of corporate shareholders:

December 31, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders
Northwest Investment Corporation	Xie Hengde Investment Co., Ltd. (45.93%), Ruiguang Investment Co., Ltd. (29.49%), Hualan Investment Co., Ltd. (24.58%)
Heng Yang Investment Corporation	Ming-Chi Hsieh (25.91%), Yu-Hsiang Hsieh Yu (22.25%), Ming-Liang Hsieh (21.66%), Ming-Yen Hsieh (21.64%), Ling-Hsia Chou (4.27%), Jui-hsia Tai (4.27%)
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	Superworld Holdings (S) Pte. Ltd.

(3) Major shareholders of major corporate shareholders:

Name of corporate shareholder	Major shareholders of corporate shareholders
Superworld Holdings (S) Pte. Ltd.	WU,MEI-JU(0.25%), LAI,WEI-LIN(0.20%), LO,WEN-HUNG(0.20%), PHUA TEO CHYE(1.5%), LIM KIM ENG(0.75%), CHENG MUI LENG(1.45%), CHEN CHIN SHENG(51.10%), YEO SEE ANN(0.85%), PE KOK BOON(3%), WONG KIT PING(14%), TIEW CHIEW HUN(0.05%), TAN MUI MUI(0.1%), CHEW TZE ROUN(0.05%), BEST BLISS INVESTMENTS LIMITED(10%), CYCLE TECHNLOGIES COMPANY LIMITED(3%) , TAI-TECH ADVANCED ELECTRONICS(13.5%)

(4) Disclosure of information on the professional qualifications of directors and supervisors and the independence of independent directors:

Conditions Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Number of public companies serving as an independent director
Representative: Ming-Yen Hsieh, Northwest Investment Corporation	Good at leadership, operational judgment, business management, crisis management, and having industry knowledge and international market knowledge	Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	0
Representative: Yu-Hsiang Hsieh Yu, Heng Yang Investment Corporation	Experience in business management	Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	0

Representative: CHEN CHIN SHENG; Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	Good at leadership, operational judgment, business management, crisis management, and having industry knowledge and experience in international markets	Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	0
Chien-Jung Lin	Experience in business management and industry knowledge	Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	0
Chih-Cheng Hung	Experience in business management	Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	0
Kuei-Kuang Huang	Experience in business management and industry knowledge	Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	0
Yu-Tsun Li	Chairman, TDK Corporation; over 38 years of experience in business management and industry knowledge		0
Yang-Pin Shen	Currently an associate professor at the School of Management of Yuan Ze University, a private institution; having than 31 years of teaching experience		2
Yi-Chun Chiang	Currently an attorney at Premium Attorneys-at-Law; having more than 29 years of working experience as a lawyer		1

II. Diversity and independence of the Board of Directors:

(I) Board of Directors' Diversity: Describe the Board of Directors' diversity policies, goals, and achievements. Diversity policies include but are not limited to the composition or ratio director of selection criteria, professional qualifications and experience that the Board of Directors should have in terms of gender, age, nationality and culture, etc.; and the Company's specific goals and our achievement of the previously disclosed policies are described here.

I. The Company's Board of Directors Diversity Policy and Objectives

In order to strengthen the functions and decision-making quality of the Board of Directors, the Company has formulated a Board Diversity Policy and is committed to establishing a Board of Directors team with diverse professional backgrounds, experiences, genders, ages and cultures to enhance corporate governance and operational performance.

II. Director Selection Criteria and Board Composition

(I) Director Selection Criteria

When selecting directors, the Company not only complies with relevant laws and regulations, but also emphasizes that candidates should possess professional knowledge, business management experience, crisis management capabilities, international market vision and leadership, and considers the diversity of the gender, age, nationality and cultural background of the Board of Directors as a whole.

(II) Professional Qualifications and Experience of Board Members

The current board members have diverse backgrounds including business management, law, finance, and academic education to meet the needs of the Company's operations and strategic development.

(III) Diversity in Gender, Age and Nationality

The current gender composition of the Company's Board of Directors is that female directors account for less than one-third of the total. The main reason for this is that the selection of directors has always been based on professional ability and experience, which is limited by the gender ratio of talents with professional

backgrounds in the industry. The Company recognizes the importance of female directors to the diversity of the Board and will actively promote and increase the participation of female directors in the future, including expanding the selection scope of director candidates and setting specific goals. In terms of age, the age distribution of current directors is diverse, including middle-aged and senior people, ensuring that the board of directors strikes a balance between experience inheritance and innovative perspectives. In terms of nationality and cultural diversity, the Company currently mainly consists of local directors. In the future, the company will gradually increase the proportion of directors with international backgrounds depending on the company's global development needs.

III. Specific Goals and Achievements of Diversity of Board of Directors

The specific goals of the Company's Board of Directors diversity are:

- (I) Continuing to increase the number of female directors and strive to gradually increase the proportion of female directors in future director elections.
- (II) Enhancing the diversity of professional fields of the Board of Directors and continuing to recruit board members with international market and innovation experience.

At present, the Company has partially achieved the above goals. For example, the Board of Directors already has members with legal, educational, business management and industry professional backgrounds. In the future, we will continue to promote the implementation of the Board of Directors' diversity policy to improve the company's overall governance level and operating results.

- (II) Independence of the Board of Directors: State the number and proportion of independent directors, and further explain that the Board of Directors is independent while stating with reasons whether any of the circumstances are present for the Board of Directors as stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including a description of any spousal relationship or family relationship within the second degree of kinship among directors or between directors and supervisors.

The Company currently has 3 independent directors, accounting for more than one-third of the total number of seats on the Board of Directors, which exceeds the statutory requirement and ensures that the Board of Directors has a high degree of independence. In addition, the Chairman of the Company and one of the directors are related within the first degree of mother-son relationship, while the other directors are not related within the second degree of kinship, which complies with the requirements of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act, and can effectively implement an independent and objective decision-making mechanism to further enhance the effectiveness of corporate governance.

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have accounting or finance expertise, they should state their accounting or finance background and work experience. In addition, indicate whether they do not exhibit any of the circumstances specified under Article 30 of the Company Act.

Note 2: Independent directors should state their conformity to status of independence, including but not limited to whether one's self, spouse, or relatives within the second of kinship serve as directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held by oneself, a spouse, or relatives within the second degree of kinship (or held under the names of others); whether one serves in the position of director, supervisor, or employee of a company that has a specified relationship with the Company (in reference to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(II) Information on the President, vice presidents, associate managers, and supervisors of various departments and branches

Book closure date: March 25, 2025; Unit: Shares

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shares held		Spouse and minor children holding shares		Total shares held by proxy		Principal Experience (Education)	Current adjunct positions at other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
President and Supervisor of Occupational Health and Safety Office	Republic of China	Ming-Liang Hsieh	Male	2009.02.06	746,868	0.73%	135,027	0.13%	2,000,000	1.96%	PhD in Physics, Imperial College of Science, Technology and Medicine, University of London (now renamed as Imperial College London) MSc Semiconductor Science and Technology, Imperial College of Science, Technology and Medicine, University of London (now renamed as Imperial College London) Master's degree, In-service Class (EMBA), Master of Finance, National Taiwan University Master's degree, Institute of Optoelectronic Engineering, National Chiao Tung University Bachelor of Physics, Chung Yuan Christian University Manager of Device 2 Department, Integrated Technology Development Office, UNITED MICROELECTRONICS CORP.	Director, TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. Supervisor, Heng Yang Investment Corporation Director, TAIPAQ Electronic Components (Si-Hong) Co., Ltd. Supervisor, Hsieh Heng Te Investment Corporation Chairman and Director, Jiayu Investment Co., Ltd. Supervisor, JDX Technology Co., Ltd.	Sales and Marketing Group Associate Manager	Ming-Chi Hsieh	Brother	—
President, TAIPAQ Plant	Republic of China	Lung-Wang Chang	Male	2011.03.15	576,358	0.56%	—	—	—	—	Mechanical Engineering Department of Jianxing Engineering College Production Technology Engineer, MAG. LAYERS Scientific-Technics Co., Ltd.	Texecutive Manager, AIPAQ Electronic Components (Si-Hong) Co., Ltd. Director, TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	—	—	—	—

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shares held		Spouse and minor children holding shares		Total shares held by proxy		Principal Experience (Education)	Current adjunct positions at other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of Shares	Share holding ratio	Number of Shares	Share holding ratio	Number of Shares	Share holding ratio			Title	Name	Relationship	
Chief Operating Officer	Republic of China	Pao-Lin Shen Qiu (Note 1)	Male	2016.12.05	—	—	106,120	0.10%	—	—	United Engineering College Electrical and Electric Power Division TV Manufacturing Engineer, Sampo Corporation Inductor Production Engineer, Prosperity Dielectrics Co., Ltd.	Director, JDX Technology Co., Ltd. Director	—	—	—	—
Director, Product Planning Management Office	Republic of China	Yi-Ju Lin	Male	2012.05.01	54,258	0.05%	32,356	0.03%	—	—	Kunshan Industrial and Commercial College Engineering Management Department Multilayer products Manufacturing Manager, Tai-Tech Advanced Electronics	Director, TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. Supervisor, Juda International Technology Co., Ltd.	Manager, Production and Management Department	Yi-Ting Huang	Spouse	—
Associate Manager, Product Planning Management Office	Republic of China	Chi-Ming Tseng	Male	2016.12.05	78,600	0.08%	—	—	—	—	Kainan Commercial and Civil Engineering Department Director of Business Department, Bull Will Co., Ltd. President, Yaozuan Technology Co., Ltd.	None	—	—	—	—
General Administrator, Product Planning and Management Office	Republic of China	Hsiang-Chung Yang	Male	2011.03.15	192	0.00%	—	—	—	—	Master's degree, Materials Research Institute, National Taiwan University Bachelor of Materials Science and Engineering, Tatung University of Technology R&D Associate Manager, Tecstar Technology	None	—	—	—	—
Corporate Governance Manager Director of Finance Department	Republic of China	Hui-Yu Ho	Female	2011.04.01	40,719	0.04%	—	—	—	—	In-service Master's Program, Department of Finance, National Central University Bachelor of Business Administration, Chung Yuan Christian University Assistant Accountant, Chain Chon Industrial Co., Ltd.	None	—	—	—	—

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shares held		Spouse and minor children holding shares		Total shares held by proxy		Principal Experience (Education)	Current adjunct positions at other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
											Audit Section Chief, Desiccant Technology Corporation					
Audit Supervisor	Republic of China	Ching-Chi Hsieh	Male	2011.04.01	—	—	—	—	—	—	Electronic Application Department of Universal Engineering College Manufacturing Section Chief, Tecstar Technology Co., Ltd.	None	—	—	—	—
Vice President, Sales and Marketing Business Group	Republic of China	Yung-Tzu Li	Male	2011.03.15	197,040	0.19%	23,225	0.02%	—	—	Master of Business Administration, Chung Yuan Christian University Bachelor of Business Administration, Chung Yuan Christian University Associate Manager, Sales Manager, Tai-Tech Advanced Electronics Business Specialist, North West Electric Engineering Tax Specialist, National Tax Administration	Manager, TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. Director, JDX Technology Co., Ltd. Director	—	—	—	—
Associate Manager, Sales and Marketing Group	Republic of China	Ming-Chi Hsieh	Male	2011.04.01	750,481	0.74%	307,972	0.30%	2,000,000	1.96%	Bachelor of Electrical and Electronic Engineering, Sussex University (UK) R&D Director, TAI-TECH Advanced Electronics	Director, Heng Yang Investment Corporation Director, Hsieh Heng Te Investment Corporation Chairman and Director, Pinchen Investment Co., Ltd.	President and Supervisor of Occupational Health and Safety Office	Ming-Liang Hsieh	Brother	—
Deputy Director, Sales and Marketing Group	Republic of China	Tze-Chun Chan (Note 2)	Male	2016.03.01	45,212	0.04%	—	—	—	—	Electronic Department, Dahua Industrial and Commercial College Business Director, Feite Technology Co., Ltd.	None	—	—	—	—
Deputy Director,	Republic of China	Shi-Ru Wen	Female	2023.12.07	10,000	0.01%	—	—	—	—	Department of International Trade, Hsing Wu University	None	—	—	—	—

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shares held		Spouse and minor children holding shares		Total shares held by proxy		Principal Experience (Education)	Current adjunct positions at other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks	
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship		
Sales and Marketing Group																	
Deputy Director, Sales and Marketing Group	Republic of China	Po-Yu Chen	Male	2023.12.07	11,000	0.01%					Department of International Trade, Ling Tung College of Business Sales Manager, Tai-Tech Advanced Electronics	None	—	—	—	—	
Deputy Director, Sales and Marketing Group	Republic of China	Chien-Yu Peng	Female	2023.12.07	17,500	0.02%	—	—	—	—	Bachelor of Business Administration, Chung Yuan Christian University Manager, Marketing and Operating Department, Tai-Tech Advanced Electronics	None	—	—	—	—	
Director, R&D Center	Republic of China	Chun-Te Tsou (Note 4)	Male	2011.07.01	77,690	0.08%	7,987	0.01%	—	—	Electronics Division, Hsinpu Institute of Technology Papermaking Specialist, Yuen Foong Yu Product Development Manager, Tai-Tech Electronics	None	—	—	—	—	
Director, Production Division	Republic of China	Chia-Hung Chang	Male	2020.08.01	12,000	0.01%	—	—	—	—	Bachelor of Environmental Engineering, Nanya Institute of Technology Engineer, Production Department Engineer, Taicheng Technology Section Chief, No. 2 Wire-Wound Section, Tai-Tech Advanced Electronics Deputy Manager, Precision Wire-Wound Section, Tai-Tech Advanced Electronics	None	—	—	—	—	
Director, R&D Center	Republic of China	Pai-Hsuan Chung	Male	2011.03.15	9,000	0.01%	66,000	0.06%	—	—	Bachelor of Biology, Tunghai University	Supervisor, TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd.	—	—	—	—	

Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shares held		Spouse and minor children holding shares		Total shares held by proxy		Principal Experience (Education)	Current adjunct positions at other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
		(Note 5)									R&D Manager, Tai-Tech Advanced Electronics Co., Ltd.					
Director, R&D Center	Republic of China	Cheng-Han Yu (Note 3)	Male	2024.08.01							Master of Microwave Radar Telemetry, Graduate Institute of Space Science, National Central University Senior Engineer, Magnetics Business Section, Delta Electronics Corporation Senior Manager of Power Product Center Division of INPAQ Technology Co., Ltd. OF Walsin Technology Group					

Note:

- (1) Mr. Bao-Lin Shen changed his name to Mr. Bao-Lin Shen Qiu
- (2) Deputy Director Chi-Chun Chan resigned on May 1, 2024.
- (3) Mr. Cheng-Han Yu, the former Chief Administrator of Product Planning and Management Office, was reassigned to Director of R&D Center on August 1, 2024.
- (4) Mr. Chun-De Zhou, Director of the R&D Center, retired on February 1, 2025.
- (5) Mr. Pai-Hsuan Zhong, former Director of Quality Assurance Department, changed his position on February 1, 2025 to Director of R&D Center.

(III) Remuneration paid to directors (including independent directors), supervisors, the president, and vice president(s) in the most recent year

(1) Remuneration paid to directors and independent directors

December 31, 2024; Units: NT\$ thousand

Title	Name	Directors' remuneration						Ratio of the total amount of A, B, C and D vs. net profit after tax	Remuneration from concurrently serving as employees						Ratio of the total amount of A, B, C, D, E, F, and G vs. net profit after tax	Remuneration received from investee companies outside of subsidiaries, or from the parent company				
		Remuneration (A)		Retirement pensions (B)		Remuneration for directors (C)			Salaries, bonuses, special expenditures, etc. (E)		Retirement pensions (F)		Employee compensation (G)							
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statement	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements			
Chairman	Northwest Investment Corporation Representative: Ming-Yen Hsieh	—	—	—	—	12,908	12,908	514	514	13,422 1.79%	13,422 1.79%	9,617	12,114	262	262	—	—	23,301 3.11%	25,798 3.45%	None
Director	Heng Yang Investment Corporation Representative: Yu-Hsiang Yu Hsieh	—	—	—	—	12,908	12,908	514	514	13,422 1.79%	13,422 1.79%	9,617	12,114	262	262	—	—	23,301 3.11%	25,798 3.45%	
Director	Chien-Jung Lin	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Director	Chih-Cheng Hung	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Director	Kuei-Kuang Huang	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

Director (Note)	Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank; Representative: CHEN CHIN SHENG																							
Independent Director	Yu-Tsun Li																							
Independent Director	Yang-Pin Shen	1,296	1,296	—	—	—	—	236	236	1,532 0.20%	1,532 0.20%	—	—	—	—	—	—	—	—	1,532 0.20%	1,532 0.20%	None		
Independent Director	Yi-Chun Chiang																							
<p>1. Please state the policies, systems, standards and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration of independent directors adopts a fixed payment system and does not participate in the distribution of directors' remuneration in accordance with the Articles of Incorporation. The main consideration is to maintain independence to facilitate the performance of supervisory functions. Every year, independent directors of the Company participate in at least four Board of Directors meetings, four Audit Committee meetings, and two Remuneration Committee meetings. Moreover, in order to implement the integrity of business operations, independent directors review internal audit reports every month and regularly communicate with the internal audit supervisor and with CPAs regarding internal controls and financial statements. Please refer to "Operation of the Audit Committee" for details of these communications.</p> <p>2. Other than the content revealed in the table above, remuneration received by directors of the Company for their services in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company): None.</p>																								

Table of Remuneration Scales

Range of remuneration paid to each director of the Company	Director name			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang	Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang	Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang	Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Yu-Hsiang Yu Hsieh, Kuei-Kuang Huang,	Yu-Hsiang Yu Hsieh, Kuei-Kuang Huang,	Yu-Hsiang Yu Hsieh, Kuei-Kuang Huang,	Yu-Hsiang Yu Hsieh, Kuei-Kuang Huang,

	Chien-Jung Lin, Chih-Cheng Hung, Chin-Sheng Chen			
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	—	—	—	—
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Ming-Yen Hsieh	Ming-Yen Hsieh	—	—
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	—	—	Ming-Yen Hsieh	—
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—	—	Ming-Yen Hsieh
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	9 persons	9 persons	9 persons	9 persons

(2) Remuneration paid to President and vice president(s)

December 31, 2024; Units: NT\$ thousand; shares; %

Title	Name	Salary (A)		Retirement pensions (B)		Bonuses and allowances (C)		Employee compensation amount (D)				Ratio of the total amount of A, B, C and D vs. net profit after tax (%)	Remuneration received from investee companies outside of subsidiaries, or from the parent company		
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements					
								Amount in cash	Amount in shares	Amount in cash	Amount in shares				
President	Ming-Liang Hsieh												—		
Chief Operating Officer	Pao-Lin Shen Qiu (Note)	7,282	7,282	324	324	4,815	4,815	3,197	—	3,197	—	15,618 2.09%	15,618 2.09%		
Vice President, Sales and Marketing Business Group	Yung-Tzu Li												—		

Note: Mr. Bao-Lin Shen changed his name to Mr. Bao-Lin Shen Qiu.

Table of Remuneration Scales

Range of remunerations paid to President and vice president(s)	Names of President and vice president(s)	
	The Company	All companies included in the financial statements (E)
Less than NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Yung-Tzu Li	Yung-Tzu Li
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Pao-Lin Shen Chiu, Ming-Liang Hsieh	Pao-Lin Shen Chiu, Ming-Liang Hsieh
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—
Total	3 persons	3 persons

(4-1) Remuneration of listed company top five supervisors with the highest remunerations (Note 1)

Title	Name	Salary (A) (Note 2)		Retirement pensions (B)		Bonuses and allowances (C) (Note 3)		Employee compensation amount (D) (Note 4)				Ratio of the total amount of A, B, C and D vs. net profit after tax (%) (Note 6)		Remuneration received from investee companies outside of subsidiaries, or from the parent company (Note 7)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements (Note 5)	
President	Ming- Liang Hsieh	2,951	2,951	108	108	1,819	1,819	1,192	0	1,192	0	6,070 0.81%	6,070 0.81%	None
Chief Operating Officer	Pao- Lin Shen Qiu (Note 8)	2,431	2,431	108	108	1,730	1,730	1,184	0	1,184	0	5,453 0.73%	5,453 0.73%	None
President, TAIPAQ Plant	Lung- Wang Chang	1,728	2,792	108	108	1,109	2,643	702	0	702	0	3,647 0.49%	6,245 0.83%	None
Vice President, Sales and Marketing Business Group	Yung- Tzu Li	1,899	1,899	108	108	1,267	1,267	821	0	821	0	4,095 0.55%	4,095 0.55%	None
Director, Product Planning Management Office	Yi-Ju Lin	1,418	1,418	100	100	1,206	1,206	859	0	859	0	3,583 0.48%	3,583 0.48%	None

Note 1: In the "top five supervisors with the highest remuneration" mentioned here, "supervisor" indicates a manager of the Company, and criteria for identification of the relevant managers are handled in accordance with the scope of the application of "managers" stipulated by the former Securities and Futures Commission of the Ministry of Finance in letter Taicaizheng San Zi No. 0920001301 dated March 27, 2003. As for principles of calculation and determination of the "top five supervisors with the highest compensation," this refers to the total amounts of salaries, retirement pensions, bonuses, special expenses, etc., as well as employee compensation (in other words, the total of four items A+B+C+D) that are received by the Company's managers from all companies in the consolidated financial statements; and after this data is sorted, the top five managers with the highest compensations will be identified. If a director concurrently serves as one of the aforementioned supervisors, this table and the above Table (1-1) should be filled out.

Note 2: Fill in the salaries, position bonuses, and severance pay of the top five supervisors with the highest remunerations in the most recent year.

Note 3: In the series, fill in the amount of each type of bonus, incentive, transportation fees, special expenses, each type allowances, housing, vehicles, and other in-kind provisions and other remuneration amounts provided to the top five supervisors by remuneration amount. For example, when providing housing, vehicles, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided and the actual or fair market value of rent, fuel, and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but do not include it in the remuneration amount. In addition, salary expenses recognized in accordance with IFRS 2 "Share-Based Payments," including employee stock option certificates, employee restricted shares, and participation in cash capital increase subscription shares, etc., should also be included in the remuneration amount.

Note 4: Fill in the amounts of employee compensation of the top five supervisors with the highest compensation as approved by the Board of Directors in the most recent year (including stock and cash). If an estimate cannot be made, the proposed distribution amount for this year shall be calculated according to the proportion of the actual distribution amount of the prior year, and the attached Table 1-3 should be filled out as well.

Note 5: Disclosure should be made of the total amount of remuneration paid by all companies in the consolidated statements (including the Company) to the top five supervisors with the highest remunerations of the Company.

Note 6: Net profit after tax refers to the net profit after tax for the most recent year in the parent company only or standalone financial statement.

Note 7: a. This column should clearly fill in the amount of remuneration related to the top five top supervisors of the Company who received the remuneration from reinvested subsidiaries or from the parent company. (If there is none, then please fill in "none.").

b. Remuneration refers to remuneration and rewards received by the Company's top five supervisors with the highest remunerations in serving as a director, supervisor, or manager of a investee companies outside of subsidiaries, or from the parent company (including remuneration of employees, directors and supervisors) as well as remuneration related to business execution costs and so on.

* The content of remuneration disclosed in this table is different from income defined by income tax laws. Therefore, the purpose of this table is for information disclosure and not for tax purposes.

Note 8: Mr. Bao-Lin Shen changed his name to Mr. Bao-Lin Shen Qiu.

(3) Names of managerial officers entitled to employee compensation and amounts entitled

December 31, 2024; Units: NT\$ thousand

	Title	Name	Amount in shares	Amount in cash	Total	As percentage of income after tax (%)
Manager	President	Ming-Liang Hsieh	—	10,162	10,162	1.36%
	President, TAIPAQ Plant	Lung-Wang Chang				
	Chief Operating Officer	Pao-Lin Shen Qiu (Note 1)				
	Director, Product Planning Management Office	Yi-Ju Lin				
	Associate Manager, Product Planning Management Office	Chi-Ming Tseng				
	General Administrator, Product Planning and Management Office	Hsiang-Chung Yang				
	Corporate Governance Manager and Director of Finance Department	Hui-Yu Ho				
	Audit Supervisor	Ching-Chi Hsieh				
	Vice President, Sales and Marketing Business Group	Yung-Tzu Li				
	Associate Manager, Sales and Marketing Group	Ming-Chi Hsieh				
	Deputy Director, Sales and Marketing Group	Tze-Chun Chan (Note 2)				
	Deputy Director, Sales and Marketing Group	Shi-Ru Wen				
	Deputy Director, Sales and Marketing Group	Po-Yu Chen				
	Deputy Director, Sales and Marketing Group	Chien-Yu Peng				
	Director, R&D Center	Chun-Te Tsou (Note 4)				
	Director, Production Division	Chia-Hung Chang				
	Director, R&D Center	Pai-Hsuan Chung (Note 5)				
	Director, R&D Center	Cheng-Han Yu (Note 3)				

Note: (1) Mr. Bao-Lin Shen changed his name to Mr. Bao-Lin Shen Qiu

(2) Deputy Director Chi-Chun Chan resigned on May 1, 2024.

(3) Mr. Cheng-Han Yu, the former Chief Administrator of Product Planning and Management Office, was reassigned to Director of R&D Center on August 1, 2024.

(4) Mr. Chun-De Zhou, Director of the R&D Center, retired on February 1, 2025.

(5) Mr. Pai-Hsuan Zhong, former Director of Quality Assurance Department, changed his position on February 1, 2025 to Director of R&D Center.

(IV) Comparison and analysis of the total remuneration paid to directors, supervisors, presidents, and vice presidents of the Company in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the after-tax net profits reported in the parent company only or standalone financial reports; Policies, standards and packages, the procedure for determining remuneration, and their linkage to operating performance and future risks:

(1) Analysis of the total of the remuneration paid to directors, the President, and vice presidents in the most recent two years as a percentage of net profits after tax:

Unit: NT\$ thousand; %

Item Title	The Company				All companies in the consolidated statements			
	2023		2024		2023		2024	
	Total amount	As a percentage of net income after tax (%)	Total amount	As a percentage of net income after tax (%)	Total amount	As a percentage of net income after tax (%)	Total amount	As a percentage of net income after tax (%)
Directors' remuneration	19,821	3.34	23,301	3.11	22,893	3.86	25,798	3.45
Remuneration to President and Vice Presidents	14,006	2.36	15,618	2.09	14,006	2.36	15,618	2.09
Net income after tax	593,383	-	748,155	-	593,383	-	748,155	-

A. Overview of net profit after tax and directors' remuneration in the most recent two years

The changes in the Company's after-tax net profit and directors' remuneration (including related remuneration received by part-time employees) for 2023 and 2024 are as follows:

1. 2024: Net profit after tax was NT\$ 748,155 thousand, an increase of 26.0% over 2023.

Directors' remuneration was NT\$ 25,798 thousand, accounting for 3.45% of net profit after tax.

2. 2023: Net profit after tax is NT\$593,383 thousand. Directors' remuneration was NT\$22,893 thousand, accounting for 3.86% of net profit after tax.

B. Analysis of changes in net profit after tax and directors' remuneration

Compared to 2023, after-tax net profit for 2024 increased by NT\$154,103 thousand (26.0%), and directors' remuneration also increased by NT\$2,610 thousand (10.7%) as overall operating

performance improved. However, as the profit growth this year was higher than the director's remuneration growth, the director's remuneration as a percentage of net profit after tax decreased from 4.12% in 2023 to 3.62% in 2024, indicating that the increase in director's remuneration maintained an appropriate proportion to the company's profit performance, in line with the principle of rationality.

(2) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(I) Remuneration policies, standards, and packages

1. Directors' remuneration is based on the Company's "Remuneration and Reward Measures for Directors". Directors' compensation for performance of duties is determined by the Remuneration Committee based on an individual director's extent of participation and value of contribution, and by reference to prevailing industry payment standards. In addition, according to Article 26-1 of the Company's Articles of Incorporation, if the Company has earnings in a year, the Company shall distribute no greater than 2% of such earnings as directors' remuneration. In addition, the Company, being it in profit or loss, must pay independent directors a monthly fixed amount of compensation for their performance of duties. Such compensation may be adjusted by the Remuneration Committee by looking at the extent of their participation in the Company's operations and the value of their contribution. Independent directors do not participate in the distribution of profit-sharing remuneration to directors.
2. Managers' remuneration is based on the Company's "Regulations for Management of Employee Remuneration", which specifies a variety of work allowance and bonus to appreciate and reward employees for their performance at work. Bonus is determined based on the Company's operating performance, financial position, and operating status in the year and an employee's personal performance. In addition, according to Article 26-1 of the Company's Articles of Incorporation, if the Company has earnings in a given year, the Company shall distribute no less than 6% of such pre-tax earnings to employees as employees' compensation - which will be distributed in the middle of the following year - and shall allocate a certain percentage of the post-tax earnings of the year as year-end bonus. In doing so, the Company reflects business performance and achievements properly in employees' remuneration, which will be paid by looking at employees' performance results as well. The Company determines the payment of bonus to managers based on the results of performance evaluation carried out by the Company's "Regulations for Evaluation of Employees' Performance". Criteria for evaluating managers' performance are broken down into two categories: 1. Financial indicators, which represent the achievement of tasks allocated to each department based on the Company's set organizational goals; and 2. Non-financial indicators, which include implementation of the Company's core values, operational and administration capability, innovation (business revolution) capability, teamwork

coordination capability, major issues analysis and decision-making capability, and the capability for granting authorization and supervising and helping staff's growth.

3. The Company's remuneration packages, which are specified in the Remuneration Committee Charter, include cash compensation, stock warrants, cash dividends and stock dividends, retirement benefits or severance pay, various types of allowances, and other practical reward measures; the scope of remuneration packages is consistent with that specified in the "Regulations Governing Information to be Published in Annual Reports of Public Companies".

(II) Procedures for determining remuneration

1. To regularly evaluate the remuneration of directors and managers, the Company applies its "Rules for Performance Evaluation of Board of Directors" to directors performance evaluation and its "Regulations for Evaluation of Employees' Performance" to employees performance evaluation. In addition, the Chairman's remuneration is formulated in relation to the Company's operational performance indicators, according to its "Remuneration and Reward Measures for Directors".
2. The Remuneration Committee and Board of Directors regularly evaluate and review the rationality of performance evaluation and remuneration of directors and managers by referring to personal performance achievement rate and extent of contribution to the Company, taking into account the Company's overall business performance, future risks facing the industry, and future industry development. The remuneration system may be adjusted at any time depending on the actual operational status and relevant laws and regulations. Reasonable compensation will be given after factoring in the current corporate governance trend, so as to strike a balance between sustainable management and risk control. The eventually amount of distributed remuneration to directors and employees of 2022 was first reviewed by the Remuneration Committee and then approved by the Board of Directors.

(III) Association with business performance and future risks:

1. Reviews of the remuneration payment standards and systems related to the remuneration policy are largely based on the Company's overall operating status, with the payment standards approved based on performance achievement rate and contribution, to heighten the overall team effectiveness of the board of directors and management departments. The Company also references the industry's remuneration standards in order to ensure a competitive salary for its management, so that it can maintain excellent management talents.
2. The performance goals assigned to the Company's managers also reflect the essence of "risk control", so as to ensure management and prevention of the risks likely to arise from their scope of duties. A performance rating is given based on their actual performance, and correlates with human resource policy and remuneration policy.

All decisions taken by the Company's top management are taken after a thorough assessment of all potential risks. The effectiveness of pertinent decisions is demonstrated in the company's financial performance, thus the remuneration of the managerial level is connected to the performance of risk management.

II. Corporate Governance Operations

(I) Operation of the Board of Directors

The Board of Directors held 09 meetings in the most recent year and the current year (as of March 25, 2025). The attendance of directors is as follows:

Title	Name	Actual attendance rate	Frequency of attendance	Actual attendance (observation) rate (%)	Remarks
Chairman	Northwest Investment Corporation Representative: Ming-Yen Hsieh	09	0	100	Re-elected
Director	Heng Yang Investment Corporation Representative: Yu-Hsiang Hsieh Yu	09	0	100	Re-elected
Director (Note)	Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank; Representative: CHEN CHIN SHENG	09	0	100	Re-elected
Director	Chien-Jung Lin	08	1	89	Re-elected
Director	Chih-Cheng Hung	09	0	100	Re-elected
Director	Kuei-Kuang Huang	09	0	100	Re-elected
Independent Director	Yu-Tsun Li	07	2	78	Re-elected
Independent Director	Yang-Pin Shen	09	0	100	Re-elected
Independent Director	Yi-Chun Chiang	09	0	100	Re-elected

Other matters to be recorded:

I. If any of the following occurs in the operation of the Board of Directors, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:

- Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee in accordance with the law. In accordance with Article 14-5, Paragraph 1 of the Securities and Exchange Act, the provisions of Article 14-3 of the same Act do not apply.
- Other than the aforementioned matters, any other objections or qualified opinions from independent directors that are recorded or declared in writing: None

II. For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting:

Period and Date of	Proposal content	Director name	Reason for	Voting and
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	the Board of Directors		Recusal due to Conflicts of Interest	participation	
The 14th session of the 13th term January 23, 2024	<p>Monthly salary structure and payment amount of the Chairman and managers of the Company and its subsidiaries for 2024.</p> <p>Distribution of the year-end performance bonus of Company's Chairman for 2023</p> <p>Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2023</p> <p>Distribution of the year-end operational performance bonuses of managers of the Company and subsidiaries for 2024</p>	<p>Chairman Ming-Yen Hsieh Director Yu- Hsiang Hsieh Yu</p>	Directors with vested interests and kinship of first degree shall recuse themselves according to laws	Recused and did not participated	
The 18th session of the 13th term July 29, 2024	The Company's proposal for distribution of directors' (excluding independent directors) remuneration for 2023	<p>Chairman Ming-Yen Hsieh Director Yu- Hsiang Hsieh Yu Chin-Sheng Chen Chien-Jung Lin Kuei-Kuang Huang Chih-Cheng Hung</p>	Directors have a vested interest	Recused and did not participated	
The 19th session of the 13th term October 1, 2024	Appointment of directors and managers of the subsidiary	<p>Chairman Ming-Yen Hsieh Director Yu- Hsiang Hsieh Yu</p>	Directors with kinship of first degree shall recuse themselves according to laws	Recused and did not participated	
The 21st session of the 13th Board of Directors January 21, 2025	Monthly salary structure and payment amount of the Chairman and managers of the	<p>Chairman Ming-Yen Hsieh Director Yu- Hsiang Hsieh</p>	Directors with vested interests and	Recused and did not participated	

	Company and its subsidiaries for 2025.	Yu	kinship of first degree shall recuse themselves according to laws	
	Distribution of the year-end performance bonus of Company's Chairman for 2024			
	Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2024			

III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) assessment that should be disclosed by TWSE/TPEx listed companies:

The Company established the "Guidelines for Evaluation of Board of Directors Performance" in August 2020 and plans to conduct a self-evaluation every year starting from 2020. The results of the 2024 evaluation were reported to the Board of Directors on February 24, 2025.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once per year	Evaluation of the Board's performance from January 1, 2024 to December 31, 2024,	Including performance evaluations of the Board of Directors, individual Board members, and functional committees	Internal self-evaluation of the Board of Directors and self-evaluations of Board members	<p>(1) Board performance evaluation: This must include at a minimum the degree of participation in the Company's operations, the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous education of directors, and internal control.</p> <p>(2) Individual Board member performance evaluations: These must include at a minimum the mastery of the Company's goals and tasks, the directors' awareness of responsibilities, the degree of participation in the Company's operations, management and communication of internal relations, directors' professional and continuous education, and internal control.</p> <p>(3) Performance evaluation of functional committees (Audit Committee and Remuneration Committee: degree of participation in the Company's operations, awareness of the functional committee's responsibilities, decision-making quality of the functional committee, composition and member selection of the functional committee, and internal control.</p>

IV. Evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g. setting up an Audit Committee, enhancing information transparency, etc.), and measures taken toward achievement thereof: The Company has revised the Rules of Procedure for Board of Directors Meetings; and they are revised regularly to effectively establish the governance system of the Board of Directors, improve its supervisory function, and strengthen its management mechanisms. Furthermore, the Board of Directors established the "Standard Operating Procedures for Handling Directors' Requests" on August 7, 2020 in order to strengthen the functions of the Board of Directors.

(II) Operation of the Audit Committee:

1. Operation of the Audit Committee

1. Three independent directors are elected at the Company's General Shareholders' Meeting, and shall form the Audit Committee, which shall meet once a quarter, and is responsible for the fair presentation of the Company's financial statements, the selection (dismissal), independence, and performance of the Company's certified public accountants (CPAs), the effective implementation of the Company's internal control, the Company's compliance, and the Company's control of existing or potential risks. The Committee's major powers and duties are as follows:

- (1) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (4) A matter bearing on the personal interest of a director.
- (5) A material asset or derivatives transaction.
- (6) A material monetary loan, endorsement, or provision of guarantee.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The hiring or dismissal of an attesting CPA, or the compensation given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
- (10) Annual financial reports which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- (11) Any other material matter so required by the Company or the Competent Authority.

2. The Audit Committee has met 9 times (A) in the current year and the immediately preceding year (as of March 25, 2025). The attendance of independent directors is as follows:

Title	Name	Actual number of attendances (b)	Frequency of attendance	Actual attendance rate (%) (b/a) (note)	Remarks
Independent director / Convener	Yang-Pin Shen	9	0	100	Re-elected
Independent Director	Yu-Tsun Li	7	2	78	Re-elected
Independent Director	Yi-Chun Chiang	9	0	100	Re-elected

Other matters to be recorded:

I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of independent directors should be stated, as well as contents of reserved opinions or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act: Period of the Board of Directors	Date	Proposal content	Audit Committee Resolution Results	The Company's handling of the Audit Committee's opinions
The 14h session of the 13th Board of Directors	January 23, 2024	Ratification of the Company's Statement of Internal Control Systems for 2023. Citibank (Taiwan) line of credit renewal and TAIPAQ Electronic Components (Si-Hong) Co., Ltd. endorsement/guarantee Renewal of the financing facility contract of endorsement/guarantee with HSBC (Taiwan) Commercial Bank. Approval for Fixed Rock Holding Ltd. to lend funds to TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Approved by all members present	Approved by all directors present
The 15th session of the 13th Board of Directors	February 26, 2024	Ratification of 2023 business report and financial statements and consolidated financial statements		Approved by all directors present
		Evaluation of independence of the CPA and appointed remuneration for 2024.		
		The Company's plan to amend the "Procedures for Authorization Management"		
The 16th session of the 13th Board of Directors	May 6, 2024	Proposal on recognition of consolidated financial statements for the first quarter of 2024. The Company's intended amendment of the sales and collection cycle and payroll cycle under the "Internal Control System".	Approved by all members present	Approved by all directors present
The 17th session of the 13th Board of Directors	July 9, 2024	The Company's intended transactions to purchase land and factory		Approved by all directors present
The 18th session of the 13th Board of Directors	July 29, 2024	Proposal on recognition of consolidated financial statements for the second quarter of 2024.	Approved by all members present	Approved by all directors present
Capital increase for TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.				
Termination of agreement of loan for Beixin International Co., Ltd..				
Agreement of loan for subsidiaries..				
The base date for converting convertible corporate bonds into common shares for the second quarter of 2024 has been determined.				
The 19th session of the 13th	October 1, 2024	The Company intends to acquire the common shares of SUPERWORLD HOLDINGS (S) PTE. LTD.	Approved by all members present	Approved by all directors present

Board of Directors				
The 20th session of the 13th Board of Directors	November 6, 2024	<p>Proposal on recognition of consolidated financial statements for the second quarter of 2024.</p> <p>Renewal of credit lines</p> <p>Proposal on submission of the 2025 annual audit plan.</p> <p>The Company intends to amend the "Internal Control System", guidelines for internal audit, and other management systems</p>	Approved by all members present	Approved by all directors present
The 21st session of the 13th Board of Directors	January 21, 2025	<p>Proposal to approve the Company's proposed Statement of Internal Control Systems for 2024.</p> <p>Proposal on credit line by banks.</p> <p>Agreement of loan for subsidiaries..</p>	Approved by all members present	Approved by all directors present
The 22nd session of the 13th Board of Directors	February 24, 2025	<p>Ratification of 2024 business report and financial statements and consolidated financial statements.</p> <p>2025 independence evaluation and appointment and remuneration of the Company's CPAs.</p> <p>The Company intends to conduct a private placement of common shares.</p>	Approved by all members present	Approved by all directors present

(II) Further to the aforementioned matters, motions rejected by the Audit Committee but passed by the Board at the consent of more than 2/3 of the Directors: No such situation.

II. For recusal of independent directors from motions due to conflicts of interest, specify the names of the independent directors, the content of the motions, the reasons for recusal, and the participation in voting: No such situation

III. Communication between independent directors and internal audit supervisors and accountants (including major issues, methods and results of communication about the Company's financial and business conditions): The independent directors of the Company have direct communication channels with the internal audit supervisors and CPAs, and communication is good. In addition, the Company also invites accountants and audit supervisors to attend meetings of the Audit Committee, and invites relevant department heads to attend as needed. Audit supervisors submit audit reports to the independent directors in accordance with the regulations and report to the Audit Committee.

IV. Meeting and one-on-one communication between independent directors, the internal audit officer, and CPAs.

(I) The Company's Audit Committee is composed of all independent directors, shall meet at least once every quarter, and may meet at any time if necessary.

(II) Meeting and one-on-one communication between independent directors of the Audit Committee and the internal audit officer.

1. Periodically: A meeting with independent directors is held generally around the convention of an Audit Committee meeting or a Board meeting to communicate about internal control issues, report on any anomaly spotted during an audit and on improvement progress, answer

questions raised by independent directors and enhance audit content as instructed by them to ensure effective implementation of the internal control system.

2. Non-periodically: Communication on audit findings and improvement progress is made via phone, e-mail, messaging software or face-to-face meeting to improve the audit value. Any material violation shall be immediately reported to the independent directors.
3. Major communications in 2024 are summarized as follows:

Date	Communication content	Communication results
2024.01.22 (One-on-one communication)	<ol style="list-style-type: none"> 1. Report and communication on the implementation of the Company's audit plan for 2023. 2. Discussion and communication on the procedures and methods for the self-evaluation of the internal control system in 2023. 3. During the 2023 self-evaluation of the internal control system of each subsidiary in the Group, issues discovered were discussed and communicated. The listed issues were not major anomalies and will not affect the issuance of the internal control statement and relevant units have been asked to make improvements. 	<ol style="list-style-type: none"> 1. The independent directors were aware of the content, and they had no objections. 2. The independent directors were aware of the content, and they had no objections. 3. The independent directors were aware of the content, and they had no objections.
2024.01.23	Report on the implementation of the Company's audit plan for the fourth quarter of 2023.	The independent directors were aware of the content, and they had no objections.
	Report on Company's audit plan for the first quarter of 2024.	The independent directors were aware of the content, and they had no objections.
	Report on the self-assessment of the company's 2023 internal control system.	The independent directors were aware of the content, and they had no objections.
	Review of the Company's Statement of Internal Control Systems for 2023.	The independent directors had no objections to the content, and the review and approval were submitted to the Board of Directors.
2024.02.26	The Audit Supervisor attended the audit meeting as non-voting guests and there was no report or discussion.	None.
2024.05.06	Report on the implementation of the Company's audit plan for the first quarter of 2024.	The independent directors were aware of the content, and they had no objections.
	Report on Company's audit plan for the second quarter of 2024.	The independent directors were aware of the content, and they had no objections.

	Amendment of the Company's internal control system sales and collection cycle, and content review to payroll cycle.	The independent directors had no objections to the content, and the review and approval were submitted to the Board of Directors.	
2024.07.09	The Audit Supervisor attended the audit meeting as non-voting guests and there was no report or discussion.	None.	
2024.07.29 (One-on-one communication)	<p>1. Report and communication on the implementation of the Company's audit plan for 2024.</p> <p>2. To report and communicate the status of education and training on internal control and risk management knowledge to managers and employees.</p> <p>3. The parent company's auditors are scheduled to visit the subsidiaries in Mainland China to conduct internal control risk assessments, on-site audits, and on-site inspections.</p> <p>4. The management of sustainable information is incorporated into the internal control system and listed as the implementation status report and communication of audit items in the annual audit plan.</p> <p>5. Report and communicate on the management of listed and unlisted assets.</p>	<p>1. The independent directors were aware of the content, and they had no objections.</p> <p>2. The independent directors were aware of the content, and they had no objections.</p> <p>3. The independent directors expressed their awareness and requested relevant units to make improvements in response to the issues raised.</p> <p>4. The independent directors were aware of the content, and they had no objections.</p> <p>5. The independent directors were aware of the content, and they had no objections.</p>	
2024.07.29	<p>Report on the implementation of the Company's audit plan for the second quarter of 2024.</p> <p>Report on Company's audit plan for the third quarter of 2024.</p>	<p>The independent directors were aware of the content, and they had no objections.</p> <p>The independent directors were aware of the content, and they had no objections.</p>	
2024.10.01	The Audit Supervisor attended the audit meeting as non-voting guests and there was no report or discussion.	None.	
2024.11.06	Report on the implementation of the Company's audit plan for the third quarter of 2024.	The independent directors were aware of the content, and they had no objections.	
	Report on Company's audit plan for the fourth quarter of 2024.	The independent directors were aware of the content, and they had no objections.	
	Review of the Company's 2025 internal audit plan.	After deliberation and consent from the independent directors, the proposals was submitted to the board of directors.	

	Amendments to the Company's rules for internal control system and internal audit, and added other management systems to review the management content of sustainable information.	The independent directors had no objections to the content, and the review and approval were submitted to the Board of Directors.	
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(III) Meeting and one-on-one communication between independent directors of the Audit Committee and CPAs

1. Periodically: CPAs communicate with the independent directors of the Audit Committee on the review/audit plan, implementation status and results around the time the CPAs review the semi-annual report or audit the annual.
2. Non-periodically: A meeting may be held if so necessitated by any single operational or internal control situation that requires immediate discussion.
3. Major communications in 2024 are summarized as follows:

Date	Communication content	Communication results
2024.02.26	Report on the audit of the 2023 consolidated financial statements and parent company only financial statements.	The independent directors were aware of and have no other opinions.
2024.02.26	1. Annual Audit Quality Indicators (AQIs) report. 2. Annual audit report by accountants (communication with governance bodies at the completion stage). 3. Communication on evaluation of the independence and suitability of the Company's attesting CPAs for 113 and the appointment thereof and compensation therefor.	1. The independent directors were aware of and have no other opinions. 2. The independent directors were aware of and have no other opinions. 3. The independent directors had no objections to the content, and the review and approval were submitted to the Board of Directors.
2024.07.29	1. Report on the review of the consolidated financial statements for the second quarter of 2024. 2. Reminder of recent regulatory updates- Introducing recent ESG developments, the internal control system for "sustainable information management" and updates on securities regulations.	1. The independent directors were aware of and have no other opinions. 2. The independent directors were aware of and have no other opinions.
2024.07.29 (One-on-one communication)	Independent directors' inquiry about the audit or review status, including any issues or difficulties encountered during the audit or review and responses from the management.	Well informed.

2. Participation of supervisors in the operation of the Board of Directors:

With the establishment of an audit committee, the Company does not have supervisor and this is therefore inapplicable.

(III) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
I. Has the Company prepared and disclosed Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	v		The Company's Board of Directors formulated the " Corporate Governance Best-Practice Principles" on September 17, 2020. The Board of Directors, functional committees, and management are responsible for their respective responsibilities. An internal control system has been established in accordance with the regulations, and the control function is still sound.	No significant differences
II. Shareholding Structure and Shareholders' Equity				
(I) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	v		(I) There is a spokesperson and an acting spokesperson, and we disclose their contact information on the Market Observation Post System of TWSE; there are also stock service specialists serving as a conduit for shareholder proposals, doubts, disputes, and litigation matters and to protect shareholders' rights.	No significant differences
(II) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	v		(II) Day-to-day shareholder business is handled by a professional stock agency. There are also stock affairs professionals in the Company who is responsible for related matters. Therefore, the list of the major shareholders who actually control the Company and the ultimate controllers of the major shareholders can be accessed at any time.	No significant differences
(III) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	v		(III) There are "Administrative Measures for Transactions with Related Persons" to regulate transactions with related companies, and auditors will also regularly supervise the implementation, so that risk control and firewall mechanisms can be achieved.	No significant differences
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	v		(IV) The Company has formulated "Preventative Measures for Insider Trading," and Company insiders are prohibited from using unpublished information on the market to buy and sell securities.	No significant differences
III. Composition and duties of the Board of Directors				
(I) Has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?	v		(I) 1. The Company's Board of Directors meeting dated September 17, 2020 passed the "Corporate Governance Best Practice Principles", of which Article 20, Section 1, of Chapter 3 "Enhancing Board of Directors Functions" prescribed a Board of Directors diversity policy. Nomination and selection of the Company's Board of Directors members are based on the candidate	No significant differences No significant differences No significant differences No significant differences

		<p>nomination system prescribed in the Articles of Incorporation. Aside from assessing each candidate's education and work experience qualifications, the Company also factors in stakeholders' opinion and abides by the "Procedures for Election of Directors" and the "Corporate Governance Best Practice Principles" so as to ensure the diversity and independence of Board of Directors members.</p> <p>2. The Company specifies Board of Directors diversity as a concrete management goal in its "Corporate Governance Best Practice Principles". The Company's Board of Directors shall be composed of at least 5 director seats, where appropriate, depending on the Company's scale, shareholdings of major shareholders, and practical operational needs. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:</p> <ul style="list-style-type: none"> (1). Basic requirements and values: Gender, age, nationality, and culture, and the ratio of female directors shall reach one third of the total number of directors. (2). Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills and industry experience. <p>Each member of the Board of Directors shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal of corporate governance, the abilities that must be present in the board as a whole are as follows:</p> <ul style="list-style-type: none"> A. The ability to make judgments about operations. B. Accounting and financial analysis ability. C. Business management ability. D. Crisis management ability. E. Knowledge of the industry. F. An international market perspective. G. Leadership ability. H. Ability to make policy decisions. <p>3. From the perspective of basic requirements and values and professional knowledge and skills, the Company's Board of Directors members are considered diversified. Among the 9 directors of the Company's 13th Board of Directors, those specializing in operational judgements, business management, leadership and decision making, and crisis management include director Ming-Yen Hsieh, director Yu-Hsiang Yu Hsieh, director</p>	
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(II) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?	v	(II) Aside from setting up the Remuneration Committee and the Audit Committee according to law, the Company also set up its "Corporate Sustainable Development Committee" and appointed the committee members through a resolution at the Board of Directors meeting dated November 8, 2022.	
(III) Does the Company formulate the Board's performance assessment and evaluation method, conduct a performance evaluation annually and regularly, and report the results of the performance evaluation to the Board of Directors, and apply it to individual directors' remuneration and nomination renewal?	v	<p>(III) The Board of Directors of the Company formulated and approved the "Board of Directors Performance Evaluation Measures" on August 7, 2020. Starting from 2021, regular performance evaluations are conducted in accordance with the Measures, and annual performance evaluations are carried out for the Board of Directors as a whole and for individual Board members and for the Audit Committee. Evaluations are carried as self-evaluations via questionnaires.</p> <p>The measurement items of the performance evaluation of the Board of Directors of the Company encompass the following five aspects:</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Improvement of the quality of Board of Directors' decisions 3. Board of Directors' composition and structure 4. Selection and continuous training of directors 5. Internal control <p>The measurement items for the performance evaluation of individual directors of the Company encompass the following six:</p> <ol style="list-style-type: none"> 1. Mastery of the Company's goals and tasks 	

	<p>2. Awareness of directors' responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Directors' professional and continuing education 6. Internal control</p> <p>The measurement items of the performance evaluation of the Audit Committee of the Company encompass the following five aspects:</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Audit Committee responsibilities 3. Improvement of the decision-making quality of the Audit Committee 4. Audit Committee composition and membership 5. Internal control <p>The measurement items of the performance evaluation of the Remuneration Committee of the Company encompass the following five aspects:</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Awareness of the responsibilities of the Remuneration Committee 3. Improvement of the decision-making quality of the Remuneration Committee 4. Remuneration Committee composition and membership <p>The performance evaluation of the Company's Board of Directors is based on the "Regulations for the Evaluation of the Board of Directors' Performance". An external professional independent institution or external expert team is engaged to conduct the evaluation once every three years. The first external institution evaluation was conducted in 2023 by the Corporate Governance Association of Taiwan. The evaluation results were submitted to the Board of Directors for the first quarter of 2024 to serve as the basis for review and improvement. The evaluation results and recommendations are as follows:</p> <p>Overall Evaluation:</p> <ol style="list-style-type: none"> 1. Most of the Company's directors are the founding major shareholders with professional backgrounds in the industry. The independent directors have finance and accounting, law, and industry expertise. This shows that the Company attaches great importance to the diversity of the Board of Directors and is in line with the development trend of corporate governance. 2. The Chairman of the Company has a stable and pragmatic leadership style, respects the directors' professionalism and accepts suggestions from directors and fully consults the directors' professional opinions on important proposals to improve the efficiency of decision-making for motions and form a good discussion culture. 3. The Company continues to promote various ESG issues. In addition to the 	
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		<p>establishment of the Corporate Sustainable Development Committee under the Board of Directors, the Company has also formed an ESG Promotion Committee under the leadership of the President. The ESG implementation status is regularly reported at the Board meetings, and the Company plans to pass the RBA this year (Responsible Business Alliance) certification. These demonstrate the importance the Company attaches to sustainable operation.</p> <p>4. The communication channels between the Company's Audit Committee and the CPAs and internal auditors are smooth. Each year, several closed-door meetings are arranged with the CPAs and internal auditors to communicate the audit plan, internal control deficiencies and track the improvement progress. The meetings help further understand the difficulties in audit implementation and management's response, enabling the Audit Committee to give full play to its guiding and supervising functions.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 1. The Company has "Procedures for Ethical Management and Guidelines for Conduct and "Procedures for Anti-Corruption Management", but the website and annual report do not disclose the relevant information on whistleblowing channels. The whistleblower mechanism should be linked to the function of independent directors. It is recommended that the Company establish a whistleblowing mailbox that enable independent directors (or the Audit Committee) and the chief auditor receive reports synchronously, and disclose it on the website and annual report to further strengthen the functions of the whistleblower mechanism. 2. The Company may consider establishing "risk management measures" to cover operational risks, transaction risks, financial risks, information security risks, implementation specifications, etc. and other complete risk management policies and risk measurement standards. The Company may consider regularly reviewing risk management policies in the Audit Committee and Board of Directors and implementation results, so that board members can keep abreast of the Company's overall risk management and reduce overall operational risks. 3. The Company may establish written guidelines on "how" to report unexpected material information to independent directors and outside directors in a timely manner. This clearly ensure that all members of the Board of Directors are fully aware of the important status of the Company, enabling the directors to better fulfill their duties. 4. It is recommended that the Company establish a "Director Orientation System" for the first time (e.g. special-person briefings, on-site visits, meetings with key management personnel, etc.) regulations, directors' rights and obligations, and continuing education needs), to help new directors to quickly grasp the company's current status and industry information, so that 	
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(IV) Does the Company assess the independence of CPAs at regular intervals?	v	<p>directors can more effectively perform their duties.</p> <p>(IV) Each year, the Audit Committee of the Company evaluates attesting CPAs for independence and suitability, and obtains a "Statement of Independence" and "audit quality indicators (AQIs)" from the attesting CPAs. By conducting an independence and suitability evaluation, the Company ascertains that CPAs are not affiliated with insiders and that no family members of CPAs have any monetary stake in the Company. The Company ensures that its CPAs and accounting firm are superior to those of industry peers in terms of the Audit Quality Indicators (AQIs), including training hours, engagement quality control, the experience of CPAs carrying out the engagement quality control review (EQCR), and the review hours of CPAs carrying out the EQCR. In addition, investment in digital tools for innovation has been increased steadily over the past three years. The evaluation results for the most recent year was examined and approved by the Audit Committee meeting dated February 26, 2024, and submitted to and approved by the Board of Directors meeting dated February 26, 2024 through a resolution; therefore, CPAs' independence and suitability have been affirmed.</p>	
IV. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	v	<p>The Chairman's Office of the Company is responsible for corporate governance-related matters and on November 8, 2022, the Board of Directors approved the appointment of Hui-Yu Ho, the Director of the Financial and Accounting Department of the Company, as the Company's first Corporate Governance Officer.</p>	No significant differences
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a special column for stakeholders on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	v	<p>The Company has appointed a spokesperson and an acting spokesperson to serve as a communication channel with stakeholders. Currently, the Company has put in place on its website the Investors zone and ESG zone, through which communication with and response to stakeholders will be made. In addition, the Company has a dedicated person regularly examine the e-mail inbox. The Company will set up a stakeholders' message area on its company website in the future.</p>	No significant differences

2024 Stakeholder Communication Track Record			
Stakeholders	Communication channel / response method	Frequency	2024 Communication Track Record
Government Agencies	<p>Contact: Ms. Fan-Jiang, the Management Department/ E-mail inbox: adminis@tai-tech.com.tw</p> <p>Participation in the policy awareness sessions held by government agencies.</p> <p>Market Observation Post System of TWSE</p> <p>The Company's website</p> <p>Phone, E-MAIL, official letter</p> <p>On-site audit</p>	<p>From time to time</p>	<p>1. 1 government labor and human rights entity meeting;</p> <p>2. ESG briefings: 3 physical meetings.</p> <p>3. Occupational Health and Safety: 3 times</p> <p>4. Labor inspection by the Labor Bureau: 2 times</p> <p>5. Pieces of official letters to/from government agencies.</p> <p>Pieces received: 203 letters</p> <p>Pieces sent: 21 letters</p>
Shareholders/Investors	<p>Contact channel: Ms. Li, share affairs/</p> <p>E-mail inbox: invest@tai-tech.com.tw</p> <p>General Shareholders' Meeting</p> <p>Investor conference</p> <p>Financial statements</p> <p>Annual report</p> <p>Investors zone on the official website</p> <p>Market Observation Post System of TWSE</p>	<p>From time to time</p> <p>Annually</p> <p>From time to time</p> <p>Quarterly</p> <p>Annually</p> <p>Monthly</p> <p>From time to time</p>	<p>1. Shareholders present at the General Shareholders' Meeting represented 58.11% of total shares.</p> <p>2. 42 calls received via the Investors' leased lines.</p> <p>3. 5 investor conferences organized.</p> <p>4 30 mails.</p>

		<table border="1"> <tr> <td data-bbox="898 146 1010 635">Suppliers/Contractors</td><td data-bbox="1010 146 1302 635"> Contact: Ms. Wang, Procurement Section/ E-mail inbox: procurement@tai-tech.com.tw Supplier audit checklist Phone, E-MAIL. External audit operations of business waste cleaning contractors Communication software </td><td data-bbox="1302 146 1414 635"> From time to time Annually From time to time From time to time </td><td data-bbox="1414 146 1729 635"> 1. ESG Assessment Forms signed by 18 suppliers. 2. Supplier audit checklist: 35 suppliers in total+ (11 for product suppliers) 3. Undertaking of Anti-corruption signed by 24+ (5 for product suppliers) 4. A total of 83 contractors signed safety undertaking 5. 4 industrial waste disposal contractors audited. </td><td data-bbox="1729 146 2086 635"></td></tr> <tr> <td data-bbox="898 635 1010 1159">Customer</td><td data-bbox="1010 635 1302 1159"> Contact: Mr. Hsieh, Sales and Marketing Group/ E-mail inbox: sales@tai-tech.com.tw Client video conference visit to clients Client Satisfaction Survey Phone, E-MAIL. Communication software </td><td data-bbox="1302 635 1414 1159"> From time to time From time to time Annually From time to time Weekly </td><td data-bbox="1414 635 1729 1159"> A total customer satisfaction questionnaires were sent out in 2024; the recovery rate of the questionnaires was 100% with an average score of 93.13 points (The survey and assessment covers four aspects, namely, quality, order fulfillment, technology research and development, and price and sales services) 3 ESG seminars and 4 online ESG seminars from client-end </td><td data-bbox="1729 635 2086 1159"></td></tr> <tr> <td data-bbox="898 1159 1010 1416">Employees</td><td data-bbox="1010 1159 1302 1416"> Contact channel: President's e-mail, employee suggestion box, telephone, Ms. Chen's E-mail: g110@tai-tech.com.tw Labor-management meeting </td><td data-bbox="1302 1159 1414 1416"> From time to time Quarterly From time to time Quarterly </td><td data-bbox="1414 1159 1729 1416"> 1. 0 mail to the President's e-mail. 2. 0 mail to the Employees' Opinion Box. 3. 4 Labor-management meetings </td><td data-bbox="1729 1159 2086 1416"></td></tr> </table>	Suppliers/Contractors	Contact: Ms. Wang, Procurement Section/ E-mail inbox: procurement@tai-tech.com.tw Supplier audit checklist Phone, E-MAIL. External audit operations of business waste cleaning contractors Communication software	From time to time Annually From time to time From time to time	1. ESG Assessment Forms signed by 18 suppliers. 2. Supplier audit checklist: 35 suppliers in total+ (11 for product suppliers) 3. Undertaking of Anti-corruption signed by 24+ (5 for product suppliers) 4. A total of 83 contractors signed safety undertaking 5. 4 industrial waste disposal contractors audited.		Customer	Contact: Mr. Hsieh, Sales and Marketing Group/ E-mail inbox: sales@tai-tech.com.tw Client video conference visit to clients Client Satisfaction Survey Phone, E-MAIL. Communication software	From time to time From time to time Annually From time to time Weekly	A total customer satisfaction questionnaires were sent out in 2024; the recovery rate of the questionnaires was 100% with an average score of 93.13 points (The survey and assessment covers four aspects, namely, quality, order fulfillment, technology research and development, and price and sales services) 3 ESG seminars and 4 online ESG seminars from client-end		Employees	Contact channel: President's e-mail, employee suggestion box, telephone, Ms. Chen's E-mail: g110@tai-tech.com.tw Labor-management meeting	From time to time Quarterly From time to time Quarterly	1. 0 mail to the President's e-mail. 2. 0 mail to the Employees' Opinion Box. 3. 4 Labor-management meetings	
Suppliers/Contractors	Contact: Ms. Wang, Procurement Section/ E-mail inbox: procurement@tai-tech.com.tw Supplier audit checklist Phone, E-MAIL. External audit operations of business waste cleaning contractors Communication software	From time to time Annually From time to time From time to time	1. ESG Assessment Forms signed by 18 suppliers. 2. Supplier audit checklist: 35 suppliers in total+ (11 for product suppliers) 3. Undertaking of Anti-corruption signed by 24+ (5 for product suppliers) 4. A total of 83 contractors signed safety undertaking 5. 4 industrial waste disposal contractors audited.														
Customer	Contact: Mr. Hsieh, Sales and Marketing Group/ E-mail inbox: sales@tai-tech.com.tw Client video conference visit to clients Client Satisfaction Survey Phone, E-MAIL. Communication software	From time to time From time to time Annually From time to time Weekly	A total customer satisfaction questionnaires were sent out in 2024; the recovery rate of the questionnaires was 100% with an average score of 93.13 points (The survey and assessment covers four aspects, namely, quality, order fulfillment, technology research and development, and price and sales services) 3 ESG seminars and 4 online ESG seminars from client-end														
Employees	Contact channel: President's e-mail, employee suggestion box, telephone, Ms. Chen's E-mail: g110@tai-tech.com.tw Labor-management meeting	From time to time Quarterly From time to time Quarterly	1. 0 mail to the President's e-mail. 2. 0 mail to the Employees' Opinion Box. 3. 4 Labor-management meetings														

			Employee compliant filing channel Employee Welfare Committee Occupational Safety and Health Committee Employee satisfaction anonymous survey Stakeholders communication log	Quarterly Annually From time to time	4. 4 Employee Welfare Committee meetings + extempore motions Twice 5. 4 Occupational Safety and Health Committee meetings. 6. 1 employee satisfaction anonymous survey 7. Satisfaction rate indicated by the Employee Satisfaction Survey up to 93.72% 8. 7 cases of employee reflection on occupational safety and health	
			Contact channel: Spokesperson Tseng/ E-mail inbox: <u>james-t@tai-tech.com.tw</u> Appointment with media for an interview Press release	From time to time From time to time	Interviews with 6 media at the Company each quarter 6 telephone call 5 investor conference 1-2 news outlet will be published on a quarterly basis	
			Contact: Ms. Ho, Finance and Accounting Department/ E-mail inbox: <u>acc@tai-tech.com.tw</u> E-mail Visits Communication software	From time to time From time to time From time to time	1. 621 mails. 2. 409 communication sessions on software 3. 30 visits	
VI. Has the Company appointed a professional share registration and investors service agent for	v		The Company entrusts the stock agency department of Mega Securities Co., Ltd. to handle the affairs of the shareholders' meeting.			No significant differences

handling matters pertaining to the Shareholders Meeting?				
VII. Disclosure of information	v			
(I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	v	(I) The Company discloses relevant financial and material information to the Market Observation Post System of TWSE in accordance with laws and regulations; and we set up an investor relations section on the Company's website to disclose financial business and corporate governance information.	No significant differences	
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesperson system, and videotaping institutional investor conferences)?	v	(II) Since the Company's public offering, it has strictly followed the regulations of the competent authorities and relevant laws and regulations, and announced and declared each category of information; and investors can inquire on each type of information of the Company through the Market Observation Post System of TWSE. In addition, there is a spokesperson and also a designated person who is responsible for the collection and disclosure of Company information. Therefore, the disclosure of information that may affect stakeholders and the stock price is timely and appropriate.	No significant differences	
(III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?	v	(III) After the Company listed on the TPEx on April 27, 2021, it announces and reports financial statements for the first, second and third quarters and the operating conditions of each month before the specified deadline in accordance with relevant regulations. Furthermore, on February 26, 2024 (within two months of the end of the fiscal year) we announced and report the Company's 2023 financial statements. We will follow the same principles in the future. For disclosures of the above information, please refer to the Market Observation Post System of TWSE.		
VIII. Is there any other material information that would facilitate an understanding the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?	v	(I) Rights and interests of employees: The Company holds regular or intermittent convenings of the Employee Welfare Committee, labor-management meetings, and labor pension meetings. All policy advocacy, employee opinions, and employee suggestions are conducted through two-way communication. We actively respond to and meet the needs of employees under the premise of not violating laws and regulations. (II) Care for employees: The Company attaches great importance to our employees' safety and their physical and mental health. In order to keep employees in the best condition at all times, there are factory attendants who regularly assist in measuring employees' blood pressure and in collecting and communicating health information; we arrange for the visually impaired to give employees shoulder and neck massages; we regularly station doctors in the factory for health consultations; and we arrange for employees to undergo health checks every year. (III) Investor Relations: In order to protect the rights and interests of	No significant differences	

		<p>shareholders and let the investing public understand the Company's operating conditions, the Company's financial, business, and insider shareholding changes and other information are disclosed on the Market Observation Post System of TWSE.</p> <p>(IV) Supplier Relations: The Company adheres to the principle of mutual trust and reciprocity and maintains good and long-term relationships with suppliers in order to create a win-win situation for both parties.</p> <p>(V) Stakeholders' rights: Stakeholders have the right to communicate and make suggestions with the company to safeguard their legitimate rights and interests.</p> <p>(VI) On-the-job training of directors: The directors of the Company have relevant professional knowledge and take courses on topics such as securities laws and regulations as required by law, and they meet the requirements of training hours.</p> <p>(VII) The Company has established an internal control system and related management measures and implements them in accordance with procedures in order to reduce and prevent any possible risks.</p> <p>(VIII) Implementation customer policies: The Company has always been customer-oriented, doing our best to meet the needs of customers to maintain good long-term relationships and creating maximum mutual benefit.</p> <p>(IX) The Company's purchases of liability insurance for directors and supervisors: The Company has taken out director and supervisor liability insurance on August 15, 2023; the insured amount is USD 5 million.</p>	
<p>IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year:</p> <p>The results of the Company's 10th corporate governance evaluation in 2023 fell within the 6 to 20% range of all OTC companies. The items and measures to be improved in 2024 are as follows:</p> <p>(I) To improve the information security management, we plan to conduct ISO27001 related guidance in 2024, introduce information security system standards, and expect to obtain certification through third-party verification in 2025.</p> <p>(II) Improve the Company's website or annual report to disclose the identities of stakeholders, topics of concern, communication channels and response methods, and regularly report the communication status of each stakeholder to the Board of Directors.</p> <p>(III) Improve the promotion of the following provisions to insiders: According to Article 3, Paragraph 6 of the Company's Rules on Preventing Insider Trading, insiders are not allowed to trade their shares during the closed period 30 days before the annual report announcement and 15 days before each quarterly financial report announcement.</p> <p>(IV) Improve the disclosure of shareholders' questions and responses and record them in the minutes of shareholders' meetings.</p>			

(IV) If the Company has set up a Remuneration Committee, it shall disclose the composition, responsibilities and operation thereof:

1. Information of Remuneration Committee Members:

ID classification (Note 1)	Name	Conditions	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number concurrently serving as members of the remuneration committees of other publicly issued companies
Independent Director	Yu-Tsun Li	Experience: Chairman, TDK Corporation; over 38 years of experience in business management and industry knowledge	During the two years prior to the election and during the term of office, all have met the following independent evaluation criteria: (1) Not an employee of the Company or its affiliates. (2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with the Securities and Exchange Act or local laws, this limitation shall not apply.)	0	
Independent Director	Yang-Pin Shen	Currently an associate professor at the School of Management of Yuan Ze University, a private institution; having than 31 years of teaching experience	Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings.	1	
Independent Director	Yi-Chun Chiang	Currently an attorney at Premium Attorneys-at-Law; having more than 29 years of working experience as a lawyer	Not a manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in	1	

			<p>accordance with Article 27, Paragraph 1 or 2 of the Company Act. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with the Securities and Exchange Act or local laws, this limitation shall not apply.)</p> <p>(6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the Company's Board of Directors. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with the Securities and Exchange Act or local laws, this limitation shall not apply.)</p> <p>(7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with the Securities and Exchange Act or local laws, this limitation shall not apply.)</p> <p>(8) Not a director, supervisor, or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares. (However, if a specific company or institution holds more than 20% of the total issued shares of the Company but not more than 50%, and the established independent director concurrently serves in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with the Securities and Exchange Act or local laws, this limitation shall not apply.)</p> <p>(9) Not a partner, director, supervisor,</p>	
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			<p>manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the Company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Business Mergers & Acquisitions Act, this limitation shall not apply.</p> <p>(10) He/she is not the spouse or relative within the second degree of kinship of another director.</p> <p>(11) Not exhibiting any of the circumstances specified under Article 30 of the Company Act.</p> <p>(12) No provision to be elected by a government or juristic person or their representative under Article 27 of the Company Act.</p>	
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Note 1: In the form, please specify relevant working years, professional qualifications and experience, and independence of each member of the Remuneration Committee; in the case of an independent director, please refer to the relevant content in the information of directors and supervisors (I) in Table 1 on page OO. Please fill in as independent director or other. (If the convener, please note as such.)

Note 2: Professional qualifications and experience: State the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Conformity to status of independence: Specify the conformity to the status of independence of the members of the Remuneration Committee, including but not limited to whether one's self, spouse, or relatives within the second of kinship serve as directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held by oneself, a spouse, or relatives within the second degree of kinship (or held under the names of others); whether one serves serve in the position of director, supervisor, or employee of a company that has a specified relationship with the Company (in reference to Article 6, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded over the Counter); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

2. Information on the operation of the Remuneration Committee

(1) There are 3 members of the Remuneration Committee of the Company.

(2) Term of office of the current members: July 19, 2022 through June 20, 2025.

The Remuneration Committee held 5 meetings in the current and most recent prior year (A). Member qualifications and attendance are as follows:

Title	Name	Actual number of attendances (B)	Frequency of attendance	Actual attendance rate (%) (B/A)	Remarks
Member/Convenor	Yu-Tsun Li	4	1	80	Re-elected (nominated as convener on July 19, 2022)
Committee member	Yang-Pin Shen	5	0	100	Re-elected
Committee member	Yi-Chun Chiang	5	0	100	Re-elected

Other matters to be recorded:

- If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): Please refer to Note 2.
- On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members shall be stated: None.

Note 1:

- Before the end of the year, if a member of the Remuneration Committee resigns, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during the term of service and the actual number of attendances.
- Before the end of the year, if the Remuneration Committee is re-elected, the new and old Remuneration Committee members should be listed, and the remarks column should indicate whether the member is old, new or re-elected and the date of reelection. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during the term of service and the actual number of attendances.

Note 2: The discussion and resolution of the Compensation Committee, and the Company's handling of members' comments are as follows:

Period	Date	Proposal content	Dissenting or reserved opinion of members of Compensation Committee
The 6th session of the	January 23, 2024	Monthly salary structure and payment amount of the Chairman and managers of the Company and its subsidiaries for 2024.	None

Period	Date	Proposal content	Dissenting or reserved opinion of members of Compensation Committee
5th term		<p>Distribution of the year-end performance bonus of Company's Chairman for 2023</p> <p>Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2023</p> <p>Distribution of the year-end operational performance bonuses of managers of the Company and subsidiaries for 2024</p> <p>Transportation expenses for directors who attend a Board meetings</p> <p>Remuneration to independent directors</p> <p>Attendance of Compensation Committee Members: The members Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang all participated.</p> <p>Comments of members of Compensation Committee: None.</p> <p>Results: Approved by all members present.</p> <p>The Company's handling of the comments of the Compensation Committee members: Submit them to the Board of Directors for approval by all directors present.</p>	
The 7th session of the 5th term	February 26, 2024	<p>Discussion on appropriation of remuneration to employees and directors for 2023.</p> <p>Change of the R&D supervisor of the Company</p> <p>Attendance of Compensation Committee Members: The members Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang all participated.</p> <p>Comments of members of Compensation Committee: None.</p> <p>Results: Approved by all members present.</p> <p>The Company's handling of the comments of the Compensation Committee members: Submit them to the Board of Directors for approval by all directors present.</p>	None
The 8th session of the 5th term	July 29, 2024	<p>The Company's proposal for distribution of directors' (excluding independent directors) remuneration for 2023.</p> <p>Distribution of distribution of remuneration for employees of the Company and subsidiaries for 2023</p> <p>Change of the R&D supervisor of the Company</p> <p>Attendance of Compensation Committee Members: The members Yang-Pin Shen and Yi-Chun Chiang participated.</p> <p>Attendance by proxy: The member Yu-Tsun Li asked the member Yi-Chun Chiang to act as the chair.</p>	None

Period	Date	Proposal content	Dissenting or reserved opinion of members of Compensation Committee
		Comments of members of Compensation Committee: None. Results: Approved by all members present. The Company's handling of the comments of the Compensation Committee members: Submit them to the Board of Directors for approval by all directors present.	
The 9th session of the 5th term	January 21, 2025	Monthly salary structure and payment amount of the Chairman and managers of the Company and its subsidiaries for 2025.	None
		Distribution of the year-end performance bonus of Company's Chairman for 2024	
		Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2024	
		Transportation expenses for directors who attend a Board meetings	
		Remuneration to independent directors	
		Attendance of Compensation Committee Members: The members Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang all participated. Comments of members of Compensation Committee: None. Results: Approved by all members present. The Company's handling of the comments of the Compensation Committee members: Submit them to the Board of Directors for approval by all directors present.	
The 10th session of the 5th term	February 24, 2025	Discussion on appropriation of remuneration to employees and directors for 2024.	None
		Attendance of Compensation Committee Members: The members Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang all participated.	
		Comments of members of Compensation Committee: None.	
		Results: Approved by all members present.	
		The Company's handling of the comments of the Compensation Committee members: Submit them to the Board of Directors for approval by all directors present.	

(V) Operation status of the Corporate Sustainable Development Committee:

The Company's Board of Directors meeting dated November 8, 2022 resolved to set up the "Corporate Sustainable Development Committee". This Committee, which consists of four directors (three of which are independent directors) and a company manager, is formed to improve the efficiency and effectiveness of the Board of Directors and promote sustainable

development initiatives with respect to environmental protection, social responsibility, and corporate governance.

1. Corporate Sustainable Development Committee members

The Board of Directors shall appoint the Corporate Sustainable Development Committee members, which shall consist of at least three people - directors and managers of the Company - with at least one independent director to take on the supervision function. The committee's term of office is equivalent to that of the Board of Directors that appoints it. Should the staffing level drop below that stated in the paragraph before due to any dismissals, the Board of Directors may appoint someone else to fill the vacancy. The 1st Sustainable Development Committee members, who were appointed during the Board of Directors meeting held on November 8, 2022, are listed below:

Title	Name	Whether an independent director	Expertise
Chair	Ming-Yen Hsieh	X	Business management, industry knowledge.
Committee member	Yu-Tsun Li	V	Experience in business management at a Japanese company.
Committee member	Yang-Pin Shen	V	Finance, accounting, and corporate governance
Committee member	Yi-Chun Chiang	V	Law and corporate governance
Committee member	Ming-Liang Hsieh	X	Business management, industry knowledge.

2. Major duties of the Corporate Sustainable Development Committee:

To assist the Board of Directors in the continuous implementation of its corporate policy on environmental, social, and governance issues to achieve the purpose of sustainable operation, the Corporate Sustainable Development Committee of the Company shall be assigned the following duties:

- (1) Set out the direction of the sustainable development and its goals, and develop appropriate management policies, and specific plans for promotion.
- (2) Disseminate information on the Company's ethical management and risk management policy and implement it.
- (3) Track, inspect, and revise the implementation status and effectiveness of corporate sustainable development.
- (4) Other tasks assigned to the Committee by a resolution of the Board of Directors.

3. Operation status of the Corporate Sustainable Development Committee

Term of office of the current members: November 8, 2022 through June 20, 2025.

The Corporate Sustainable Development Committee held 3 meetings in the current and most recent prior year (A). Member qualifications and attendance are as follows:

Title	Name	Actual number of	Frequency of attendance	Actual attendance	Remarks

		attendances (B)		rate (%) (B/A)	
Member/Convenor	Ming-Yen Hsieh	3	0	100	(Convener elected on November 8, 2022)
Committee member	Yu-Tsun Li	2	1	67	
Committee member	Yang-Pin Shen	3	0	100	
Committee member	Yi-Chun Chiang	3	0	100	
Committee member	Ming-Liang Hsieh	3	0	100	

Other matters to be recorded:

- If the Board of Directors does not adopt or amend the recommendations of the Corporate Sustainable Development Committee, the date and session of the board meeting, the contents of the motions, the resolutions of the Board of Directors and the Company's handling of the revised Corporate Sustainable Development Committee's opinions shall be disclosed, the differences and reasons should be stated): Please refer to Note 1.
- If a member has a dissenting or qualified opinion on a resolution of the Corporate Sustainable Development Committee on a matter that is on record or in writing, if a member has an opposing or qualified opinion, the date, period, content of the motion, the opinions of all members and the reasons for the opinion of the Corporate Sustainable Development Committee should be stated: None.

Note 1: The discussion and resolution of the Corporate Sustainable Development Committee, and the Company's handling of members' comments are as follows:

Period	Date	Proposal content	Dissenting or reserved opinion of members of Corporate Sustainable Development Committee
The 4th session of the 1st term	July 29, 2024	<p>Recognition of the Company's 2023 ESG Report</p> <p>Attendance of members of Corporate Sustainable Development Committee: The members Ming-Yen Hsieh, Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang and Ming-Liang Hsieh all participated.</p> <p>Attendance by proxy: Yu-Tsun Li.</p> <p>Comments of members of Corporate Sustainable Development Committee: None.</p> <p>Results: Approved by all members present.</p> <p>The Company's handling of the comments of the Corporate Sustainable Development Committee members: Submit them to the Board of Directors for approval by all directors present.</p>	None
The 5th session of the 1st term	January 21, 2025	<p>Proposal to formulate the Company's "Corporate Sustainable Development Committee Charter".</p> <p>Attendance of members of Corporate Sustainable</p>	None

Period	Date	Proposal content	Dissenting or reserved opinion of members of Corporate Sustainable Development Committee
		<p>Development Committee: The members Ming-Yen Hsieh, Yu-Tsun Li, Yang-Pin Shen, Yi-Chun Chiang and Ming-Liang Hsieh all participated.</p> <p>Comments of members of Corporate Sustainable Development Committee: None.</p> <p>Results: Approved by all members present.</p> <p>The Company's handling of the comments of the Corporate Sustainable Development Committee members: Submit them to the Board of Directors for approval by all directors present.</p>	

(VI) Implementation of sustainable development promotions and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX- Listed Companies and causes thereof

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the Board of Directors to handle and how is the supervision of the Board of Directors?	v		<p>The Company's Board of Directors meeting dated September 17, 2020 approved the Company's "Corporate Social Responsibility Best Practice Principles", which was then renamed "Sustainable Development Best Practice Principles" by the Board of Directors meeting dated January 18, 2022; such principles are the standards which the Company follows when implementing governance work pertaining to sustainable development.</p> <p>The Company's Board of Directors meeting dated November 8, 2022 passed a resolution to set up the Company's "Corporate Sustainable Development Committee" and appoint the members thereof; it also approved the Company's "Corporate Sustainable Development Committee Charter", which stipulates a governance framework and a concurrently responsible unit for promoting sustainable development. The Board of Directors also authorized the President to establish the Company's "ESG Affairs Promotion Committee", which is responsible for formulating, implementing, and supervising the annual plan, strategy, projects, and activities, for coordinating affairs related to corporate sustainable operations, and for holding awareness sessions on stewardship.</p> <p>Starting from the meeting of the Board of Directors on November 8, 2022, the President of the company's ESG</p>	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof			
	Yes	No	Summary description				
			<p>Affairs Promotion Committee Company reports to the "Corporate Sustainable Development Committee" and the Board of Directors on the implementation of business activities.</p> <p>In 2024, the "Execution of Greenhouse Gas Inventory and Verification Schedule" was reported at the Board meeting at each quarter of the Board meeting; and business related to sustainability was reported at the Corporate Sustainable Development Committee meeting held on February 26 and July 29, 2024 as well as the Board meeting held on the same day. The contents of the motions include (1) identification of sustainability issues requiring attention and formulation of corresponding action plans; (2) goals and policy amendments for sustainability-related issues; (3) supervision of the implementation of sustainability matters and evaluation of implementation.</p>				
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	v		<p>Based on the principle of materiality, the Company seeks to minimize potential threats by identifying organizational risks and formulating effective management strategies. For the types of important risks identified by the Company and the corresponding response strategies, please refer to the "2023 ESG Report of Tai-Tech Advanced Electronics" published in September 2024 on pp. 34-36.</p> <p>3. Based on the risks assessed, the relevant risk management policies or strategies are formulated as follows:</p> <table border="1"> <thead> <tr> <th>Type of Risk</th> <th>Description of risk</th> <th>Risk Management Strategy (Response)</th> </tr> </thead> </table>	Type of Risk	Description of risk	Risk Management Strategy (Response)	No significant differences
Type of Risk	Description of risk	Risk Management Strategy (Response)					

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>Environment</p> <p>Greenhouse gas emissions continue to increase</p> <p>Measures)</p> <ol style="list-style-type: none"> 1. Introduction of ISO14064 system to obtain external certification, and through collection of reasonable emissions data, perform cause analysis and propose improvement strategy 2. Introduce the air compressor load monitoring system to effectively manage equipment operation and performance distribution. 3. Each unit shall formulate KPI performance management for energy conservation and 	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>mitigate carbon emissions</p> <p>Fail to save energy effectively</p> <p>1. Actively participate in energy saving and carbon reduction topics organized by the external, and assess the feasibility effectively and introduce to the internal for operation</p> <p>2. Assess the feasible solutions for replacement of parts during production operation, select and use high performance equipment for replacement, in order to save electricity</p> <p>Continuous increase</p> <p>1. Monitor the</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			of wastewater discharge	<p>internal water consumption record and send e-mail to each unit on a daily basis, and if there is any abnormal large water consumption, propose for review and implement improvement plan</p> <p>2. Through the ISO14001 system operation, perform external audit on the goal achievement outcome annually</p> <p>3. Participate in energy saving topic organized by the external, and assess the feasibility effectively and introduce to the</p>

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof	
	Yes	No	Summary description		
			<p>Increase of waste treatment volume / Reduction of recycling rate</p>	<p>internal for operation</p> <ol style="list-style-type: none"> Effectively analyze various waste types and data according to the internal waste management procedure, in order to review the cause of abnormality Through the ISO14001 system operation, perform external audit on the goal achievement outcome annually Participate in waste recycle and reduction topic organized by the external, and assess the feasibility effectively and introduce to the 	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
				internal for operation
				Water shortage In case of water shortage, adopt the internally established emergency water saving measures for manufacturing processes with relatively large water consumption, and the Management Department assists to contact external water supply truck company to perform water supply operation.
				Typhoon, flood In case of typhoon or flood, each unit staff cooperates with the employees of the same commute route and arranges driving personnel to assist with the commute to/from work. For

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>migrant workers, the human resource agency assists with the commute to/from work. The facility and safety/health personnel inspect the internal building and structure related safety operations.</p> <p>Social aspect Occupational Accident</p> <ol style="list-style-type: none"> 1. Establish Occupational Safety and Health Committee, and invite labor representatives to participate in the committee, accounting for 1/2 of the total number of committee members. The President acts as the Chairman, and meeting is convened quarterly, in order 	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>to inspect the occupational safety and health matters of the Company.</p> <p>2. Introduce ISO 45001 occupational safety and health management, and obtain certification.</p> <p>3. Perform occupational safety and health risk assessment annually, and discuss issues during safety and health committee meetings.</p> <p>4. Perform occupational safety reporting monthly, and perform accident cause investigation and analysis for major</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>occupational accidents, in order to prevent and improve such accidents.</p> <p>5. Perform field compliance inspection monthly and irregularly.</p> <p>Overwork (long period of work)</p> <p>1. Digitalized working hours management system to monitor employees' daily and monthly working hours in real time to ensure compliance with the working hours regulations of the Labor Standards Act.</p> <p>2. Reasonably adjust shifts and schedules to avoid employees</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>working long night shifts or multiple consecutive days.</p> <p>3. Implement a job rotation system for high-risk positions to lower the mental burden on individual employees.</p> <p>4. Encourage employees to make full use of annual leave, sick leave and other welfare holidays to avoid long-term and high-intensity work.</p> <p>5. Annual comprehensive health checkup for all employees.</p> <p>6. Promote health promotion activities such as exercise</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>challenges, healthy eating lectures, mental health workshops, etc. to enhance employees' health awareness.</p> <p>7. Establish an employee suggestion and complaint mechanism to facilitate employees to report problems such as excessive work pressure or unreasonable work arrangements.</p> <p>Ensure the anonymity and security of employees reporting issues and handle related issues quickly.</p>	<p>Overly high</p> <p>1. Retain key talents</p>

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>turnover rate (facing labor shortage)</p> <p>and improve employee retention through employee benefits and career development opportunities..</p> <p>2. Offer options such as flexible working hours to attract and retain employees.</p> <p>3. Optimize workflows through automation and digital transformation to reduce reliance on manpower..</p> <p>4. Provide skill improvement and multi-function training to enable employees to take on a variety of job roles.</p> <p>5. Establish a talent reserve pool through internal</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>promotion and talent development plans.</p> <p>Product Liability (encountering product recall/off-shelf)</p> <ol style="list-style-type: none"> 1. Improve product quality control and return/exchange mechanism. 2. Enhance negotiation with customers, in order to increase competitiveness of shipped products, and adjust production plan of the Company 3. Monitor hazardous substance management system operation, convene environmental management promotion review meetings, review international environmental 	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>protection regulations and laws, set up HSF goal, implement hazardous substance reduction plan, and perform environmental restricted substance control plan.</p> <p>4. When the customer submits requests on specific environmental technology standards, the Company shall comply and satisfy customer demands.</p> <p>5. In case of discovery of abnormality of hazardous substance, it is necessary to report</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>to the management and to execute instructions made by the management for the report.</p> <p>Governance Ethics and Integrity</p> <ol style="list-style-type: none"> 1. Management: Designate the Department of Management as the dedicated (or concurrent) unit responsible for promoting corporate integrity management. 2. System aspect: Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Anti-corruption Management 	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>Regulations, Procedures for Anti-corruption Investigation and Management Operation, Code of Ethical Conduct, etc. have been stipulated and implemented. In addition, the reporting channel and handling process have been established.</p> <p>3. Enhance declaration and determination: Each employee is required to sign the Code of Ethics.</p> <p>4. Continuous communication: Education on relevant topics is organized during the education and</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>training for new employees. One time of ethical management and anti-corruption education and training is organized annually for on-job employees.</p> <p>5. Implement control: Event investigation statistical table is performed once monthly, which is reported by the Management Department to the Audit Office.</p>	
			<p>Occurrence of information security event</p>	<p>1. Elevate the corporate and organization hierarchy (department level) of the information unit, and plan the information unit to</p>

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>be under the management of President.</p> <p>2. Establish "Regulations for Information Security Event Reporting and Response" to explicitly specify the accident level, reporting process and handling methods.</p> <p>3. Plan the mutual backup between system database, and perform remote backup schedule, in order to support the system recovery.</p> <p>4. Perform information system "Accident recovery drill" annually, and output relevant</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>drill reports.</p> <p>5. Set up ATS response system and install power generator for the server room, in order to ensure that the operation is not affected by the electricity shortage.</p> <p>6. Install firewall and update the anti-virus software of each terminal periodically, and continue to plan the information security enhancement measures of AD, MDR, etc..</p> <p>7. CPA performs information audit annually, and the external reviews each information</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			process for compliance with the standards and systems. 8. Implement internal information security education and training periodically in order to enhance personnel information security awareness.	
III. Environmental issues (I) Has the Company established an appropriate environmental management system based on its industry characteristics?	v		The Company has obtained and passed ISO14001:2015 environmental management system certification, and has clearly formulated environmental policies. The industry characteristics and all systems related to environmental management are handled in accordance with the environmental management system and environmental protection laws and regulations, and their implementation results are to be reviewed at any time for continuous improvement.	No significant differences
(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	v		We do our best to improve the utilization of various resources. For example, we implement waste classification management to increase the resource recycling rate and continue to recycle and reuse raw materials from the process, to reduce costs and	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Has the Company assessed the potential risks and opportunities posed by climate change to the Company at present and in the future, and taken relevant countermeasures?	v		<p>alleviate the impact on the environment as well. The overall waste recycling rate in 2024 reached 78.28%.</p> <p>(III) Although the Company has not yet assessed the potential risks and opportunities of climate change to the Company now and in the future, in practice there are relevant measures to reduce the day-to-day work that may give rise to climate change. Such measures include the use of electronic receipts and introduction of an electronic approval system to make it easier to send and receive documents, saving document delivery time and paperwork costs. We use double-sided paper as much as possible, and set up a recycling container next to the photocopiers to recycle the used paper, significantly reducing resource usage such as paper consumption. In addition, the offices have set air conditioning temperature at 26°C during summer, replaced office lighting by using LED T5 lamps instead of panel lamps, and set up a mechanism to switch off lights during lunch breaks and off work to reduce power consumption, thereby slowing down global warming. Moreover, we have replaced old air conditioners and air compressors to achieve the purpose of energy saving and carbon reduction.</p>	No significant differences
(IV) Does the company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for greenhouse gas	v		<p>The Company features an ISO14001:2015 environmental management system that is announce in accordance with the content of our policy for a circular environment, and under which we make commitments on environmental management</p>	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
reduction, water management or other waste management?			<p>issues. In addition, control targets have been set for each item of industrial waste reduction issues. Topics include water consumption in the factory area, reduction of total electricity consumption, waste reduction, and so on. The performance of each target is in line with the preset target value. The Company has dedicated factory personnel who are responsible for data management and analysis of total water consumption, total electricity consumption, total waste tonnage, greenhouse gas CO2 emissions, energy conservation, and so on in the factory, so as to effectively grasp the relevant information. The specific results are summarized as follows:</p> <p>(1) Environmental stewardship commitment</p> <ol style="list-style-type: none"> 1. Establish, implement and maintain an environmental management system. 2. Dedicate to industrial waste reduction, pollution prevention, and continuous improvement work. 3. Comply with relevant environmental laws and regulations and customer requirements. 4. Promote the concept of green design, implementing waste classification and removal management to improve environmental performance. 5. Through communication, advocacy and education training, make all employees aware of the importance of environmental management. 6. Communicate environmental protection information to relevant parties. 	

Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																								
	Yes	No	Summary description																											
			<p>(2) Waste reduction issues and control objectives, promotion measures and achievement status</p> <p>1. Analysis diagram of water withdrawal within the Group</p> <table border="1"> <caption>Analysis diagram of water withdrawal</caption> <thead> <tr> <th>Year</th> <th>Plant</th> <th>Total water withdrawal (ML)</th> <th>Total drainage (ML)</th> <th>Water consumption (ML)</th> </tr> </thead> <tbody> <tr> <td rowspan="10">2023</td><td>Youth Industrial Park Plant in Taiwan</td><td>88.82</td><td>55.93</td><td>32.89</td></tr> <tr> <td>Rented plants and rented premises</td><td>5.29</td><td>4.23</td><td>1.06</td></tr> <tr> <td>Parent company total</td><td>94.11</td><td>60.16</td><td>33.95</td></tr> <tr> <td>Subsidiary TAIPAQ Plant</td><td>38.97</td><td>22.64</td><td>16.33</td></tr> <tr> <td>Subsidiary Kunshan Plant</td><td>19.26</td><td>7.97</td><td>11.29</td></tr> </tbody> </table>		Year	Plant	Total water withdrawal (ML)	Total drainage (ML)	Water consumption (ML)	2023	Youth Industrial Park Plant in Taiwan	88.82	55.93	32.89	Rented plants and rented premises	5.29	4.23	1.06	Parent company total	94.11	60.16	33.95	Subsidiary TAIPAQ Plant	38.97	22.64	16.33	Subsidiary Kunshan Plant	19.26	7.97	11.29
Year	Plant	Total water withdrawal (ML)	Total drainage (ML)	Water consumption (ML)																										
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Promotion item	Implementation						Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description				
2024			Group total	152.34	90.77	61.57	Note: Tai-Tech's disclosure of the Group's water resource data for the previous 2 years. 2. Water Reuse Goals: Water recycling and reuse rate in the main plant in the Youth Industrial Park of Taiwan in 2024 was more than 15%.
			Youth Industrial Park Plant in Taiwan	89.86	58.35	31.51	
			Rented plants and rented premises	4.44	3.55	0.89	
			Parent company total	94.30	61.90	32.40	
			Subsidiary TAIPAQ Plant	62.85	21.82	41.03	
			Subsidiary Kunshan Plant	19.07	8.36	10.71	
			Group total	176.22	92.08	84.14	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																
	Yes	No	Summary description																	
			<p>Promotional measures: utilize excess ROR wastewater in the plant, introduce water for public toilets, processes with low water quality requirements, and air pollution equipment, etc. and record the results according to the reading value of the water meter</p> <p>Achievements: The target was not achieved mainly due to the poor quality of ROR wastewater introduced into the process, the capacity utilization rate is low, and the RO water machine's water production rate is increased without excessive ROR wastewater.</p> <table border="1"> <thead> <tr> <th colspan="4">Water recycling and reuse</th> </tr> <tr> <th>Year</th> <th>Total tap water consumption (M)</th> <th>Total water reuse (M)</th> <th>Water recovery rate</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>88,816</td> <td>9,006</td> <td>10.14%</td> </tr> <tr> <td>2024</td> <td>89,861</td> <td>13,131</td> <td>14.61%</td> </tr> </tbody> </table> <p>Notes: Achievements derived from recycling and reusing water resources of the Youth Industrial Park Plant in Taiwan.</p> <p>3. To reduce the ratio of water consumed in the core processes of the Taiwan-based Youth Industrial Park Plant to total water consumption</p> <p>Goals: Continue to progress towards the goal of reducing the ratio of water consumption in core processes to total water consumption from 75% to 72%.</p> <p>Implementation measures: making investment to replace old-model pure water fountains with an RO system to effectively</p>	Water recycling and reuse				Year	Total tap water consumption (M)	Total water reuse (M)	Water recovery rate	2023	88,816	9,006	10.14%	2024	89,861	13,131	14.61%	
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			<p>increase the water production rate, and monitoring the use of water on a daily basis to spot any problem and review and resolve it.</p> <p>Achieving status: Goals achieved.</p> <table border="1"> <thead> <tr> <th colspan="4">Ratio of water consumed in core processes to total water consumption</th> </tr> <tr> <th>Year</th> <th>Total tap water consumption (M)</th> <th>Water consumed in core processes (M)</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>88,816</td> <td>45,740</td> <td>51.49%</td> </tr> <tr> <td>2024</td> <td>89,861</td> <td>51,905</td> <td>57.76%</td> </tr> </tbody> </table> <p>4. Group-wide waste statistics chart</p> <table border="1"> <thead> <tr> <th colspan="5">Waste statistics chart</th> </tr> <tr> <th>Year</th> <th>Plant</th> <th>Total waste (metric tonnes)</th> <th>Hazardous waste Total volume (metric tonnes)</th> <th>Non-hazardous waste Total volume (metric tonnes)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2023</td> <td>Taiwan-based parent company</td> <td>648.367</td> <td>517.921</td> <td>130.446</td> </tr> <tr> <td>Subsidiary TAIPAQ Plant</td> <td>456</td> <td>139.69</td> <td>316.31</td> </tr> </tbody> </table>	Ratio of water consumed in core processes to total water consumption				Year	Total tap water consumption (M)	Water consumed in core processes (M)	Ratio	2023	88,816	45,740	51.49%	2024	89,861	51,905	57.76%	Waste statistics chart					Year	Plant	Total waste (metric tonnes)	Hazardous waste Total volume (metric tonnes)	Non-hazardous waste Total volume (metric tonnes)	2023	Taiwan-based parent company	648.367	517.921	130.446	Subsidiary TAIPAQ Plant	456	139.69	316.31	
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Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof		
	Yes	No	Summary description					
			2024	Subsidiary Kunshan Plant	98.026	48.886	49.14	<p>Note: Tai-Tech's disclosure of the Group's waste data for the previous 2 years</p> <p>5. To increase the overall waste recycling and reuse rate in the Taiwan-based Youth Industrial Park Plant.</p> <p>Goals: In 2023, increase the overall waste recycling rate by 1%.</p> <p>Promotional measures: Entrusting waste to various institutions for reuse and disposal to effectively recycle and reuse waste; and record the current annual total</p>
				Group total	1202.393	706.497	495.896	
				Taiwan-based parent company	484.48	305.28	179.20	
				Subsidiary TAIPAQ Plant	498.59	154.61	343.98	
				Subsidiary Kunshan Plant	107.85	54.34	53.51	
				Group total	1090.92	514.23	576.69	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																											
	Yes	No	Summary description																												
			<p>volume and treatment volume to achieve the effect of reuse.</p> <p>Achievements: The target has not been achieved. The weight of general waste was higher than the previous year, and there were no conditions for recycling.</p> <table border="1"> <thead> <tr> <th colspan="3">Total amount of sustainable waste recycling (mt)</th></tr> <tr> <th>Item</th><th>2023 years</th><th>2024 years</th></tr> </thead> <tbody> <tr> <td>Total waste weight</td><td>648.367</td><td>484.48</td></tr> <tr> <td>Total weight of hazardous waste</td><td>517.92</td><td>305.28</td></tr> <tr> <td>Total weight of recycled hazardous waste</td><td>486.381</td><td>294.40</td></tr> <tr> <td>Total weight of recycled non-hazardous waste</td><td>49.226</td><td>84.83</td></tr> <tr> <td>Hazardous waste recycling rate</td><td>93.91%</td><td>96.44%</td></tr> <tr> <td>Overall waste recycling rate</td><td>82.61%</td><td>78.28%</td></tr> </tbody> </table> <p>Note: Hazardous waste recycling rate = Hazardous waste recycling/total amount of hazardous waste, and the data will be revised for each year.</p> <table border="1"> <thead> <tr> <th colspan="3">Sustainable waste recycling (unit: metric tons)</th></tr> </thead> </table>	Total amount of sustainable waste recycling (mt)			Item	2023 years	2024 years	Total waste weight	648.367	484.48	Total weight of hazardous waste	517.92	305.28	Total weight of recycled hazardous waste	486.381	294.40	Total weight of recycled non-hazardous waste	49.226	84.83	Hazardous waste recycling rate	93.91%	96.44%	Overall waste recycling rate	82.61%	78.28%	Sustainable waste recycling (unit: metric tons)			
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Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof		
	Yes	No	Summary description					
			Year	Waste designation	Total output	Total amount of reuse (off-site)	Recycling rate	
			2023	Electroplating sludge	142.75	142.75	100%	
			2024	Electroplating sludge	116.03	116.03	100%	
			2023	Waste electronic components, scraps, and defective products	9.951	9.951	100%	
			2024	Waste electronic components, scraps, and defective products	5.845	5.845	100%	
			2023	Plastic empty chemical buckets	0.68	0.68	100%	
			2024	Plastic empty chemical buckets	1.22	1.22	100%	
			Note: Waste recycling and reuse rate in the Taiwan-based Youth Industrial Park Plant.					

Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																
	Yes	No	Summary description																			
			Waste sustainable recycling technology <table border="1"> <thead> <tr> <th>Year</th><th>Waste designation</th><th>Total output</th><th>Total recycling volume (within factory)</th><th>Recycling rate</th></tr> </thead> <tbody> <tr> <td>2023</td><td>Electroplating waste liquid</td><td>333</td><td>333</td><td>100%</td></tr> <tr> <td>2024</td><td>Electroplating waste liquid</td><td>171.3</td><td>171.3</td><td>100%</td></tr> </tbody> </table> <p>Note: we introduced high-concentration processing operations through innovative technologies in Youth Industrial Park Plant in Taiwan, passing high-concentration waste liquid in the electroplating process through the high-concentration primary treatment facility. After the treatment, the water is confluent to the wastewater treatment facility. Finally, the qualified drainage water is discharged.</p> <p>6. Energy saving: Goals: Taiwan-based Youth Industrial Park Plant cooperates with the government to promote energy saving declarations by major energy users, attaining at least 1% energy savings per year.</p>					Year	Waste designation	Total output	Total recycling volume (within factory)	Recycling rate	2023	Electroplating waste liquid	333	333	100%	2024	Electroplating waste liquid	171.3	171.3	100%
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Promotion item	Implementation				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																														
	Yes	No	Summary description																																
			<p>Promoting measures: Replace office lamps with low-wattage and energy-saving panel lamps.</p> <p>Achievement: the target has not been achieved, but the average annual power conservation rate is in line with the target.</p> <table border="1"> <thead> <tr> <th>Year</th><th>Energy used (units)</th><th>Energy savings (units)</th><th>Annual electricity saving rate</th></tr> </thead> <tbody> <tr> <td>2023</td><td>19,156,000</td><td>139,153.1</td><td>0.72%</td></tr> <tr> <td>2024</td><td>18,750,000</td><td>597.6</td><td>0%</td></tr> </tbody> </table> <p>Note: The average annual electricity saving rate from 2015 to 2024 is 1.48%</p> <p>(3). Group energy consumption and intensity over the past two years</p> <table border="1"> <thead> <tr> <th rowspan="2">Data on the type of energy consumed</th><th colspan="2">2023</th><th colspan="2">2024</th></tr> <tr> <th>Total</th><th>Unit</th><th>Total</th><th>Unit</th></tr> </thead> <tbody> <tr> <td>Liquefied natural gas (internal) - Taiwan-based Youth Industrial Park Plant</td><td>80,360</td><td>kg</td><td>89,920</td><td>kg</td></tr> <tr> <td>Purchased electricity</td><td>19,156,000</td><td>kWh</td><td>18,750,000</td><td>kWh</td></tr> </tbody> </table>	Year	Energy used (units)	Energy savings (units)	Annual electricity saving rate	2023	19,156,000	139,153.1	0.72%	2024	18,750,000	597.6	0%	Data on the type of energy consumed	2023		2024		Total	Unit	Total	Unit	Liquefied natural gas (internal) - Taiwan-based Youth Industrial Park Plant	80,360	kg	89,920	kg	Purchased electricity	19,156,000	kWh	18,750,000	kWh	
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Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof	
	Yes	No	Summary description				
			(internal) - - Taiwan-based Youth Industrial Park Plant				
			Purchased electricity (internal) - - Taiwan-based plants - other rented premises	3,277,721	kWh	2,332,583	
			Purchased electricity (internal) - - Subsidiary (TAIPAQ Plant)	29,523,960	kWh	38,871,413	
			Purchased electricity (internal) - - Subsidiary (Kunshan Plant)	6,779,104	kWh	8,112,182	
			Gasoline (external) - Taiwan-based plant of the parent company	7,852.83	Liter	6,812.47	
			Diesel (external) - Taiwan-based	9,891.8	Liter	9,816.52	

Promotion item	Implementation					Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description			
			plant of the parent company			
			Gasoline (external) - Subsidiary (TAIPAQ Plant)	11,065.57	Liter	11,718.43
			Gasoline (external) - Subsidiary (Kunshan Plant)	2,040	Liter	2,220.18
			Group energy consumption			
			Year	Energy consumption within the organization	Total consumption (GJ) (Note 1)	Ratio (%)
			2023	Energy consumption within the organization	Total consumption (GJ) (Note 1)	Ratio (%)
				Parent company	86,266.41	39.79%
				Subsidiary (TAIPAQ Plant)	106,168.16	48.97%
				Subsidiary (Kunshan Plant)	24,377.66	11.24%
				Energy consumption	216,812.23	99.53%

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			within the organization - subtotal	
			Energy consumption outside the organization	Total consumption (GJ) (Note 1) Ratio (%)
			Parent company	604.34 58.81%
			Subsidiary (TAIPAQ Plant)	357.45 34.78%
			Subsidiary (Kunshan Plant)	65.9 6.41%
			Energy consumption outside the organization - subtotal	1,027.69 0.47%
			Group total	217,839.92 100%
			Energy consumption within the organization	Total consumption (GJ) (Note 1) Ratio (%)
			Parent company	82,057.22 32.69%
			Subsidiary (TAIPAQ Plant)	139,781.60 55.69%
			Subsidiary (Kunshan Plant)	29,171.41 11.62%

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof		
	Yes	No	Summary description			
			Energy consumption within the organization - subtotal	251,010.23	99.60%	
			Energy consumption outside the organization	Total consumption (GJ) (Note 1)	Ratio (%)	
			Parent company	567.71	55.85%	
			Subsidiary (TAIPAQ Plant)	377.27	37.12%	
			Subsidiary (Kunshan Plant)	71.48	7.03%	
			Energy consumption outside the organization - subtotal	1016.46	0.40%	
			Group total	252,026.69	100%	
			Group energy consumption intensity			
			Year	Energy Intensity of the organization	Intensity (GJ/NT\$1 million) (Note 2)	Percentage (%)
			2023	Parent	28.09	37.05%

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company																															
Subsidiary (TAIPAQ Plant)	36.59	48.27%																													
Subsidiary (Kunshan Plant)	11.13	14.68%																													
Group total	75.81	100%																													
Parent company	21.88	21.77%																													
Subsidiary (TAIPAQ Plant)	35.44	35.26%																													
Subsidiary (Kunshan Plant)	43.19	42.97%																													
Group total	100.51	100%																													
Note 1: (a) Calorific value of purchased electricity in the parent company's Taiwan plant: 3.6MJ/kWh; the conversion is subject to the calorific value table per product unit announced by the Bureau of Energy, Ministry of Economic Affairs. The calorific values of automotive grade gasoline, diesel, and LNG are 7,800kcal/L, 8,400kcal/L and 9,000 kcal/L, respectively, according to the announcement by the Bureau of Energy. The conversion of greenhouse gas emission to Joules is 1 cal = 4.1868J.																															

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>(b) The calorific value of electricity purchased by the two plants of subsidiaries: 3,596KJ/degree. The intensity of vehicle -grade gasoline was 0.7475KG/L. The calorific value of gasoline was 1KG=43070KJ. All are based on the Energy Statistics Knowledge Manual (compiled by the Industry and Transportation Department of the National Bureau of Statistics).</p> <p>Note 2: Energy intensity ratio = Total energy consumption of each plant (GJ) / Sales amount of each plant (NT\$million).</p> <p>(4) For a breakdown of greenhouse gas emissions and reduction, please refer to P80 - P83</p>	
IV. Social issues (I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	v		<p>(I) In order to fulfill our corporate social responsibilities and to safeguard and protect basic human rights, the Company agrees to and promises to abide by norms of international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the International Labor Convention, and so on. The Company accordingly took the initiative to formulate a human rights policy to reflect our responsibility to respect and protect human rights and comply with local labor and environmental laws and regulations in our places of operation. Announced on March 2, 2022 and translated into migrant workers' mother languages in June of the</p>	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflected business performance or results in employee compensation?	v		<p>same year (Vietnamese, Indonesian), this policy was formulated in order to prevent any infringements or violations of human rights.</p> <p>(II) Tai-Tech's salary and remuneration policy for employees is subject to individual ability, contribution to the Company, performance, and the consideration for the Company's future operational risks. The Company abides by the Company Act and its Articles of Incorporation to appropriate a certain percentage of pre-tax income as employee compensation, which is distributed in the middle of the following year. The Company also appropriates a fixed percentage of post-tax earnings as employee bonuses, which are distributed before the Chinese New Year's Eve, and is reflective of the Company's business performance and outcomes.</p>	No significant differences
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	v		<p>(III) The Company has set up its Occupational Safety and Health Office, which comprises one safety management specialist, two occupational health management personnel and one occupational safety and health manager. Responsible for formulating occupational safety and health policies, implementing safety and health plans, and ensuring compliance with the ISO 45001 system. The goal is to create a safe and healthy working environment for each employee and related personnel, and to continuously improve occupational</p>	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof						
	Yes	No	Summary description							
			<p>safety and health performance by avoiding risks, preventing accidental deaths and reducing work-related injuries and health problems.</p> <table border="1"> <tr> <td>Occupational safety and health policies</td><td>Content</td></tr> <tr> <td>Compliance</td><td> <ol style="list-style-type: none"> There was no violation of occupational safety and health laws or any resulting penalty in 2024. Maintain the effectiveness of the ISO 45001 management system. Safety and health work principles are established in accordance with relevant laws and regulations and the ISO 45001 management system. </td></tr> <tr> <td>Training and Education</td><td> <ol style="list-style-type: none"> Education and training shall be implemented for newly recruited employees, machinery and equipment operators, special operators, and supervisors in accordance with laws and regulations, and they shall obtain relevant qualification certificates. All dangerous machinery and equipment in the factory are subject to regular inspections according to laws and regulations. Operators have obtained </td></tr> </table>	Occupational safety and health policies	Content	Compliance	<ol style="list-style-type: none"> There was no violation of occupational safety and health laws or any resulting penalty in 2024. Maintain the effectiveness of the ISO 45001 management system. Safety and health work principles are established in accordance with relevant laws and regulations and the ISO 45001 management system. 	Training and Education	<ol style="list-style-type: none"> Education and training shall be implemented for newly recruited employees, machinery and equipment operators, special operators, and supervisors in accordance with laws and regulations, and they shall obtain relevant qualification certificates. All dangerous machinery and equipment in the factory are subject to regular inspections according to laws and regulations. Operators have obtained 	
Occupational safety and health policies	Content									
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Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>professional licenses and received regular on-the-job training.</p> <p>3. In-service employees are given on-the-job trainings regularly every year to raise their safety and health awareness.</p> <p>4. Each year, four safety and health courses are held for high-risk matters in the plant to create a safe working atmosphere.</p> <p>Risk Management</p> <p>1. The Company formulated its “Procedures for Assessing Occupational Safety and Health Risks” by referencing the Guidelines for Assessing Risks announced by the Occupational Safety and Health Administration, MOL, lest any operation or facility endangers personnel’s safety and health. Risks were reduced to an acceptable level via hazard identification, risk assessment, and project-based management and improvement.</p> <p>2. The Company has formulated its emergency response procedures, procurement management system, contractor management system, and change management and control system to reduce the occurrence of risks incidental to certain operation.</p> <p>3. Work-related accidents and near misses</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			are investigated, dealt with, tallied up, and analyzed.	
			1. Annual health checks are conducted for employees in order to understand the health status of employees and the basis for improving the management of the operating environment. 2. If there are employees with abnormal health checks and they are listed as second-tier management, assessments and health education recommendations will be scheduled. 3. The Company implements operating environment monitoring every six months to maintain employee health. 4. The Company arranges for occupational health physicians to advise employees on health issues on site every month. 5. The Company distributes health-promoting literature to employees so that they can gain knowledge of health. 6. Health-promoting seminars are held from time to time to raise the awareness of health-related issues and take care of employees' health.	
			Continuous improvement	
			1. For each assessed risk, the Company either makes project-based improvement,	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>revises management regulations, adds personal protective gears, adjusts environment facilities, or improves work methods, so as to prevent the recurrence of the same accident.</p> <p>2. On-site audits are carried out monthly to confirm the working environment and employee personal safety protection measures; and appropriate improvement suggestions are given to provide colleagues with a safe working environment.</p> <p>3. Employees' dormitory provided by brokers is checked quarterly, so as to ensure that employees' living conditions meet the minimum requirements.</p>	
			<p>Occupational accident investigation and statistics</p> <p>A total of 8 occupational disasters were reported in 2024.</p> <p>Near miss 3 cases</p> <p>Traffic accident 2 cases</p> <p>Minor injury 4 cases</p> <p>Disability accident 2 cases</p> <p>Severe occupational accident 0 cases</p> <p>Note 1: Minor injuries means those whose treatment requires only simple bandaging or the first-aid kit instead of hospitalization. Nor do such injuries have any effect on the loss of work hours.</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(IV) Has the Company provided effective training in career planning for employees?			<p>Note 2: Near misses are occasional events that do not adversely impact personnel, equipment, or environment.</p> <p>There were no fire accidents in the Company in FY2024.</p> <p>(IV) The Company has long attached importance to employee career planning and talent development, and actively encourages colleagues to participate in various training courses to enhance their professional capabilities and competitiveness. The training courses are based on the functional needs of employees, covering internal and external courses and seminars, and employees are allowed to apply for education and training based on their personal work development needs as a basis for career improvement. In addition, the Company has formulated the "Guidelines for Application for On-the-job Training" to fully subsidize tuition and miscellaneous fees to encourage employees to pursue on-the-job training and continue their self-improvement.</p> <p>In order to improve the quality of training and systematic management, the Company took the initiative to apply for guidance on the "Talent Development Quality Management System (TTQS)" of the Ministry of Labor in 2022, and won the bronze medal in its very first assessment, demonstrating the Company's long-term efforts and professional capabilities in the field of talent training and development. In 2023, the Company further introduced the eHRD system, implemented systematic</p>	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?	v		training management, and established an online learning platform to improve employee learning convenience and training effectiveness. In 2024, the Company once again participated in the TTQS assessment and won the bronze medal with a more advanced training system and practical results, which reflected to our persistent pursuit and commitment to talent development. Such achievement not only affirms the Company's outstanding performance in education and training, but also lays a solid foundation for continuously improving the quality of talent cultivation in the future.	No significant differences
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?			(V) The Company does not manufacture end products, but has "Customer Complaint Handling Procedures" to provide customers with complaint procedures when they are not satisfied with the Company's products or services. For customer health and safety, customer privacy, marketing and labelling of products and services, we follow industry-related regulations and international standards.	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>strategy. We have thus formulated the guidelines for the entire supply chain to follow in the five major dimensions of labor, health and safety, environment, ethics, and management systems, to lead our business partners to jointly create the maximum values for the environment and society. Regarding occupational safety, we have formulated the Contractor Management Procedures, and the Occupational Safety and Health Office regularly sends emails regarding relevant occupational safety and health matters to engage with supply chain partners. As for environmental protection issues, we have formulated the "Green/Environmental Product Specifications Operating Procedures," which will be requested to suppliers to sign and return when new specifications are recognized, to urge suppliers to follow the latest green standards. During the annual supplier audit, suppliers must fill in the supplier audit checklist and return it. If any records of serious adverse impact on the environment and society are found during the transaction or collaboration period, business dealings with such suppliers will be terminated immediately.</p>	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of sustainability reports and other reports that disclose the Company's non-financial information? Did the preliminary report obtain the	v		<p>The Company released our first Corporate Social Responsibility (CSR) report in Chinese in September 2021; and released it in English in December of the same year. (This report will be renamed as the "Sustainability Report" in the future.) In addition, the Company publish its third "ESG</p>	No significant differences

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
confidence or assurance opinion of the third-party verification unit?			<p>Report" in August 2024. This report is prepared voluntarily to mainly present our Company's ESG efforts for the reference of our stakeholders. In the future, we will publish a ESG Report (Sustainability Report) on a regular basis every year to meet the public expectations of our sustainable business operations.</p> <p>This report reveals the Company's management policy and execution performance in material topics in the economic, environmental, and social aspects. It is prepared in alignment with the core option of the Global Reporting Initiative Standards (GRI Standards). The information on the financial performance has been audited by a CPA firm.</p> <p>To ensure the disclosure quality of the ESG Report, the Company's 2023 ESG report was entrusted to an external independent institution PwC Taiwan to verify the compliance with GRI Standards according to Accounting Research and Development Foundation ROC GAAP No. 1, and the limited assurance opinion has been obtained.</p>	
<p>VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles:</p> <p>1. On September 17, 2020, the Board of Directors of the Company approved the "Corporate Social Responsibility Best Practice Principles;" and on January 18, 2022, the Board of Directors revised and approved to change its designation to the "Sustainable Development Best Practice Principles."</p> <p>2. The Company attaches great importance to the fields of industrial safety, environmental protection, and safety and health. In addition to having obtained ISO 14001 and ISO 45001 certifications, the Company regularly monitors air, noise, waste, and energy usage in the factory. If any such measures exceed the standard values, an improvement plan will be carried out immediately.</p>				

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
3. The Company attaches great importance to harmonious labor relations and the employee welfare system. An Employee Welfare Committee has been established; the pension system has been implemented; and we have arranged a range of employee training courses, employee group insurance, and regular health checkups. Meanwhile, regular labor-management meetings are held to emphasize the importance of harmonious labor relations.				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development:				
<p>1. The Company complies with the requirements of environmental protection laws in terms of raw material input, product output, exhaust gas, wastewater, and waste treatment. The Company entrusts a professional treatment company to operate the sewage treatment facility at the plants 24/7. To ensure that our wastewater discharged is in compliance with laws and regulations. In 2024, we paid a total of NT\$3,528,000 on the costs of operation by the treatment company, and a total of NT\$1,745,000 on chemicals.</p> <p>2. Companies of the Group treat their employees as family members, providing various types of emergency assistance and visits to vulnerable families in towns and villages, etc. to offer assistance for living needs.</p> <p>3. The Company's waste paper recycling is entrusted to Tzu Chi to handle. Funds from the recovered amounts will be given to Tzu Chi for charity.</p> <p>4. Plants are adopted outside the factory area and flowers and trees are trimmed.</p> <p>5. We adopt temperature controls in using air-conditioning to achieve energy savings and carbon reduction.</p> <p>6. We promote e-concepts with online applications and sign-offs for multiple assignments, reducing paper waste and making good use of the blank surfaces of waste documents for recycling and reuse.</p> <p>7. In cooperation with the government's promotional requirements, the Company has an electric scooter charging station in the factory to charge electric vehicles.</p> <p>8. We cooperate with the government's promotion of energy saving among major energy users to declare at least 1% energy saving per year, and the average annual electricity saving rate for the five consecutive years from 2015 to 2024 reached 1.48%, which was in line with government requirements.</p> <p>9. We donated NT\$50,000 to the Fangzhou Nursing Home to care for the mentally disabled elders.</p> <p>10. In respect to social welfare and care activities in 2024, starting in November 2021 we sponsored the Taitung National Chenggong Commercial Fisheries Vocational School Youth Baseball Team with NT\$30,000-NT\$50,000 month. The total charity sponsorship reached NT\$1,203,500.</p>				

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	

VIII. Climate-Related Information of Publicly Listed Company

Risks and opportunities posed by climate change to the Company and the responsive measures taken by the Company

Item	Implementation		
1. Describe the supervision and governance of Board of Directors and the management on climate-related risks and opportunities.			Although Tai-Tech currently does not have a climate governance organization, in the future, we will establish a governance unit in line with the TCFD framework, and raise this issue to the board level as the basis for the Company to set out countermeasures against climate change. In view of the potential risks and opportunities arising from climate change, the Company has conducted preliminary assessment and identification and the results are as follows.
2. Describe how the climate risks and opportunities identified affect the business, strategy and finance of the company (short, medium and long term).			Climate change risks and opportunities
3. Describe the impact of extreme climate events and transformation action on finance.		Risk/Opportunity	Physical Risk
4. Describe how to integrate the climate risk identification, assessment and management processes in the risk management system.		Item	Transition risk
5. If the scenario analysis is used to assess the resilience against the climate change risk faced, it is necessary to explain the scenario, parameters, assumptions, analysis factors used and main financial impacts.		Topics	Market
6. If there is a transformation plan for management of climate-related risks, explain the plan content, and the indicators and targets used for identifying and managing physical risks and transformation risks.			Increase of raw material cost
7. If the internal carbon pricing is used as a planning tool, it is necessary to explain the price establishment basis.		Potential financial impact	1. Increase of operating cost (such as insufficient water of hydroelectric power station or insufficient cooling water of nuclear power plant or fossil-fuel power station)
8. If climate-related target is set, it is necessary to explain the information of activities, greenhouse gas emissions scope, schedule plan and annual achievement progress			2. Increase of infrastructure cost (such as facility damage)
			1. Decrease of product and service demand due to change of consumer preference
			2. Increase of production cost due to changes of investment cost (such as energy, water) and output demand (such as waste treatment)
			3. Unexpected energy cost change
			4. Revenue portfolio and source change

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
covered. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to explain the source or quantity of the carbon reduction offset or the quantity of renewable energy certificates (RECs). 9. Greenhouse gas inventory inspection and assurance status (To be filled in separately in 1-1).			<p>3. Decrease of revenue due to reduction of sales volume/output</p> <p>4. Increase of insurance fee and assets located at “high risk” area facing insurance enrollment difficulty</p>	5. Asset re-pricing (such as fossil fuel storage, land valuation, security valuation)
		Company's countermeasures	When the probability of rainfall is extremely small, in case of water shortage at the internal of the plant, adopt the internally established emergency water saving measures for manufacturing processes with relatively large water consumption, and the Management Department assists to contact external water supply truck company to perform water supply operation.	Place long-term order for raw materials in order to secure the supply source and price, and actively seek second supplier or alternative material, increase local procurement opportunity to reduce carbon emissions.
		Indicators and Targets	Production operations without interruption and water shortage	Zero material shortage and stock-out
		Risk/Opportunity	Opportunity	Opportunity

Promotion item	Implementation				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description		
Liquefied natural gas (Scope 1) - Taiwan-based Youth Industrial Park Plant	80,360	kg	89,920	kg	
Petrol (Scope 1) - Taiwan-based plant of the parent company	7,852.83	Liter	6,812.47	Liter	
Diesel fuel (Scope 1) - Taiwan-based plant of the parent company	9,891.8	Liter	9,774.40	Liter	
Petrol (Scope 1) - Subsidiary (TAIPAQ Plant)	11,065.57	Liter	11,718.43	Liter	
Petrol (Scope 1) - Subsidiary (Kunshan Plant)	2,040	Liter	2,220.18	Liter	
Outsourced electricity (Scope 2) - Taiwan-based Youth Industrial Park Plant	19,156,000	kWh	18,750,000	kWh	
Outsourced electricity (Scope 2) - Taiwan-based plants - other rented premises	3,277,721	kWh	2,332,583	kWh	
Outsourced electricity (Scope 2)	29,523,960	kWh	38,871,413	kWh	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof	
	Yes	No	Summary description		
<p>- Subsidiary (TAIPAQ Plant)</p> <p>Outsourced electricity (Scope 2)</p> <p>- Subsidiary (Kunshan Plant)</p>					
<p>6,779,104 kWh 6,779,104 kWh</p>					
<p>Group-wide greenhouse gas emissions</p>					
Year	Scope 1	Total emissions (tons CO2e)	Percentage (%)		
2023	Parent company	401.27	53.51%		
	Subsidiary (TAIPAQ Plant)	344.10	45.89%		
	Subsidiary (Kunshan Plant)	4.48	0.60%		
	Scope 1 Sub-total	749.85	1.76%		
	Scope 2	Total emissions (tons CO2e)	Percentage (%)		
	Parent company	11,082.26	32.60%		
	Subsidiary (TAIPAQ Plant)	19,045.91	56.02%		
	Subsidiary (Kunshan Plant)	3,866.12	11.37%		
	Scope 2 Sub-total	33,994.29	79.74%		
	Scope 3	Total emissions (tons CO2e)	Percentage (%)		
	Parent company	2,373.94	30.09%		

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
2024	Subsidiary (TAIPAQ Plant)	Subsidiary (TAIPAQ Plant)	5,514.93	69.91%
		Subsidiary (Kunshan Plant)	0	0
		Scope 3 Sub-total	7,888.87	18.50%
		Group total	42,633.01	100%
	Scope 1	Scope 1	Total emissions (tons CO2e)	Percentage (%)
		Parent company	467.96	59.24%
		Subsidiary (TAIPAQ Plant)	316.98	40.13%
		Subsidiary (Kunshan Plant)	4.95	0.63%
		Scope 1 Sub-total	789.89	1.71%
		Scope 2	Total emissions (tons CO2e)	Percentage (%)
		Parent company	10,414.80	25.57%
		Subsidiary (TAIPAQ Plant)	25,075.95	61.58%
		Subsidiary (Kunshan Plant)	5,233.17	12.85%
		Scope 2 Sub-total	40723.92	87.93%
		Scope 3	Total emissions (tons CO2e)	Percentage (%)
		Parent company	2,221.78	46.30%

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			Subsidiary (TAIPAQ Plant) 2576.61 53.70% Subsidiary (Kunshan Plant) 0 0% Scope 3 Sub-total 4798.39 10.36% Group total 46312.2 100%	
			Group-wide greenhouse gas emissions intensity	
	Year	Energy Intensity of the organization	Intensity (Tonnes of CO2e/million dollars)(Note 2)	Percentage (%)
	2023	Parent company	3.69	32.81%
		Subsidiary (TAIPAQ Plant)	5.97	51.51%
		Subsidiary (Kunshan Plant)	1.76	15.68%
		Group total	11.24	100%
	2024	Parent company	3.47	18.98%
		Subsidiary (TAIPAQ Plant)	7.07	38.68%
		Subsidiary (Kunshan Plant)	7.74	42.34%
		Group total	18.28	100%
Note 1: (a) Data on the Taiwan-based plant of the parent company was based on the EPA's GHG Emission Factor Management Table (version 6.0.4), which indicates a gasoline emission factor of 2.2631kg CO2e/L; a diesel emission				

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
			<p>factor of 2.606kg CO₂e/L; and an LNG emission factor of 1.7529 kg CO₂e/L under Scope 1. Scope 2 emissions are based on the Taiwan Power Company's electricity emission factor in 2022, which was 0.495kg CO₂e/kWh.</p> <p>(b) The gasoline used in the subsidiaries in Category 1 is 0.7475KG/L, with an emission factor of 2.9848tCO₂e/t. For Category 2, the average carbon emission factor of Jiangsu provincial electricity in 2021 is 0.6451t CO₂e/MWh.</p> <p>Note 2: Total emissions of each plant (tons CO₂e) / sales amount of each plant (million NT\$).</p> <p>1-1-2 Greenhouse Gas Assurance Information Tai-Tech Advanced Electronics currently has no planned internal carbon pricing, no use of carbon offsets or Renewable Energy Certificates (RECs). All ISO 14064-1 greenhouse gas inventories show that the parent company's Taiwan factory completed the third-party verification for 2023-2024, and the subsidiary TAIPAQ factory completed the third-party verification for 2023. The statement is shown in Appendix II.</p> <p>1-2 Greenhouse gas reduction goals, strategies and concrete action plans Although Tai-Tech has not participated in and declared "2050 Net Zero Emission", it continues to focus on greenhouse gas reduction as its future sustainable development indicator and long-term planning strategy. and assess other reduction measures in the long-term in the future.</p>	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
	2024	597.6	295.21	0%

Note 1: The implementation measures for 2022 are to purchase two 100HP energy-saving air compressors and recognize the implementation measures for 2021; the implementation measures for 2023 are to recognize the implementation measures for 2022; and the implementation measures for 2024 are to replace office lamps with low-wattage energy-saving panel lamps.

Note 2: Taiwan's electricity emission coefficient is 0.509 kg CO2e/kWh in 2022, 0.495 kg CO2e/kWh in 2023, and 0.494 kg CO2e/kWh in 2024.

(VII) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies:

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
I. Formulation of ethical management policies and plans (I) Has the Company formulated the ethical management policy approved by the board of directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies?	v		(I) On September 17, 2020, the Board of Directors of the Company approved the "Ethical Corporate Management Best-Practice Principles" in order to establish a corporate culture of honest management and sound development while establishing optimal business operations. The Board of Directors and senior management also undertake to implement it in internal management and business activities.	No significant differences
(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?"	v		(II) The Company has formulated its Ethical Corporate Management Best Practice Principles taken preventive measures against the business activities with high risk of dishonesty according to the clear specifications of the Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or within the scope of other business activities. The occurrence of unethical behavior.	No significant differences

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	v		(III) On September 17, 2020, the Board of Directors of the Company approved "Procedures for Ethical Management and Guidelines for Conduct." All unethical behavior is strictly prohibited, and it also clearly defines the disciplinary and appeal system for Company personnel involved in unethical behavior. In the future, when the Board of Directors submits its implementation report on the promotion of ethical behavior in the business every year, it shall review the Company's "Ethical Corporate Management Best Practice Principles" to determine whether corrections are required.	No significant differences
II. Implementation of ethical corporate management (I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	v		(I) The Company conducts credit investigations on customers and evaluates suppliers to avoid unethical business activities, and has gradually included the ethical conduct clause in contracts signed with transaction counterparties.	No significant differences
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	v		(II) The Company's "Procedures for Ethical Management and Guidelines for Conduct" formulated and approved by the Board of Directors specifies that the Management Department shall be the exclusively (concurrently) responsible unit in charge of promoting corporate ethical management; the	No significant differences

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	v		<p>department will regularly report to the Board of Directors on the implementation of ethical corporate management policy and unethical conduct prevention measures and on its supervision of implementation.</p> <p>A. Regularly hold internal and external education and training on integrity management (course topics include "integrity, ethics, sustainable development, legal norms, corporate governance, internal control and auditing, accounting system, personnel regulations, compliance with regulations and prevention of insider trading"). In 2024, a total of 979 personnel participated in the training, with a total training hours of 1,548.5 hours.</p> <p>B. Assessed the integrity records of business partners, and in 2024, a total of 24 new suppliers signed the integrity pledge.</p> <p>C. Regarding the operation of the Company's whistleblowing system, there were 0 reported cases in 2024.</p>	No significant differences

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(IV) Has the Company established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the audit?	v		(IV) The Company has established an effective accounting system and an internal control system, and the internal audit unit conducts regular audits according to the audit plan. Our CPAs also audit the internal control system on a regular basis.	No significant differences
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	v		(V) In 2024, the Company regularly held internal and external education and training on integrity management (course topics include "integrity, ethics, sustainable development, legal norms, corporate governance, internal control and auditing, accounting system, personnel regulations, compliance with regulations and prevention of insider trading"). In 2024 a total of 979 personnel participated in the training, with a total training hours of 1,548.5 hours.	No significant differences
III. Operation of the Company's whistleblower reporting system				
(I) Has the Company put in place the specific whistleblowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistleblowing?	v		(I) By adhering to the Company's ethical corporate management procedures and Article 21 of the Code of Ethical Conduct, the Company provides internal and external independent whistleblowing channels (mailbox, leased lines), and has set up a dedicated unit responsible for handing the case over to the	No significant differences

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	v		<p>corresponding units according to the identity of the accused for an investigation. The investigation results shall be reported to the Company's Reward and Discipline Committee for determination of rewards or discipline. When necessary, the case may be transferred to an external agency (e.g., the judicial branch) to maintain the Company's reputation and interests.</p> <p>In 2023 and 2024, there was no whistleblowing case.</p> <p>(II) As explained above.</p>	No significant differences
(III) Has the Company taken measures to protect whistleblowers from retaliation due to reporting?	v		(III) As explained above.	No significant differences
IV. Strengthening information disclosure Has the company, on its website and on the Market Observation Post System of TWSE, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	v		The investor area of the Company's website and the Market Observation Post System of TWSE are disclosed in the "Ethical Corporate Management Best Practice Principles."	No significant differences
V. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles: We have formulated				

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
the Company's Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and there is no material difference between its operation and the Principles.				
VI. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company's review and revision the Ethical Corporate Management Best Practice Principles, etc.)				
<p>1. The Company complies with the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, and relevant regulations of listed companies as the basis for our implementation of ethical management.</p> <p>2. The Company's "Rules and Procedures of Board of Directors Meetings" establishes a system for director recusals to enable directors to view Board proceedings objectively.</p> <p>3. The Company has formulated Preventative Measures for Insider Trading" that expressly stipulated that insiders and employees are not allowed to disclose material internal information they know to others.</p> <p>4. The Company always pays attention to the development of relevant norms of ethical management domestically and abroad, and encourages directors, managers, and employees to make suggestions based on the review of the Company's measures to promote ethical management and in order to improve the effects of the Company's ethical management implementation.</p>				

(VIII) Other important information that is sufficient to improve the understanding of corporate governance operations: None.

(IX) The implementation of the internal control system shall disclose the following matters:

(1) Statement of Internal Control:

Please visit:

<https://mopsov.twse.com.tw/nas/cont06/c3357113011140303.pdf>

MOPS / Announcement Query /Enter the Company Code 3357 /Select the type of announcement as Announcement of Internal Control Statement

(2) If a CPA is retained for the conduct of the internal audit system, disclose the Auditor's Report: None.

(X) In the most recent year and as of the publication date of the annual report, important resolutions of the shareholders' meeting and the Board of Directors:

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
Board of Directors	The 14 session of the 13th term on January 23, 2024	01. Monthly salary structure and payment amount of the Chairman and managers of the Company and its subsidiaries for 2024. 02. Distribution of the year-end performance bonus of Company's Chairman for 2023 03. Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2023 04. Distribution of the year-end operational performance bonuses of managers of the Company and subsidiaries for 2024 05. Transportation expenses for directors who attend a Board of Directors meeting. 06. Compensation to independent directors. 07. Ratification of the Company's Statement of Internal Control Systems for 2023. 08. The Company's business plan for 2024 09. Citibank (Taiwan) line of credit renewal and TAIPAQ Electronic Components (Si-Hong) Co., Ltd. endorsement/guarantee. 10. Renewal of the financing facility contract of endorsement/guarantee with HSBC (Taiwan) Commercial Bank.	V V V V V V None	

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
		11. Approval for Fixed Rock Holding Ltd. to lend funds to TAIPAQ Electronic Components (Si-Hong) Co., Ltd. 12. Renewal of credit line by E. Sun Bank. 13. Acquisition of authorization for securities.	V	
		Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present	V	
Board of Directors	The 15th session of the 13th term on February 26, 2024	01. Discussion on appropriation of remuneration to employees and directors for 2023. 02. Ratification of 2023 business report and financial statements and consolidated financial statements. 03. 2023 earnings distribution. 04. Proposal on evaluation of independence of the CPA and appointed remuneration for 2024. 05. Proposal on renewal of Shanghai Commercial Savings Bank's credit line. 06. Removal of non-compete restrictions for directors 07. The Company's plan to amend the "Procedures for Authorization Management." 08. Change of the R&D supervisor of the Company 09. Amendment to the "Audit Committee Charter." 10. Proposal to amend the "Rules of Procedure for Board of Directors Meetings". 11. Matters related to holding of the Company's 2024 annual general meeting on May 31, 2024.	V	None
		Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present	V	
Board of Directors	The 16th session of the 13th	01. Proposal on recognition of consolidated financial statements for the first quarter of 2024.		None

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
	term on May 6, 2024	<p>02. The Company's intended amendment of the sales and collection cycle under the "Internal Control System".</p> <p>03. Proposal on the renewal of Chang Hwa Commercial Bank Yangmei Branch's credit line.</p> <p>Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present</p>	V	
Board of Directors	The 17th session of the 13th term on July 9, 2024	<p>01. The Company's intended transactions to purchase land and factory.</p> <p>Attendance of independent directors: Director Yang-Pin Shen and Director Yi-Chun Chiang all participated. Attendance by proxy: Director Yu-Tsun Li. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present</p>	V	None
Board of Directors	The 18th session of the 13th term on July 29, 2024	<p>01. The Company's proposal for distribution of directors' (excluding independent directors) remuneration for 2023.</p> <p>02. Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2023.</p> <p>03. Change of the R&D supervisor of the Company.</p> <p>04. Recognition of the Company's 2023 ESG Report.</p> <p>05. Proposal on recognition of consolidated financial statements for the second quarter of 2024.</p> <p>06. Proposal on capital increase for TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.</p> <p>07. Proposal on termination of agreement of loan for Beixin International Co., Ltd.</p> <p>08. Proposal on agreement of loan for subsidiaries.</p> <p>09. The base date for converting convertible corporate bonds into common shares for the second quarter of 2024 has been determined.</p>	V	None

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
		10. Proposal on renewal of credit lines. Attendance of independent directors: Director Yang-Pin Shen and Director Yi-Chun Chiang all participated. Attendance by proxy: Director Yu-Tsun Li. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present		
Board of Directors	The 19th session of the 13th term on October 1, 2024	01. The Company intends to acquire the common shares of SUPERWORLD HOLDINGS (S) PTE. LTD. 02. Appointment of directors and managers of subsidiaries. Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present	V V	None
Board of Directors	The 20th session of the 13th term on November 6, 2024	01. Proposal on recognition of consolidated financial statements for the third quarter of 2024. 02. Proposal on renewal of credit lines. 03. Proposal on submission of the 2025 annual audit plan. 04. The Company intends to amend the "Internal Control System", guidelines for internal audit, and other management systems. Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present		None
Board of Directors	The 21st session of the 13th term on January 21, 2025	01. Monthly salary structure and payment amount of the Chairman and managers of the Company and its subsidiaries for 2025. 02. Distribution of the year-end performance bonus of Company's Chairman for 2024. 03. Distribution of the year-end performance bonus of managers of the Company and subsidiaries for 2024.	V V V	None

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
		04. Transportation expenses for directors who attend a Board meetings 05. Remuneration to independent directors 06. Proposal to formulate the Company's "Corporate Sustainable Development Committee Charter". 07. Proposal to approve the Company's proposed Statement of Internal Control Systems for 2024. 08. Proposal on the Company's 2025 annual business plan. 09. Proposal on credit line by banks. 10. Proposal on agreement of loan for subsidiaries.	V V V V V V	Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present. Independent directors' opinion: None. Actions taken by the Company in response to the opinion of independent directors. Resolution results: Approved by all directors present
Board of Directors	The 22nd session of the 13th term on February 24, 2025	01. Discussion on appropriation of remuneration to employees and directors for 2024. 02. Ratification of 2024 business report and financial statements and consolidated financial statements 03. 2024 earnings distribution. 04. Proposal on amendments to "Articles of Incorporation". 05. Proposal on evaluation of independence of the CPA and appointed remuneration for 2025. 06. The Company intends to conduct a private placement of common share 07. Renewal of the financing facility contract of endorsement/guarantee with Taipei Fubon Bank. 08. Proposal on general election of directors. 09. Proposal on qualifications of director nominees (independent directors) 10. To lift the non-compete restriction on directors in Article 209 of the Company Act for new directors of the Company.	V V V V V V V V V V	None

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
		<p>11. Proposal to hold the Company's 2025 General Shareholders' Meeting on May 23, 2025.</p> <p>Attendance of independent directors: Director Yang-Pin Shen, director Yu-Tsun Li, and director Yi-Chun Chiang were all present.</p> <p>Independent directors' opinion: None.</p> <p>Actions taken by the Company in response to the opinion of independent directors.</p> <p>Resolution results: Approved by all directors present</p>		
Shareholders' meeting	2024.05.31	<p>The Company's 2024 Annual General Meeting was held on May 31, 2024 on the first floor of No. 3, Qingnian Road, Yangmei District, Taoyuan City (conference room of China-Motor Training Center). The General Shareholders' Meeting resolved to carry out the following matters; the implementation status is as follows:</p> <p>01. Proposal on adoption of 2023 business report and financial statements. Implementation status: The Board of Directors meeting dated February 26, 2024 authorized the Chairman of the Board of Directors to set an ex-dividends record date. The ex-dividend date was April 6, 2024, and the cash dividend of NT\$459,153,000 was fully distributed on May 3, 2024. (cash dividends of NT\$4.5 per share)</p> <p>02. Report on the execution of fundraising and issuance of corporate bonds in 2023. Description of execution: The Company's 2023 1st domestic unsecured convertible corporate bond was conducted on October 30, 2023, with NT\$1,105,500 thousand raised. As of December 31, 2023, the amounts for the replenishment of working capital and repayment of bank borrowings were of NT\$379,940 thousand and NT\$500,000 thousand, respectively.</p> <p>03. Report on Amendments to the "Rules of Procedure for Board of Directors Meetings" Implementation status: The amendments were disclosed on the Company's website and implemented accordingly.</p>	None	None

Name of Meeting	Date	Proposals	Matters listed in Article 14-3 of the Securities and Exchange Act	Dissenting or reserved opinion of independent directors
		04. Proposal on cancellation of non-compete restriction for new directors of the Company. Implementation status: Approved through a resolution.		

(XI) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: None.

III. Information about CPA professional fees:

Accounting firm name	Accountant name	Accountant audit period	Audit remuneration	Non-audit fees	Total	Remarks
PricewaterhouseCoopers Taiwan	Wei-hao Wu	2024 whole year	3,900	1,086	4,986	
	Ya-Hui Cheng	2024 whole year				

Note: If the Company changes accountants or accounting firms this year, please list the inspection period separately and explain the reason for the replacement in the remarks column, and disclose the information on audit and non-audit fees paid in sequence. Non-audit should be annotated to explain their service content.

(I) If the proportion of non-audit fees paid to the CPA, the firm to which the CPA belongs, and its affiliated enterprises is more than one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services should be disclosed:

The non-audit fees are (1) fees of NT\$233 thousand for attestation of the ESG/Sustainability Report; (2) fees of NT\$200 thousand for the transfer pricing report; (3) fees of NT\$180 thousand for the Group's master file; (4) fees of NT\$438 thousand for taxation document attestation; and (5) and fees of NT\$35 thousand for business registration.

(II) If the accounting firm has changed and the audit fee paid in the year of change is lower than the audit fee in the year before the change, the amount of audit fees and reasons before and after the replacement should be disclosed: None.

(III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction of audit fees should be disclosed: None.

IV. Change of CPA information: None.

V. The chairperson, president, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year: None

VI. Information about the shares transferred by and changes to the shares pledged by the directors, supervisors, managers and the shareholders holding more than 10% of shares in the most recent year and up to the date of publication of the annual report:

(I) Changes to the shares held by directors, supervisors, managers, and majority shareholders

Please visit:

<https://mopsov.twse.com.tw/mops/web/IRB110>

MOPS/Basic Information/Summary of changes in the equity of directors, supervisors, managers and shareholders holding more than 10% of the shares

(II) Share transfer information: None.

(III) Equity pledge information: None

VII. Information about the relationships of the ten largest shareholders

Book closure date: March 25, 2025

Name	Number of shares personally held		Spouse and minor children holding shares		Total shares held by proxy		Name of related parties, spouse, or relative within the second degree of kinship, and relationships among top ten shareholders		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or designation)	Relationship	
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	10,207,649	10%	—	—	—	—	—	—	
Corporate representative: Chin-Sheng Chen	—	—	—	—	—	—	—	—	
Heng Yang Investment Corporation	6,540,995	6.41%	—	—	—	—	Yu-Hsiang Hsieh Yu Ming-Liang Hsieh Ming-Chi Hsieh	Chairman and Director of the Company Supervisor of the Company Director of the Company	
Representative: Yu-Hsiang Yu Hsieh	1,449,902	1.42%	—	—	—	—	Heng Yang Investment Corporation Ming-Yen Hsieh Ming-Liang Hsieh Ming-Chi Hsieh	Chairman and Director of the Company Mother/Son Mother/Son Mother/Son	
Northwest Investment Corporation	6,121,718	6.00%	—	—	—	—	Ming-Yen Hsieh Chien-Jung Lin	Chairman and Director of the Company Supervisor of the Company	
Representative: Ming-Yen Hsieh	1,034,829	1.01%	233,371	0.23%	—	—	Northwest Investment Corporation Yu-Hsiang Hsieh Yu Ming-Liang	Chairman and Director of the Company Mother/Son Brother Brother	

							Hsieh Ming-Chi Hsieh		
All Ring Tech Co., Ltd.	2,894,436	2.84%	—	—	—	—	—	—	
Representative: Ching-Lai Lu	—	—	—	—	—	—	—	—	
Jiayu Investment Co., Ltd.	—	—	—	—	2,000,000	1.96%	Ming-Liang Hsieh Ling-Hsia Chou	Chairman and Director of the Company Supervisor of the Company	
Ming-Liang Hsieh	746,868	0.73%	135,027	0.13%	—	—	Heng Yang Investment Corporation Yu-Hsiang Hsieh Yu Ming-Yen Hsieh Ming-Chi Hsieh	Supervisor of the Company Mother/Son Brother Brother	
Pinchen Investment Co., Ltd.	—	—	—	—	2,000,000	1.96%	Ming-Chi Hsieh Yu-Hsiang Hsieh Yu	Chairman and Director of the Company Supervisor of the Company	
Corporate director representative: Ming-Chi Hsieh	750,481	0.74%	307,972	0.30%	—	—	Heng Yang Investment Corporation Yu-Hsiang Hsieh Yu Ming-Yen Hsieh Ming-Liang Hsieh	Director of the Company Mother/Son Brother Brother	
Chien-Jung Lin	1,836,610	1.80%	629,810	0.62%	—	—	Northwest Investment Corporation	Supervisor of the Company	

Kuei-Kuang Huang	1,824,591	1.79%	369,612	0.36%	—	—	—	—	
Yuqin Investment Co., Ltd.	1,777,000	1.74%	—	—	—	—	—	—	
Corporate director representative: Wen-Chin Yuan	—	—	—	—	—	—	—	—	
Yizhi Investment Co., Ltd.	1,680,000	1.65%	—	—	—	—	—	Ming-Yen Hsieh Jui-hsia Tai	Chairman and Director of the Company Supervisor of the Company
Representative: Ming-Yen Hsieh	1,034,829	1.01%	233,371	0.23%	—	—	—	Northwest Investment Corporation Yu-Hsiang Hsieh Yu Ming-Liang Hsieh Ming-Chi Hsieh	Chairman and Director of the Company Mother/Son Brother Brother
Yu Chi Investment Co., Ltd.	1,680,000	1.65%	—	—	—	—	—	Ming-Yen Hsieh Jui-hsia Tai	Chairman and Director of the Company Supervisor of the Company
Representative: Ming-Yen Hsieh	1,034,829	1.01%	233,371	0.23%	—	—	—	Northwest Investment Corporation Yu-Hsiang Hsieh Yu Ming-Liang Hsieh Ming-Chi Hsieh	Chairman and Director of the Company Mother/Son Brother Brother

VIII. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company:

April 23, 2025; Unit: Thousand shares

Re-invested business	The Company's investment		Investment of directors, supervisors, managers and business directly or indirectly control/controlled by the Company		Comprehensive investment	
	Number of shares	Shareholding percentage (%)	Number of shares	Shareholdings Percentage	Number of shares	Shareholding percentage (%)
Best Bliss Investments Limited	34,250	100.00	—	—	34,250	100.00
North Star International Limited	100	100.00	—	—	100	100.00
Techworld Electronics Singapore Pte.Ltd	6,000	60.00	—	—	6,000	60.00
TAI-TECH Advanced Electronics (Kunshan)	—	100.00	—	—	—	100.00
Fixed Rock Holding Ltd	26,450	100.00	—	—	26,450	100.00
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	—	100.00	—	—	—	100.00
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	—	100.00	—	—	—	100.00
Techworld Electronics (M) Sdn.Bhd.	25,800	60.00	—	—	25,800	60.00
JDX Technology Co., Ltd.	2,500	83.33			2,500	83.33

Three. Fundraising

I. Capital and Shares

(I) Sources of equity

1. Sources of share capital

March 25, 2025; unit: thousand shares

Year / Month	Issue price (NT\$)	Approved share capital		Paid-up share capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
81.11	10	2,650	26,500	2,650	26,500	Starting capital	—	Approved by Letter Jing (082) Shang No. 390865 on November 2, 1992
82.09	10	2,750	27,500	2,750	27,500	Cash capital increase of NT\$1,000 thousand	—	Approved by Letter Jing (082) Shang No. 450582 on September 8, 1993
84.07	10	5,500	55,000	5,500	55,000	Cash capital increase of NT\$27,500 thousand	—	Approved by Letter Jing (084) Shang No. 501016 on July 8, 1995
88.09	10	9,350	93,500	9,350	93,500	Cash capital increase of NT\$38,500 thousand	—	Approved by Letter Jing (088) Shang No. 684064 on September 17, 1999
89.08	10	11,000	110,000	11,000	110,000	Capital increase of NT\$16,500 thousand from capitalization of retained earnings	—	Approved by Letter Jing (089) Shang No. 124051 on August 10, 2000
89.11	10	19,813	198,127	19,813	198,127	Consolidated capital increase of NT\$88,127 thousand	—	Approved by Letter Jing (089) Shang No. 144108 on November 27, 2000
90.07	10	35,600	356,000	26,433	264,330	Capitalization of capital reserves of NT\$66,203 thousand	—	Approved by Letter Jing (090) Shang No. 09001382310 on September 26, 2001
90.07	10	35,600	356,000	29,500	295,000	Capital increase of NT\$30,670 thousand from capitalization of retained earnings	—	Approved by Letter Jing (090) Shang No. 09001382310 on September 26, 2001
90.07	10	35,600	356,000	35,600	356,000	Cash capital increase of NT\$61,000 thousand	—	Approved by Letter Jing (090) Shang No. 09001382310 on September 26, 2001
90.12	10	45,600	456,000	45,600	456,000	Cash capital increase of NT\$100,000 thousand	—	Approved by letter Jing Shou Shang Zi No. 09101001420 on January 7, 2002
91.07	10	54,878	548,776	53,853	538,536	Capital increase of NT\$82,536 thousand from capitalization of retained earnings	—	Approved by letter Jing Shou Shang Zi No. 09101371960 on September 18, 2002

91.07	10	54,878	548,776	54,878	548,776	Consolidated capital increase of NT\$10,240 thousand	—	Approved by letter Jing Shou Shang Zi No. 09101371960 on September 18, 2002
92.05	10	65,000	650,000	58,445	584,446	Capital increase of NT\$35,670 thousand from capitalization of retained earnings	—	Approved by letter Jing Shou Shang Zi No. 09201180690 on June 24, 2003
92.05	10	65,000	650,000	61,000	610,000	Cash capital increase of NT\$25,554 thousand	—	Approved by letter Jing Shou Shang Zi No. 09201180690 on June 24, 2003
94.06	10	75,000	750,000	67,100	671,000	Capital increase of NT\$61,000 thousand from capitalization of retained earnings	—	Approved by letter Jing Shou Shang Zi No. 09401160490 on August 17, 2005
95.11	12	75,000	750,000	69,975	699,748	Cash capital increase of NT\$28,748 thousand	—	Approved by letter Jing Shou Shang Zi No. 09601290900 on January 3, 2007
95.11	12	75,000	750,000	70,000	700,000	Consolidated capital increase of NT\$252 thousand	—	Approved by letter Jing Shou Shang Zi No. 09601290900 on January 3, 2007
98.12	16.9	75,000	750,000	70,055	700,550	Cash capital increase of NT\$550 thousand	—	Approved by letter Jing Shou Shang Zi No. 09801288710 on December 15, 2009
100.01	23	80,000	800,000	78,000	780,000	Cash capital increase of NT\$79,450 thousand	—	Approved by Letter Jing Shou Shang Zi No. 10001018760 on January 31, 2011
101.09	10	150,000	1,500,000	79,560	795,600	Capital increase of NT\$15,600 thousand from capitalization of retained earnings	—	Approved by Letter Jing Shou Shang Zi No. 10101193770 on September 18, 2012
103.08	30	150,000	1,500,000	91,000	910,000	Cash capital increase of NT\$114,400 thousand	—	Approved by Letter Jing Shou Shang Zi No. 10301160060 on August 4, 2014
110.03	151.88	300,000	3,000,000	103,134	1,031,340	Follow-on offering of NT\$12,134 thousand	—	Approved by Letter Shushang Zi No. 11001141040 on August 23, 2021
111.11	10	300,000	3,000,000	102,034	1,020,340	Capital reduction by retiring treasury shares of NT\$11,000 thousand.	—	Approved by the official letter titled Jing Shou Shang Zi No. 11101222620 dated November 23, 2022.
113.09	10	300,000	3,000,000	102,035	1,020,349	Corporate bond conversion of NT\$9 thousand		Approved by the official letter titled Jing Shou Shang Zi No. 11330164190 dated September 19, 2024.

2. Classes of shares

April 23, 2025; unit: shares

Type of shares	Approved share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	102,034,881	197,965,119	300,000,000	TPEx-listed shares

3, Information concerning the collective reporting system: Not applicable

(II) List of major shareholders

Major shareholders	Shares	Number of shares held (shares)	Shareholding percentage (%)
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank		10,207,649	10.00
Hengyang Investment Co., Ltd.		6,540,995	6.41
Northwest Investment Co., Ltd.		6,121,718	6.00
All Ring Tech Co., Ltd.		2,894,436	2.84
Jiayu Investment Co., Ltd.		2,000,000	1.96
Pinchen Investment Co., Ltd.		2,000,000	1.96
Chien-Jung Lin		1,836,610	1.80
Kuei-Kuang Huang		1,824,591	1.79
Yuqin Investment Co., Ltd.		1,777,000	1.74
Yizhi Investment Co., Ltd.		1,680,000	1.65
Yu Chi Investment Co., Ltd.		1,680,000	1.65

(III) Company dividend policy and implementation status

1. Dividend policy as set out in the Articles of Incorporation

The Company's dividend policy shall be determined based on the factors of the environment of its industry, Company's growth stage, future fund demand, financial structure and capital budget, etc., along with the benefits of shareholders, balance of dividends and the long-term planning of the Company. Within the distributable range, the distribution proposal is to be established by the Board of Directors according to law, and the proposal is to be reported to the shareholders' meeting. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.

2. Proposed (completed) dividend distribution to shareholders for the current year

The Company will distribute a cash dividend of NT\$5.0 per share for 2024. The resolution was submitted to the Board of Directors on February 24, 2025 and will be reported to the shareholders meeting on May 23, 2025.

(IV) The impact of proposed stock dividends this year on the Company's operating performance and earnings per share: There will be no stock dividend.

(V) Remuneration of employees, directors, and supervisors:

Item	Explanation
The percentage or scope of remuneration for employees, directors, and supervisors as set out in the Articles of Incorporation	Where the Company has a profit for a fiscal year, it shall appropriate not less than 6% as the remuneration of employees, and the board of directors shall reach resolution of the distribution in stock or cash. The distribution subject may include employees of subordinate companies satisfying certain criteria. The Company may appropriate an amount not higher than 2% of the aforementioned profit as the remuneration of directors and supervisors through resolution of board of directors' meeting. The proposal for distribution of the remuneration of employees and the remuneration of directors and supervisors shall be reported to the shareholders' meeting,
The estimated basis for the estimated compensation of employees, directors and supervisors in the current period, the basis for calculating the number of shares for employee compensation distributed by shares, and the accounting treatment if the actual distribution amount is different from the estimated amount:	According to the Company's Articles of Incorporation, not less than 6% of pre-tax profit is to be allocated to employee compensation and not more than 2% is to be allocated to directors' compensation. The corresponding amounts in 2024 were NT\$51,631 thousand and NT\$12,907 thousand, respectively, which were not different from the amounts estimated in the accounts. If there is a difference between the actual distribution amount and the estimated amount, it will be treated as a change in accounting estimates and included in profit or loss for the following year.
Approval of the Board of Directors of the distribution of remuneration: (1) Compensation of employees and directors and supervisors distributed in cash or stock. If there is a difference from the estimated amount in the year of recognition of expenses, the number of discrepancies, reasons, and handling should be disclosed:	On February 24, 2025, a resolution of the Board of Directors was passed such that for 2024, employees will be paid NT\$51,631 thousand and directors' compensation will be NT\$12,907 thousand. This does not differ from the estimated amount in the accounts, and all of the above will be paid in cash.
(2) The amount of employee compensation distributed in stock and its proportion to the net profit after tax and total employee compensation in the current period's parent company only or individual financial statements:	No such situation
Shareholders' meeting reports on the situation and results of the distribution of remuneration	The Company's 2024 distribution of compensation to employees is NT\$51,631 thousand and remuneration to directors is NT\$12,907 thousand, which is expected to be reported in the shareholders' meeting on May 23, 2025.

Item	Explanation
<p>Actual distribution of remuneration for employees, directors, and supervisors in the previous year (including the number of shares allotted, amounts, and share prices). If there is a difference with the recognized amount of remuneration for employees, directors, and supervisors, the number of differences, the reasons and the handling circumstances should be stated:</p>	<p>After reporting to the annual general shareholders' meeting on May 31, 2024, the Company distributed NT\$41,349 thousand as compensation to employees and NT\$10,337 thousand as remuneration to directors, which is consistent with the amount of compensation to employees and remuneration directors recognized in the 2023 financial statements.</p>

(VI) Repurchase of shares by the Company:

1. The Company's repurchase of the Company's shares (execution completed): In the most recent year and as of the publication date of the annual report, the Company did not repurchase its shares.
2. Shares repurchased by the Company (under execution): none

II. Issuances of corporate bonds (including overseas corporate bonds):

(I) Issuance of corporate bonds:

Type of corporate bonds (Note 2)	First domestic unsecured convertible bonds (Note 5)	
Date of issue	October 31, 2023	
Face value	NT\$100,000	
Place of issuance and trading (Note 3)	Taipei Exchange	
Issuing price	Issued at NT\$110.50	
Total amount	Total face value: NT\$1,100,000 thousand	
Interest rate	Coupon rate at 0%	
Term	3 years Maturity: October 31, 2026	
Guaranteeing institution	N/A	
Trustee	Trust Department, E.SUN COMMERCIAL BANK, LTD.	
Underwriting Institution	Yuanta Securities Co., Ltd.	
Attorney-at-Law	Ya-Wen Chiu, Far East Law Offices	
CPA	PwC Taiwan Co., Ltd.: Wei-Hao Wu and Ya-Hui Cheng	
Repayment method	Lump-sum repayment of principal upon maturity	
Outstanding principal	NT\$1,099,900 thousand	
Terms of redemption or early settlement	Please refer to the Procedures for the Issuance of Corporate Bonds and Conversion	
Restrictive clauses (Note 4)	None	
Name of credit rating agency, rating date, and corporate bond rating results	N/A	
Additional rights	Amount of common shares that have been converted (exchanged or subscribed) into common shares, global depository receipts or other marketable securities as of the publication date of the annual report	The amount converted to common shares is NT\$8,810
	Procedures for the Issuance of Corporate Bonds and Conversion	Please refer to the Procedures for the Issuance of Corporate Bonds and Conversion
The issuance and conversion, exchange or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity	If all the bonds are converted, the dilution ratio to the share capital will be about 9.01% and there is no significant dilution that will affect the shareholders' equity.	
Name of custodian for exchange object	N/A	

Note 1: The issuance of corporate bonds includes public offering and private placement of corporate bonds. Publicly offered corporate bonds in progress refer to those that have been validated (approved) by the Commission; privately-placed corporate bonds in progress refer to those that have been approved by the Board of Directors.

Note 2: The number of columns is adjusted according to the actual number of issue of corporate bonds.

Note 3: Fill in for overseas corporate bonds.

Note 4: Such as restrictions on cash dividends, external investments, or requirement to maintain a certain percentage of assets.

Note 5: private placements should be prominently marked.

Note 6: For convertible bonds, exchangeable bonds, shelf registration to issue corporate bonds, or corporate bonds with stock options, the information shall be disclosed according to their nature and in a tabular format.

(II) Information on corporate bonds

Type of corporate bonds (Note 1)		First domestic unsecured convertible bonds		
Item	Year	2023	2024	Current year up to February 28, 2025 (Note 4)
Market price of corporate bonds (Note 2)	Highest	118.45	134.00	122.00
	Lowest	105.95	111.00	110.00
	Average	108.25	124.13	116.17
Conversion price		118	The conversion price was adjusted to NT\$113.5 on April 6, 2024	The conversion price was adjusted to NT\$108.9 on March 29, 2025
Date of issuance (process) and conversion price at the time of issuance		Date of issuance: October 31, 2023 Conversion price at issuance: 118		
Method of performing the conversion obligation (Note 3)		Issuance of new shares		

Note 1: The number of columns is adjusted according to the actual number of issue of corporate bonds.

Note 2: If overseas corporate bonds are traded at multiple locations, they are listed separately for each trade location.

Note 3: Delivery of issued shares or issuance of new shares.

Note 4: Information for the year up to the publication date of the annual report shall be provided.

(III) Information on corporate bonds exchanged: None

(IV) Aggregate declaration of issuance of corporate bonds: None

(V) Information of corporate bonds with warrants: None

III. Handling of preferred shares: No such situation.

IV. Participation in the issuance of overseas depositary receipts: No such situation.

V. Employee stock options and new restricted employee shares: No such situation.

VI. M&A or transfer of shares of other companies to issue new shares: No such situation.

VII. Implementation status of fund utilization plan:

(I) Plan content: Issuance of the 1st domestic unsecured convertible corporate bonds in 2023

1. Total funds required for this plan: NT\$1,105,500 thousand.

2. Sources of funds:

Issuance of 11,000 domestic unsecured convertible bonds, with a total face value of NT\$100,000. The total face value of the bonds to be issued is NT\$1,100,000 thousand, or 100.5% of the par value for a total amount of NT\$1,105,500 thousand, for a period of three years. The interest rate was 0%.

3. Plan items and estimated progress of fund utilization:

Plan item	Scheduled completion date	Total funds required	Scheduled fund utilization progress	
			Q4 2023	Q1 2024
Replenish working capital	Q1 2024	605,500	150,000	455,500
Repay bank loan	Q4 2023	500,000	500,000	0
Total		1,105,500	650,000	455,500

(II) Implementation status:

The first domestic unsecured convertible corporate bond of the Company was completed on October 30, 2023. The amount of funds raised was NT\$1,105,500 thousand. As of March 31, 2024, the Company used the proceeds of NT\$605,500 thousand and NT\$500,000 thousand, respectively, to replenish the working capital and repay the bank. The funds from this issuance of corporate bonds were fully disbursed for the first quarter of 2024 as expected.

(III) Benefit evaluation:

The plan to replenish working capital was completed for the first quarter of 2024. This has brought a timely injection into the Company's working capital needs, increased the flexible use of funds to maintain normal operations, and helped to increase the Company's operating revenue and generate operating profit. Achievement of these benefits are still in line with expectations.

Four. Overview of Operations

I. Business content

(I) Business scope

1. The Company's principal business activities

The Company is a professional supplier of magnetic materials and inductive components. The main business items are the development, design, manufacture, and sale of different types of magnetic components and inductive components.

2. Revenue Distribution of the Company's current Major Products

Unit: NT\$ thousand

Major products	2023		2024	
	Operating revenue	Ratio	Operating revenue	Ratio
Wire-wound	3,064,067	69.14%	3,997,059	72.59%
Multilayer products	895,385	20.20%	1,104,193	20.06%
LAN transformer	412,141	9.30%	362,297	6.58%
Others	60,196	1.36%	42,557	0.77%
Total	4,431,789	100.00%	5,506,106	100.00%

3. The Company's current product items and applications

The Company specializes in the design, manufacture and sale of various magnetic components and inductive components, which are mainly used in core functions such as suppressing electromagnetic interference (EMI) between electronic circuits and interfaces, signal filtering, noise suppression and current stabilization. Meanwhile, with the trend of miniaturization, high performance and energy saving of electronic products, inductor components have become indispensable key components in various power management systems.

At present, the Company's products have been widely used in multiple electronic fields, including personal computers and their peripherals, smartphones and wearable devices, wired and wireless communication equipment, automotive electronics and electric vehicle systems, industrial control and automation equipment, cloud computing and data centers, Internet of Things (IoT) devices, digital audio and video equipment, smart TVs and game consoles, security and monitoring systems, and other emerging electronic application products.

With continuous investment in R&D and process innovation, our company not only has a rich standardized product line, but also has a high degree of customization capabilities, which can flexibly meet the special needs of customers in different industries. We have become one of the few suppliers among the industry that can fully provide

various inductor and magnetic component solutions, and has established a solid competitive advantage and reputation in the global market.

Major product categories and items manufactured and sold by the Company are organized in the following table:

Type	Wire-wound			Multilayer products	LAN transformer	Others
	Precision wire-wound inductors	Molded power inductor	Common mode filter			
Item	1. Wire-wound ferrite inductors 2. High frequency wire-wound ceramic inductors 3. Wire-wound ferrite low frequency antenna 4. Sealed wire-wound low profile power inductors 5. Wire-wound SMD beads	1. Molded power inductors 2. Miniature molded power inductors 3. High-current-flat wire molded power inductors 4. Electric field shielding molded power inductors	1. Two-wire common mode filters 2. Three-wire common mode filters 3. Automotive common mode filters 4. Balanced to unbalanced converters (also known as balun filters) 5. SMD high current common mode filters	1. Multilayer chip beads 2. Multilayer chip inductors 3. Multilayer high frequency ceramic chip inductors 4. Multilayer array magnetic beads 5. Multilayer chip power inductors 6. Multilayer chip common mode filters	1. Capacitive type LAN transformer modules 2. Inductive type LAN transformer modules 3. Automatic winding type LAN transformers 4. Self-coupling type LAN transformers 5. LAN transformer common mode inductors	Nickel-zinc ferrite cores

1. New product items to be developed

The Company produces a complete range of inductor products, with more than 40 magnetic material formulation technologies, professional core design capabilities, and a highly vertically integrated production model. It also provides a variety of process options, fully demonstrating the company's high degree of autonomy and core competitiveness in product development.

In addition to continuously improving the electrical performance, reliability and miniaturization capabilities of existing products, the Company is also actively investing in innovative research and development to meet the application needs of the current high-growth market, including high-speed digital computing, artificial intelligence (AI), 5G

mobile communication technology, high-speed networking devices, cloud applications and data centers, server solutions, the Internet of Things (IoT), power management systems, and electric vehicles and automotive electronics.

In 2025, we expect to develop new product items listed as follows:

- (1) Automotive grade 175°C high temperature resistant and bent 7mm or more multilayer chip beads HSZ 1608 size series products
- (2) Continuous development and improvement of the PASC series of automotive grade low-frequency inductive antennas.
- (3) The WCM5555/7060/9070/1211 series, common mode filters for high current use.
- (4) Automotive grade common mode filter series with external thick metal electrodes.
- (5) Netcom DCMD/WCMD/DWCD matrix products
- (6) Balanced Design version (Lowest Rdc), carbonyl cold pressing process series
- (7) Continued development and improvement of high-efficient low-loss alloy molded inductors of the DDR5 standard
- (8) Development of large-size products during the high-current molded of alloy materials
- (9) Development of 155°C temperature resistant carbonyl materials for automobiles
- (10) Development of anti-rust carbonyl materials

(II) Industry overview

1. Industry status and development

The Company is a large-scale professional supplier of inductors and magnetic components in Taiwan, and is in a leading position in the industry in terms of product design, technology research and development, manufacturing capabilities and market sales.

Inductor components are the Company's major products and belong to the passive component industry. Based on manufacturing technology and product structure, they can be divided into multilayer chip type, winding type, molding and hand-assembled type; based on the characteristics of raw materials, they can be divided into ferrite type, ceramic material type and metal alloy type. The Company is one of the few companies in Taiwan that can provide all-round inductor solutions with the above-mentioned different structures, materials and application fields.

Inductor components have important functions such as filtering and removing noise, suppressing transient current, reducing electromagnetic interference (EMI), power conversion and wireless charging induction. They are widely used in consumer electronics and 3C products, including smartphones, tablets, notebooks, desktop computers, servers, digital set-top boxes, portable gaming devices, wearable devices, smart homes and wireless charging systems. As the above-mentioned terminal product

markets continue to grow, technologies continue to innovate and update cycles accelerate, the demand for inductor components is indirectly driven to grow steadily.

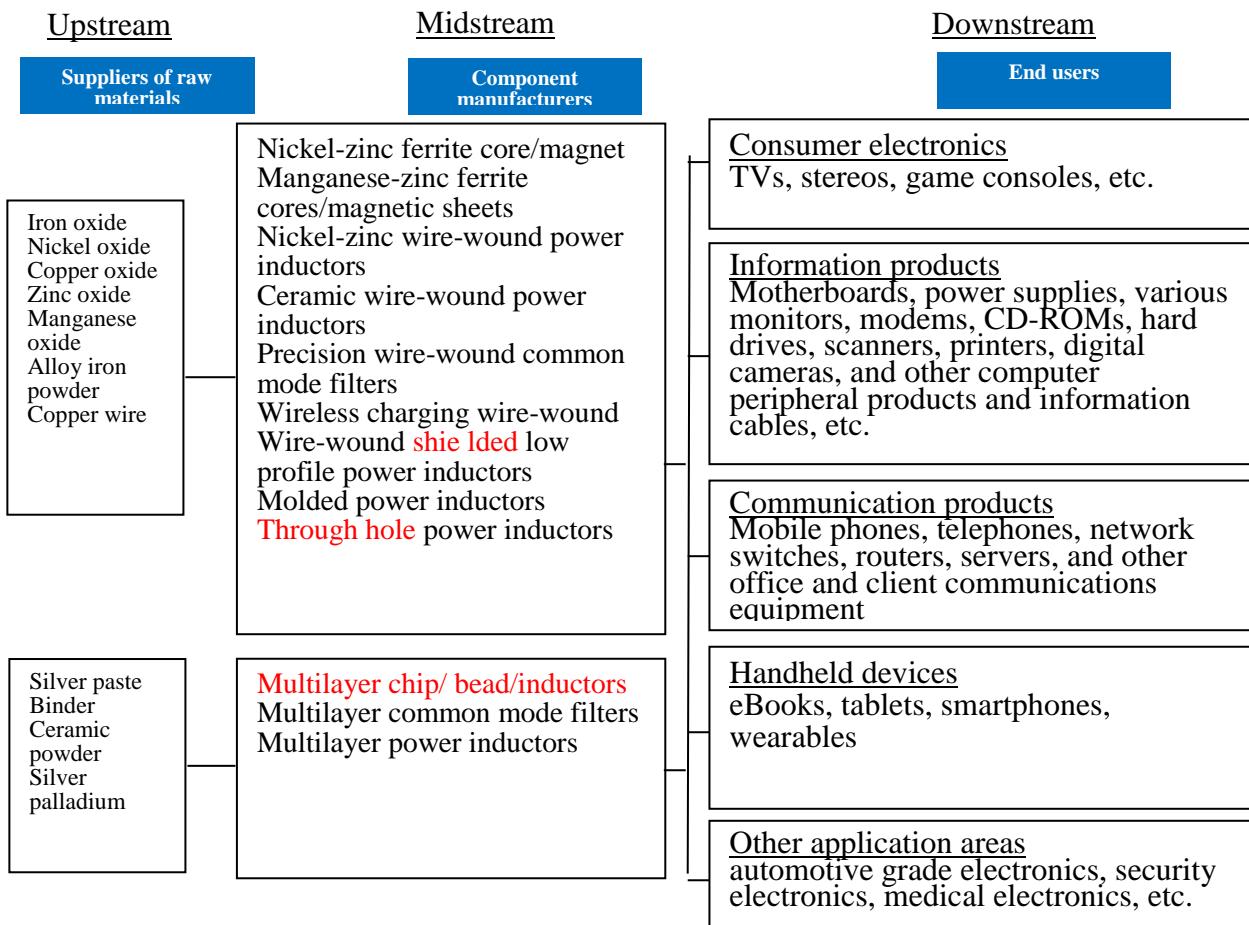
In recent years, innovative technologies have been rapidly applied to advanced fields such as new energy vehicles (including electric vehicles and hybrid vehicles), 5G communications, data centers, the Internet of Things (IoT), artificial intelligence (AI), high-performance computing (HPC), energy management systems (EMS) and industrial automation, further driving the growth in demand for key components including inductors.

For example, in the field of electric vehicles, inductors are mainly used in DC/AC converters, on-board charging systems (OBC) and battery management systems (BMS), responsible for power conversion and current monitoring to ensure the performance, safety and stability of electric vehicles. In the fields of AI, high-speed computing, and cloud data centers, inductors serve as important power management and EMI filtering components, effectively maintaining power stability and ensuring the accuracy of high-speed data transmission. In addition, inductive components also play an important role in emerging application fields such as smart grids, renewable energy storage, and wireless power transmission systems.

In summary, although the passive component industry to which inductor components belong is quite mature, the terminal products

Driven by continuous functional upgrades and technological innovation, the demand for high-quality and multi-functional inductive components will continue to grow in the future, driving the steady development of the entire industry chain. The Company will also continue to strengthen its product development capabilities and technological innovation to consolidate its leading position in the market.

2. The Interconnectedness of the Upstream, Midstream, and Downstream



3. Various product development trends

With the rapid advancement of electronic technology, various electronic systems continue to develop towards high performance, miniaturization and energy saving, which in turn drives the continuous improvement of inductor component specifications. As a professional supplier of inductor components, the Company actively grasps the market development trends, including iron cores, multilayer chip beads/multilayer chip inductors, winding coils, power inductors and other products, all of which are actively developed and upgraded in the direction of high frequency, miniaturization, thinness, low loss, high power and high current resistance.

In addition, in response to the global trend of smart manufacturing and automation, our company has introduced design thinking for automated production in the early stages of product development, comprehensively improving production efficiency and product competitiveness from the aspects of material technology, core design, mold design and manufacturing process.

On the other hand, global environmental awareness and sustainable development trends are becoming increasingly important. The Company is committed to the application of green materials and environmentally friendly processes, and actively

complies with international requirements for the environmental protection and sustainability of electronic components.

In summary, the above-mentioned technologies and market trends will guide the research and development direction of the Company's future inductor products and continue to consolidate its market competitive advantage.

4. Industry competition

The world's major inductor manufacturers currently are listed as follows:

Japan manufacturers	TDK, Murata, Taiyo Yuden, Panasonic
US manufacturers	Vishay, Coilcraft
South Korean manufacturers	Samsung Electro-Mechanics, Samwha
Taiwan manufacturers	Yageo (stock code 2327); Delta (stock code 2308); TAI-TECH Advanced Electronics (stock code 3357); ABC Taiwan Electronics (stock code 3236); King Core Electronics (stock code 6155); Arlitech Electronic (stock code 6432); Inpaq Technology (stock code 6284), Trio (stock code 6862)
Mainland China-based manufacturers	Sunlord Electronics, Fenghua Hi-Tech

In the global competition landscape of the inductor component industry, Japanese manufacturers remain in the leading position, with advantages in technology and scale; among Taiwanese manufacturers, Yageo Group is the largest and has a solid market position; and mainland Chinese manufacturers are rapidly expanding their scale due to the huge growth of domestic market growth, capital markets and strong support from local governments, and industry competition is becoming increasingly fierce.

In recent years, the inductor industry has gradually shown a trend of consolidation. The market has shown a situation where the big ones will always dominate. The survival space of small and medium-sized manufacturers has been gradually compressed, forcing each manufacturer to develop unique and competitive business strategies to maintain its market position.

As a professional inductor component supplier, the Company not only actively expands the production capacity of existing products, but also continues to develop and introduce new products that meet market demand to further expand its product line. With diversified product layout and market strategy, the Company has successfully expanded its product application areas to include high-tech industries such as consumer electronics,

information products, communication products and automotive electronics. The diversified business strategy effectively disperses industry risks and enhances overall competitiveness. It continues to respond steadily to the challenges of rapid market changes and create greater value for shareholders.

(III) Technology and R&D overview

1. Technology level and research development

In response to the ongoing development trend of electronic system products towards being thin, light, compact, high-performance, highly reliable, environmentally friendly and energy-saving, and highly automated, coupled with the rapid expansion of demand for automotive electronics, portable smart devices, servers, and high-speed computing-related applications in recent years, the market has increasingly stringent requirements for the specifications of inductor components. Leveraging on the core material engineering and process technology advantages accumulated over many years in the field of inductor manufacturing, the Company is actively engaged in the development of new inductor products that are forward-looking and meet market demand.

The Company's future research and development direction will focus on developing products that are lighter, more miniaturized, have high current resistance, and are suitable for higher frequency operating ranges. Meanwhile, the product's vibration and impact resistance characteristics will be enhanced to meet the harsh environmental requirements of automotive electronics and mobile devices. In addition, the company will further expand the stability and reliability of its products in extreme operating temperature ranges to meet the stringent demands for product durability and high performance in the fields of automotive electronics, servers, and high-speed computing. Meanwhile, the Company is also actively promoting the research and development of environmentally friendly materials and the introduction of automated production processes to improve production efficiency, reduce costs, and practice corporate social responsibility for sustainable operations and green manufacturing.

2. Research and development expenses invested in the most recent year

Unit: NT\$ thousand

	2023	2024
Research and development expenses	155,250	202,633
As a percentage of revenues (%)	3.50	3.68

Source: Consolidated financial statements audited and certified by an accountant

3. Technologies or products that have been successfully developed in the last five years

Year	Technology or product successfully developed
2020	<p>1. Released multilayer chip high current power inductors, including the development and mass production of products with distinct high, medium, and low specifications.</p> <p>(1) CPI 1608/2012/2016/2520 UF Series.</p> <p>(2) MPI 1608/2012/2016/2520 SF Series.</p>

Year	Technology or product successfully developed
	<p>(3) MPI 1608/2012/2016/2520 MF Series.</p> <p>2. Developed inductors for use in true wireless earphones (TWS).</p> <p>(1) SWF1608RF series.</p> <p>(2) SWF2012RF series.</p> <p>(3) HPC201212MF series.</p> <p>3. Development and mass production of low profile sealed wire-wound inductor products (including ferrites and alloys) with smaller and thinner dimensions.</p> <p>(1) Miniaturization: AHP121008 / 121010, 160808 / 160810, 201208 / 201210</p> <p>(2) Thinning: 0.8 mm height, AHP201608, 252008, 303008, 322508, 404008.</p> <p>4. Automotive common mode filter ACM4532/ACM3225, suitable for general specifications of CAN FD (Controller Area Network Flexible Data-Rate).</p> <p>5. LAN transformer TXF5365/TXF4532/TXF3532 series suitable for Power over Ethernet (PoE) specifications of Ethernet power supply.</p> <p>6. Development and certification work applied to the next-generation memory module DDR5 one-piece power inductor TMPF series.</p>
2021	<p>1. Developed inductors for use in true wireless earphones (TWS).</p> <p>(1) HPC160809TF series, mid-range headphone applications.</p> <p>(2) UHP160808TF series, mid/high end headphone applications.</p> <p>(3) UHP201208TF series, mid/high end headphone applications.</p> <p>(4) UHP201210RF series, mid/high end headphone applications.</p> <p>(5) FCH160808SF series, low-end headphone applications.</p> <p>2. Released medium size BPH853025F8E-101T high current resistance automatic wire-wound magnetic beads.</p> <p>3. Released three-wire balun transformer BCM3225 series.</p> <p>4. Released Common mode filter APO322523/30 series (POC, Power Over Coaxial) used in vehicle coaxial power supply network systems.</p> <p>5. Applied to the Internet of Vehicles, CAN FD (Controller Area Network Flexible Data-Rate) Class 1, 2, 3 common mode filter ACM4532/3225.</p> <p>6. Released TMIM3225/2520 series of miniaturized and thin molded power inductors.</p> <p>7. Released high temperature resistance (125 C) DCM3216/3225/4532 series for LAN transformers.</p> <p>8. Released LAN transformer TXF536540 compatible with 5GbE Power over Ethernet PoE/60W specification.</p>
2022	<p>1. Completion of the development of the HFZ1005/1608/2012/3216 series, compact multilayer ferrite beads for high current use.</p> <p>2. The HCB5750 series, large multilayer ferrite chip beads for high current use.</p> <p>3. The WCM1513/1211/9070/5555 series, common mode filters for high current use.</p> <p>4. The HSF1210-U4 series, common mode filters of USB4.0 specifications.</p> <p>5. The ACM3225/4532 series, common mode filters for use in OA1000/OA100, high vehicle-communications standards.</p> <p>6. The AMIM3225/4020 series, high-efficient loss-loss alloy molded power inductors of the DR5 standard.</p> <p>7. Microminiaturization LAN transformer modules.</p>
2023	<p>1. HFZ 321611PF-500T120 series, multilayer chip beads with high current resistance and low DC impedance for automotive use.</p> <p>2. 175 degree high temperature resistant multilayer cheap beads for auto grade HHZ1608 size series</p> <p>3. PASU3225 series, low-frequency UV-resin-covered induction antennas for auto grade use</p>

Year	Technology or product successfully developed
	4. SNLU2520/3225 Series of Automotive Grade UV Glue All-covered Decoupling Circuit Inductor 5. Automotive grade Open Alliance 10Base-T1S common mode filter ACM3225F2UV-241T007-D 6. TLVR100512 series of dual winding set inductors used in high-end servers 7. Common mode filter WCM4015/WCM5545 series (ferrite core type) 8. Innovative LAN transformer modules 9. TMPC05~07HC series, hot process carbon-substrate current-resistant molded power inductors. 10. One-piece carbonyl base/alloy power induction hot pressing process THMC04~06/ THMA04~05 series 11. 2PAD/4PAD/8PAD Series, carbonyl base material high current integrated power inductor hot pressing process TVMP 12. THFD series, alloy material high current one-piece cold pressing process
2024	1. Automotive grade 175°C high temperature resistant and bent 7mm or more multilayer chip beads HSZ 1608 size series products 2. Automotive grade low-frequency sensing antenna PASC5530-582J/PASC8030-123J 3. SNLU4532/5650 Series of Automotive Grade UV resin All-covered Decoupling Circuit Inductor 4. SLPI/SEPI series of single-wire assembled inductors for high-end servers 5. TLVR966411/110511 series of dual-winding set inductors for high-end servers 6. Common mode filter WCM5025 series (ferrite core type) 7. Common mode filter WCM5050FFSV series 8. Netcom DCMD/WCMD/DWCD matrix products

(IV) Long- and short-term business development plans

The Company is committed to building a corporate system that is flexible, stable and innovative, and instantly meets market demand by shortening delivery cycles, reducing operating costs and improving product quality. In addition, we will actively cultivate creative and executive talents, strengthen market analysis capabilities, and implement corporate social responsibility and sustainable management goals to ensure the Company's short-term performance improvement and long-term stable growth, creating maximum value for shareholders.

1. The short-term development plan aims to "focus on competitive advantage markets, enhance innovation capabilities and operational resilience, respond prudently to industry risks, and achieve sustainable growth."

Strategies and implementation measures to promote the program include:

(1). Risk Management Strategies

- i. Stabilization of the diversified production base layout: Arrange the production capacity of the company's 3+1 production bases, and clearly define the products produced by each factory, production capacity, customer arrangements, and the positioning of each factory within the Group.
- ii. Competition response: Improve production efficiency and reduce manufacturing and operating costs to cope with price pressure. ; Strengthen market brand influence, enhance brand value and customer stickiness, and enhance non-price competitiveness; strengthen patent layout and actively apply for patents; strengthen analysis and early warning of

competitors' patents to avoid the risk of falling into passive defense or even infringement.

- iii. Market early warning: Adopt the project management model, we establish dynamic analysis systems for key markets, predict terminal market fluctuations in advance, and adjust sales and production plans as soon as possible.

(2). Seize business opportunities strategy

- i. Product innovation: Develop differentiated and high value-added products; continue to develop and upgrade specifications of EMI application components; continue to develop and upgrade specifications of power inductor components; in terms of automotive electronics, continue to develop high-reliability products that meet automotive standards; continue to develop related components required by the AI application market; increase the resources of the development and technical support teams to speed up the introduction of the Company's new products to customers.
- ii. Market focus: Focus on EMI applications, automotive electronics and network communication applications, and AI application markets.
- iii. Sales expansion: Strengthen regional market layout, including emerging markets in the Indo-Pacific and European and American markets.
- iv. Production line expansion: The capacity expansion of some product lines shall be timely and meet customer order requirements.
- v. Strengthen product quality: Continuously improve the manufacturing mindset of colleagues with the goal of "zero defect" or "0ppm" to provide customers with high-quality products.

(3). Strategies to improve operational efficiency

- i. Digital transformation: Continue to strengthen the deployment of digital management systems (such as MES, IoT, Power BI, combat information systems, etc.); introduce AI technology to optimize production processes, improve production efficiency and yield; increase the layout of the Company's product line automation lines; strengthen intelligent warehousing and logistics systems, and improve the transparency, efficiency and accuracy of the Company's warehousing and shipment management.
- ii. Cost optimization: Improve process, yield, and efficiency to reduce unit cost; continue to reduce the cost of raw materials, cores, consumables, and other materials, and continue to develop alternative material solutions.

(4). Strategies to enhance operational resilience

- i. Strengthen team capabilities and establish a connection between performance appraisal and company strategy execution results.
- ii. Internal training: Continuously strengthen internal education and training to enhance the competitiveness of colleagues.

- iii. Promotion of ESG-related affairs: Dedicated staff will track regulatory changes and customer requirements to ensure that the Company responds quickly; promote related projects based on the annual key performance indicators set in the annual ESG report.
- iv. Enhance information security protection mechanism.

2. The Company's long-term development strategy is to "become the preferred supplier of global magnetic components" as the core goal, and the specific strategic guidelines are as follows:

- (1). We will continue to enhance the added value of our products and increase the shipment share of niche products through continuous optimization of our product portfolio, thereby effectively increasing the overall gross profit margin and further consolidating the Company's profitability.
- (2). In response to the uncertainty of the international political and economic environment, the Company's future production line layout will focus on expanding the production capacity of its main plant in Taiwan, and strategically strengthen the production capacity layout in third places outside Taiwan and mainland China based on customer demand to mitigate geopolitical risks and maintain operational flexibility.
- (3). Adhering to the business philosophy of focusing on core business and pragmatic management, we actively strengthen the execution of various environmental, social and governance (ESG) principles, pursue sustainable management, and strive to realize the corporate vision of becoming a world-class inductor supplier.

II. Market and production and sales overview

(I) Market analysis

1. Main product sales areas:

Region		Year		Unit: NT\$ thousand; %	
		2023	2024	Sales amount	Proportion
Domestic sales		1,002,286	22.62%	1,296,524	23.55%
Exports	Mainland China	2,350,689	53.04%	2,713,463	49.28%
	Hong Kong	411,593	9.29%	601,846	10.93%
	Singapore	60,377	1.36%	109,850	2.00%
	Others	606,844	13.69%	784,423	14.24%
Total		4,431,789	100.00%	5,506,106	100.00%

2. Market share

The Company and subsidiaries are mainly engaged in the development, design, manufacture, and sale of magnetic components and inductors. The main competitors around the world are some ten manufacturers, including TDK, Murata, Taiyo Yuden,

Vishay, Coilcraft, YAGEO, Delta, and Sunlord Electronics Co.,Ltd. Given so, relevant data is not easily accessible. In addition, the sampling method and companies sampled for a survey conducted by the various market survey institutions vary, so does the data they published. So far, a creditworthy survey or report from which the accurate market share of each manufacturer can be inferred is still absent. According to the report "Inductor Market Size, Share & Forecast 2025-2030" published by Knowledge Sourcing Intelligence in December 2024, the total sales of the global inductor industry used in electronic circuits from 2024 to 2025 is estimated to be approximately US\$6 billion to US\$7 billion. The sales value of our company in 2024 is NT\$5,506,106 thousand, and it is estimated that our market share in the global inductor component market is approximately 2.5 to 3.0%. The Company's products such as multilayer ferrite chip bead inductors and wire-wound common mode filters are in a leading position in the related industries.

3. Future market supply and demand, and future growth

(1) Future growth of the market

The application fields of inductor components are similar to those of the overall passive component market, but they play a more critical role in power management and high-frequency signal processing. Among them, the automotive electronics field remains one of the important driving forces for the growth of inductor demand. Especially in electric vehicles, including power conversion systems, charging modules, ADAS radars and other equipment, power inductors and coil components are adopted extensively for filtering and voltage stabilization. As the degree of vehicle electrification continues to increase, the value of inductor components required for each electric vehicle has far exceeded that of traditional fuel vehicles, making automotive electronics an important growth engine for the inductor market.

Consumer electronics are also one of the main application fields of inductors, including smartphones, televisions, and game consoles, etc. In these devices, inductive components are mainly responsible for power management (such as the inductor coil in the DC-DC converter) and signal filtering. In recent years, the functions of smart devices have continued to improve, especially the RF modules of 5G mobile phones, which has driven the demand for higher performance and smaller size inductive components, boosting the market growth of multilayer chip inductors and EMI filter ferrite beads. Meanwhile, smart housing and IoT devices (such as smart speakers and sensor nodes, etc.) are rapidly becoming popular, and the huge shipment volume of such devices will continue to boost the demand for small inductive components.

In addition, as the notebook and smartphone markets gradually stabilize, and as major brand manufacturers actively deploy AI-related applications, the server industry's investment in high-end AI servers is increasing, indicating that a new round of growth trend in the electronics industry is gradually forming its general scape. Such trend is not limited to the traditional consumer electronics field, but also extends to the electric vehicle and

self-driving car market. The order visibility from electric power systems to advanced driver assistance systems (ADAS) has increased significantly, fully reflecting the strong market demand for such technologies. At the same time, the low-orbit satellite and network communication equipment markets have also rapidly emerged, further strengthening the growth momentum of the electronics industry.

As one of the indispensable basic components of electronic devices, the inductor component industry will surely benefit greatly from the above-mentioned industrial trends. From high-performance components for miniaturized smartphones to high-tolerance products required for servers and electric vehicles, technological innovation and product upgrades of inductive components have become the key to promoting the development of related applications. As the market demand for higher performance and lower energy consumption electronic products continues to increase, the market demand for inductive components will continue to expand. Therefore, it is reasonable to expect that as the electronics industry expands toward higher technological levels and broader application areas, the passive component industry represented by inductor components will become an important force in promoting the future growth of the electronics industry.

(2) Analysis of market supply and demand

A. Supply side:

At present, all downstream manufacturers require good quality and low price, and major domestic and foreign manufacturers expect component manufacturers to fully cooperate in terms of delivery time and service. As for the domestic inductor industry, although the biggest competitors are still Japanese manufacturers at present, the technological development of the domestic electronic material information industry is becoming increasingly mature and its process capability and production cost reductions indicate strong competitiveness. In recent years, peers in mainland China have enjoyed the backing of abundant capital for their development. Coupled with their convenient access to the booming mainland market, their competitiveness is also increasing day by day. Therefore, from the perspective of market supply, although the situation of big companies has remained unchanged, the living space of small factories has been reduced. However, in Japan, Taiwan, South Korea and China, major manufacturers are actively seeking growth opportunities and the market supply is sufficient and competitive. As such, major peers must cautiously confront the impact of unbalanced supply and demand caused by the over-expansion of popular products and markets, while at the same time actively satisfying the market supply side.

B. Demand side:

In the inductor industry, downstream customer manufacturers basically cover all electronics related industries. As the functions of electronic products have become increasingly powerful in recent years, as well as ever more automated and intelligent,

this has not only gradually boosted sales volumes of end-use electronic products; the number of inductor components used in a single unit of an electronic product has also grown significantly due to diversification of functions. As a result, demand for inductor components has grown year by year. From the leadership of PC-related applications in the early years, smartphone market applications have gradually transformed into the main driving force for growth in recent years. Moreover, new and diversified application fields are booming, such as automotive grade electronics, the Internet of Things, 5G applications, cloud applications, AI, and high-speed computing; and the growth momentum of this new electronics industry has already taken shape. Therefore, future demand growth for inductor components should be optimistic.

4. Estimated sales volume and its basis

Regarding the Company's estimated sales volumes in 2025, multi-layer inductors and ferrite beads are re-planned in the order and product mixes and monthly production capacity will be more than 1.6 billion pieces per month. The monthly production capacity of common mode filters and transformers will reach a monthly production capacity of 280 million units after the expansion in 2022. The total monthly production capacity of molded power inductors will exceed 100 million; and the remaining wire wound inductors and thin inductors are expected to exceed 140 million in monthly sales.

The main markets for growth in downstream customer demand and applications are automotive electronics, high-speed computing and AI application markets, network communications markets, cloud storage, and server markets. In terms of regional markets, we will continue to build market share in China and keep increasing the number of existing European and American OEM orders.

5. Competitive niche

(1) High degree of vertically integration

A. Master the ability to develop magnetic materials: From the production of raw material powder to the finished products of lamination, winding, integrated and assembly, the entire process is completed in the factory, which can ensure product quality and reduce costs.

B. Product design capabilities: Have the ability to design cores and molds, and be able to take into account both the best product characteristics and the best mass production conditions when developing new products.

C. Diverse process capabilities: We have multi-layer, winding, Molded and assembled products, and can produce according to customer needs and provide the optimal solutions. The application market covers the computer market, communications market, consumer electronics market, automotive electronics market, power management, high-

speed computing and other markets. This diversity helps mitigate the risk associated with fluctuation in specific markets.

To sum up, the Company's related products start from the preparation and production of raw material powder, to the laminated, wound, integrated and assembled finished products. The whole process is completed in the factory, which will effectively ensure the quality of the Company's products and reduce costs.

(2) Highly automated production

From the outset, design of the Company's products is aimed at whether they can be introduced into automated production. In addition to ensuring high output, high quality and high yield of mass-produced products, this can also reduce the dependence on direct labor, reduce the impact of rising labor costs year by year, and make the Company's products more competitive.

(3) Diversified operations mitigate the risk of selling in a single industry

The Company continues to develop various components to meet the needs of the market. a number of new products have successively been introduced in terms of sales content (e.g., ultra-small high-frequency inductors, ultra-high-frequency ferrite beads, low profile power inductors, multilayer product power inductors, chip-type common mode filters, etc.) such that downstream customers are distributed in high-tech electronic industries such as consumer products, information products, and communication products. This is done with the view of diversifying the risk of selling in a single industry via diversified operations, and in order to respond to rapidly changing market trends.

(4) Core technologies

A. Material technology

(A) Nickel-zinc ferrite material formulation technology: Mainly high temperature materials for ferrite cores, low temperature (with silver) co-fired materials for laminated wafer processes, and high frequency and low temperature co-fired ceramic materials.

(B) Iron alloy formula technology: Special low temperature glass system insulation technology, high magnetic permeability materials, low loss materials, extremely high temperature resistant 180 degree resin formula, etc.

B. Multilayer technology, where the best process for cost-effectiveness can be chosen for products as follows: Fully wet process, semi-dry and semi-wet process, and fully dry process.

C. Winding technology: Winding machines with various winding technologies.

D. Production technology for various power inductors: Multi-layer chip type, winding type (single winding type, sealing type) and integral molding type, etc.

6. Advantages, disadvantages, and countermeasures of future development prospects

(1) Advantageous factors

1. Growing demand for electronic components: The functions of electronic terminal equipment are becoming more and more advanced and complex and the electronic circuits driven by them are becoming more and more complex and the number of electronic components required is also increasing.
2. Industry growth driven by demand for new applications: with the rise of emerging technologies such as 5G communications, the Internet of Things (IoT), artificial intelligence (AI), electric vehicles and self-driving cars, passive component manufacturers have the opportunity to provide requirements of these technologies.
3. Product transformation: the traditional power inductor has been gradually transformed into a light, short and small, high-function, high-electricity, automated production-oriented product, which is in line with the Company's development and production model.
4. Strategic partnerships: Cooperation or establishment of strategic partnerships with other passive component companies will help to enhance the Company's position in the industry and provide opportunities for joint innovation.

(2) Disadvantageous factors, and countermeasures:

1. Talent and manpower:

The characteristics of the passive component industry make it difficult to attract young talent who has graduated from colleges and universities; it is not easy to recruit middle-level Taiwanese talent. The turnover rate of entry-level manpower is high and due to the low birth rate, it is not easy to recruit talent.

Countermeasures:

- (1). Improve salaries and extend education and training periods to focus on training college graduates.
- (2). Retention bonus (contract-based) and treasury stock subscription plan for mid-level talent.
- (3). Actively sign educational cooperation programs with science and technology universities to expand the channels for recruiting entry-level talent.
- (4). Actively introduce international talents to fill professional gaps in specific fields. B. With geopolitical tensions, the end customers require adjustments to production bases.

2. Enterprise scale:

The Company is a small and medium-sized company, and it is not easy to compete with leading companies in the industry for the scale of resource investment and fund-raising.

Countermeasures:

- (1). Determine a clear market positioning and focus on specific areas or product categories to improve product professionalism.
- (2). Strengthen investment in R&D and continue to upgrade product technology

to have differentiated technology advantages.

- (3). Conduct cost analysis on a regular basis to find ways to reduce manufacturing costs and improve production efficiency.
- (4). Emphasize quality management and establish strict quality control standards to ensure that products meet international standards and customer expectations.
- (5). Consider establishing strategic partnerships to jointly tackle challenges.

3. Insufficient reputation of international brands:

The Company's current brand reputation is better in the Greater China region than internationally and its promotion in the international market is more limited.

Countermeasures:

- (1). Strengthen the uniqueness of the brand to highlight the Company's unique characteristics and competitive advantages.
- (2). Actively participate in industry events and exhibitions to enhance brand awareness.
- (3). Actively manage customer satisfaction and provide outstanding products and services.
- (4). Encourage customers to share their positive experiences and use word-of-mouth marketing to expand brand influence.
- (5). Value customer feedback and actively adjust corporate strategies to meet customer expectations.
- (6). Participate in industry cooperation and alliances and enhance brand reputation through cooperation with other well-known companies.

4. Supply chain risks:

May face supply chain-related challenges, including raw material shortages, transportation issues or geopolitical tensions.

Countermeasures:

- (1). Choose multiple reliable suppliers to diversify risks and reduce dependence on a single supplier.
- (2). Establish comprehensive supply chain transparency and trace the flow of raw materials, components and products in the supply chain.
- (3). Risk assessments are conducted on a regular basis, taking into account factors such as natural disasters, geopolitical turbulence and market changes.
- (4). Formulate comprehensive emergency response plans, including measures in case of natural disasters, political instability, supplier failure, etc.
- (5). Actively manage inventory levels to counter the possibility of supply chain disruption.

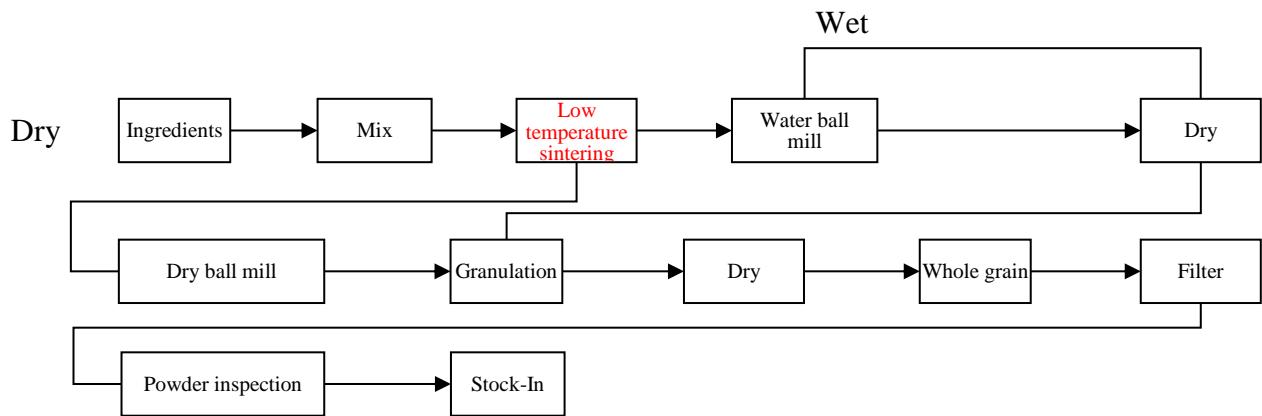
(II) Important applications and production processes of products:

1. Important applications of major products

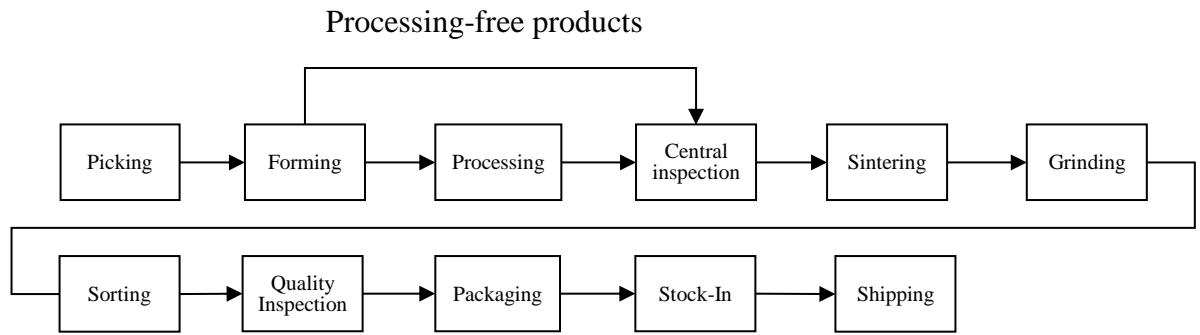
Product category	Important applications
Multilayer product inductors/ferrite beads	Motherboards, graphics cards, notebooks, tablets, LCD tvs/monitors, wireless networks, smart phones, printers, network cards, projectors, digital STBS, automotive grade electronics, data center servers, and edge computing servers.
Molded power inductors	Motherboards, graphics cards, desktop computers, notebook computers, smart phones, tablet computers, LCD TVs/screens, game consoles, automotive grade electronics, new energy vehicle battery management systems, data center servers, and edge computing servers.
Common mode filters and LAN transformers	High-speed connection interface, desktop computer, notebook computer, digital TV, network router, network switch, data center servers, and edge computing servers.
Wire-wound inductors	Motherboards, graphics cards, notebooks, tablets, LCD tvs/monitors, wireless networks, printers, network cards, projectors, digital STBS, smartphones, automotive grade electronics.

2. Production process of major products

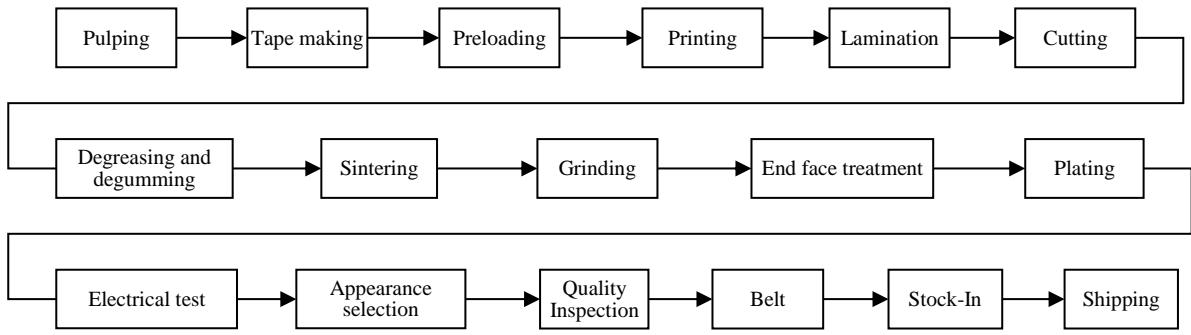
(1) The main production process of magnetic materials:



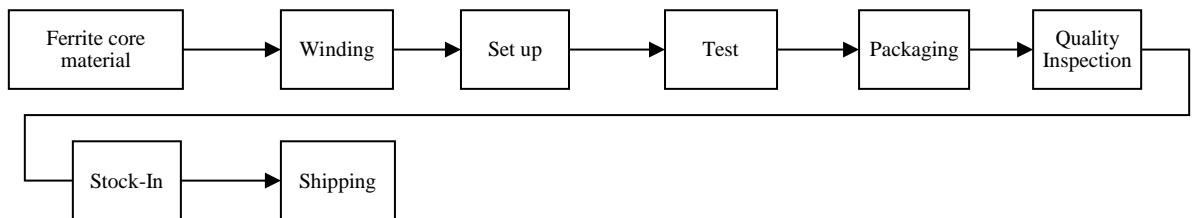
(2) Ferrite core production process:



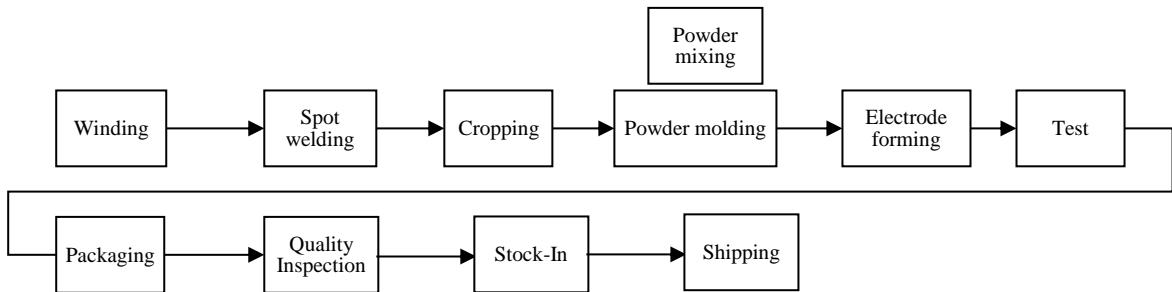
(3) Ferrite beads/inductor production process:



(4) Wire-wound power inductor production process:



(5) Molded power inductor production process:



(III) Availability of major raw materials

Regardless of whether the Company is manufacturing ferrite core powder or ferrite Sheet tape, the raw materials are mixed with powders such as iron oxide, nickel oxide, copper oxide, magnesium oxide and zinc oxide in different proportions, and then obtained according to individual subsequent different processes. Under the principle of maintaining more than two suppliers for a single raw material, the Company has long maintained close and favorable cooperative relationships with suppliers, a practice that should ensure smooth delivery.

(IV) List of major purchase and sale customers

1. Information on major purchasers in the last two years

Unit: NT\$ thousand

Year	2023				2024			
	Item	Name	Amount	% of net purchases in the whole year	Relationship with the Company	Name	Amount	% of net purchases in the whole year	Relationship with the Company
1	Company J	225,631	15.11	None	Company J	324,372	14.04	None
	Others	1,267,258	84.89		Others	1,985,249	85.96	
	Total	1,492,889	100.00		Total	2,309,621	100.00	

Description of the change: The purchase of other products increased in 2024, resulting in a decrease in purchase proportion of Company A.

2. Information on major sales customers in the last two years

Unit: NT\$ thousand

Item	2023				2024			
	Provider	Net sales	As a percentage of net sales for the year (%)	Relationship with the issuer	Provider	Net sales	As a percentage of net sales for the year (%)	Relationship with the issuer
1	Company A	676,234	15.26	None	Company A	872,765	15.85	None
	Others	3,755,555	84.74	-	Others	4,633,341	84.15	-
	Total	4,431,789	100.00	-	Total	5,506,106	100.00	-

Explanation of change: In 2024, the increase in market demand for automotive products increased the revenue from the sale to Company A.

III. Number of employees in the last two years

		2023	2024	As of February 28, 2025
Number of employees	Management administrative staff	116	118	121
	Salespeople	139	149	142
	R&D and technical personnel	111	123	134
	Manufacturing indirect personnel	141	151	151
	Operators	1315	1506	1556
	Total	1822	2047	2104
Average age		37.19	37.19	37.93
Average years of service		4.99	4.99	5.65
Educational distribution ratio	Master's degree	0.05%	0.05%	0.05%
	Bachelor's	0.82%	0.78%	0.86%
	Junior college	17.56%	17.93%	18.11%
	High school	30.57%	32.39%	32.37%
	Below high school	50.99%	48.85%	48.62%

IV. Environmental spending information

(I) Required description of the application for, payment of, or establishment of pollution facility permits or pollution discharge permits, or pollution prevention costs or environmental protection unit by companies in accordance with the law:

1. A polluting facility permit or a polluting discharge permit has been obtained

Provider	Category	Permit number
Tai-Tech Advanced Electronics Co., Ltd.	Water pollution prevention and control permit	Fu-Huan-Shui Zi No. 1120333248, Tao-Shi-Huan-Pai-Xu-Zi No. H2072-07
Tai-Tech Advanced Electronics Co., Ltd.	User connection certificate	Tao You Zi No. 1115120681
Tai-Tech Advanced Electronics Co., Ltd.	Fixed pollution source operation license	Fu Huan Kong Zi No. 1110353550, Cao-Zheng-Zi No. H4513-05
Tai-Tech Advanced Electronics Co., Ltd.	Waste cleanup plan	H09206090005
Tai-Tech Advanced Electronics Co., Ltd.	Dedicated Wastewater And Sewage Treatment Specialists (Class B)	Fu Huan Shui Zi No. 105017778
Tai-Tech Advanced Electronics Co., Ltd.	Appointment of a Dedicated Wastewater And Sewage Treatment Specialists (Class A)	(100) EPD Xunzheng Zi No. GA450214
Tai-Tech Advanced Electronics Co., Ltd.	Dedicated Air Pollution Control Specialist (Class A)	Fu Huan Kong Zi No. 1050149357

Provider	Category	Permit number
Tai-Tech Advanced Electronics Co., Ltd.	Appointment of a Dedicated Air Pollution Control Specialist (Class A)	(104) EPD Xunzheng Zi No. FA080371
Tai-Tech Advanced Electronics Co., Ltd.	Industrial Waste Disposal Specialists (Class B)	Fu Huan Shi Zi No. 1040327361
Tai-Tech Advanced Electronics Co., Ltd.	Appointment of an Industrial Waste Disposal Technician (Class A)	(102) EPD Xunzheng Zi No. HA060101
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	National sewage permit	91321300683504514N001C
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Permit for urban sewage discharge into drainage network	Su Hong Kai Shui Wu Zi No. (2024) 0030
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Radiation safety permit	Su Huan Fu Zhen [N0285]
TAI-TECH Advanced Electronics (Kunshan)	Sewage permit	91320583730691675U001X
TAI-TECH Advanced Electronics (Kunshan)	General security officer certificate	19032051475978
TAI-TECH Advanced Electronics (Kunshan)	Plating security officer certificate	20032051486316
TAI-TECH Advanced Electronics (Kunshan)	Pollution source automatic monitoring certificate	KSWRYZDJK20171226302
TAI-TECH Advanced Electronics (Kunshan)	Chemical warehouse safety officer certificate	2020-1689
TAI-TECH Advanced Electronics (Kunshan)	Safety standardization certificate	Jiangsu AQB320583QCIII202000035

2. Payment of pollution prevention and control fees

Provider	Category	2023	2024
Tai-Tech Advanced Electronics Co., Ltd.	Hazardous business waste disposal fee	NT\$3,457 thousand	NT\$2,315 thousand
Tai-Tech Advanced Electronics Co., Ltd.	General business waste disposal fee	NT\$1,446 thousand	NT\$1,471 thousand
Tai-Tech Advanced Electronics Co., Ltd.	Air pollution control fee	NT\$0 thousand	NT\$24 thousand
Tai-Tech Advanced Electronics Co., Ltd.	Soil and groundwater pollution remediation fees	NT\$62 thousand	NT\$45 thousand
Tai-Tech Advanced Electronics Co., Ltd.	Industrial area sewage charges	NT\$1,204 thousand	NT\$1,410 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste activated carbon disposal fee	RMB 49.95 thousand	RMB 23.38 thousand

Provider	Category	2023	2024
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste filter disposal fee		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste anode bags	RMB 23.27 thousand (consolidated according to the requirements of the Hazardous Waste List)	RMB 13.95 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste rag disposal fee		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste packaging container disposal fee		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste oil disposal fee	RMB 5 thousand	RMB 5 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Fees for disposal of waste liquid	RMB 0.635 thousand	RMB 0.83 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste glue	RMB 11.54 thousand	RMB 2.72 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste residue from scrubbers	RMB 5.36 thousand	RMB 5.29 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Sludge disposal fee	RMB 122.79 thousand	RMB 169.29 thousand
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Waste gas treatment environmental protection tax	RMB 1.721 thousand	RMB 4.66 thousand
TAI-TECH Advanced Electronics (Kunshan)	Environmental protection quarterly sewage charges (wastewater, waste)	RMB 6.653 thousand	RMB 6.169 thousand
TAI-TECH Advanced Electronics (Kunshan)	Soil testing fee	RMB 66 thousand	RMB 49 thousand
TAI-TECH Advanced Electronics (Kunshan)	Surface treatment waste	RMB 90.75 thousand	RMB 53.46 thousand
TAI-TECH Advanced Electronics (Kunshan)	Waste filter, waste rag	RMB 48.294 thousand	RMB 179.98 thousand
TAI-TECH Advanced Electronics (Kunshan)	Nickel-containing sludge	RMB 58.8 thousand	RMB 53.723 thousand
TAI-TECH Advanced Electronics (Kunshan)	Waste packaging drum	RMB 16.04 thousand	RMB 14.364 thousand
TAI-TECH Advanced Electronics (Kunshan)	Industrial waste disposal fee	RMB 60 thousand	RMB 63 thousand
TAI-TECH Advanced Electronics (Kunshan)	Domestic waste disposal fee	RMB 13 thousand	RMB 13.2 thousand

(II) Investment in major equipment for the prevention and control of environmental pollution, its use and possible benefits:

Unit: NT\$ thousand / RMB thousand

Device designation	Quantity	Date of acquisition	Cost of investment	Undiscounted balance (Note)	Use and expected benefits
(Tai-Tech Advanced Electronics) Maintenance and repair work related to wastewater facilities in the factory	Type 1	2023	NT\$326 thousand	0	Maintain wastewater facility operations, reduce environmental impact; comply with statutory emission standards
(Tai-Tech Advanced Electronics) Newly added project for in-plant process exhaust gas ducts	Type 1	2023	471 thousand	0	Maintain the operation of exhaust gas facilities, reduce environmental impact; comply with statutory emission standards.
(Tai-Tech Advanced Electronics) Maintenance and repair work related to wastewater facilities in the factory	Type 1	2024	91 thousand	0	Maintain wastewater facility operations, reduce environmental impact; comply with statutory emission standards
(Tai-Tech Advanced Electronics) Newly added project for in-plant process exhaust gas ducts	Type 1	2024	297 thousand	0	Maintain the operation of exhaust gas facilities, reduce environmental impact; comply with statutory emission standards.
(TAIPAQ) replacement of filter cotton, activated carbon and air duct maintenance for the exhaust processing facility.	Type 1	2023	RMB 94.7 thousand	0	Regular replacement of filter cotton and activated carbon in waste gas treatment facilities.
(TAIPAQ) Clogged drainage system of waste gas treatment facility	Type 1	2023	RMB 6.9 thousand	0	Clogged drainage of some treatment facilities
Replacement of the flow meter of outfall of processed wastewater (TAIPAQ)	1 set	2023	RMB 14.5 thousand	0	The original flow meter was damaged and gave no data from time to time. therefore, a new flow meter was replaced.

Device designation	Quantity	Date of acquisition	Cost of investment	Undiscounted balance (Note)	Use and expected benefits
(TAIPAQ) Renovation and upgrade of 2# waste gas treatment facility	1 set	2023	RMB 36.28 thousand	0	Renewal 2# Waste gas treatment facility
(TAIPAQ) Replacement of drain pipes of scrubber	1 set	2024	RMB 3.1 thousand	0	Improve the blockage of drain pipes of scrubber
(TAIPAQ) Dredging at septic tank and catch basin	8 set	2024	RMB 17 thousand	0	Annual dredging of septic tank and catch basin to improve drainage water quality
(TAIPAQ) replacement of RO membrane and replacement of filler for filtration system	2 set	2024	RMB 96 thousand	0	Replacement of RO membrane of the water purifier and the filler of the filtration system to improve the water quality and water production rate
(TAIPAQ) Cleaning of catch basin	1 set	2024	RMB 3 thousand	0	Dredging of temporary storage pool exclusively used by TAIPAQ at the Development Zone to improve water quality
(TAIPAQ) Regular replacement of filter cotton and activated carbon in waste gas treatment facilities	3 set	2024	RMB 120 thousand	0	Annual replacement of filter cotton and activated carbon in waste gas treatment facilities 1#, 5# small, 4#
(TAIPAQ) Replacement of activated carbon of in waste gas treatment facilities	1 set	2024	RMB 30.5 thousand	0	Annual replacement of activated carbon in waste gas treatment facilities 2#
(TAIPAQ) Cleaning of oil trap at the canteen	1 set	2024	RMB 1.8 thousand	0	Cleaning of oil trap at the canteen
(TAIPAQ) Replacement of filter cotton, activated carbon and filling materials in waste gas treatment facilities	2 set	2024	RMB 79 thousand	0	Annual replacement of filter cotton and activated carbon in waste gas treatment facilities 5# Large, and 1# east scrubber

Device designation	Quantity	Date of acquisition	Cost of investment	Undiscounted balance (Note)	Use and expected benefits
(Kunshan) New scrubber replacement activated carbon project	Type 1	2023	RMB 96 thousand	RMB 90 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Air compressor room reconstruction	Type 1	2023	RMB 59 thousand	RMB 39 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Wastewater, re-use water annual maintenance	Type 1	2023	RMB 78 thousand	RMB 70 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) 3rd floor pure water tower replacement project	Type 1	2023	RMB 49 thousand	RMB 44 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Technical service fee for VOC equipment operations of pollution source monitoring system	Type 1	2023	RMB 56 thousand	RMB 18 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Service fee for online pollution source remote monitoring	Type 1	2023	RMB 33 thousand	RMB 5.5 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Service fee for sewage treatment limited space information management platform operation and maintenance	Type 1	2023	RMB 8.7 thousand	RMB 5.8 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Maintenance fee for IC card emission monitoring and emission trading management system	Type 1	2023	RMB 7 thousand	RMB 5 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Smoke exhaust system rectification	Type 1	2023	RMB 73 thousand	RMB 55 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Soil monitoring	1 set	2024	RMB 49 thousand	0	At the request of the Safety and Environmental Protection Bureau
(Kunshan) Project on the replacement of activated charcoal for the scrubber.	Type 1	2024	RMB 29 thousand	RMB thousand 192	After long years of use, the activated charcoal case was severely eroded and needed to be replaced with

Device designation	Quantity	Date of acquisition	Cost of investment	Undiscounted balance (Note)	Use and expected benefits
					stainless steel-cased activated charcoal.
(Kunshan) Wastewater, re-use water annual maintenance	Type 1	2024	RMB 135 thousand	RMB thousand 105	The original nickel-containing wastewater tank in the wastewater station was old and obsolete and therefore needed to be replaced with a new one.
(Kunshan) Color steel tile repair and workshop ceiling repair project	Type 1	2024	RMB 55 thousand	RMB thousand 50.5	Repair due to damage by typhoon
(Kunshan) Hengzhiyu projects on the walls of distributing room, sealing of walls of high-voltage room, and carport canopy	Type 1	2024	RMB 50 thousand	RMB 46 thousand	At the request of the Safety and Environmental Protection Bureau
(Kunshan) New scrubber replacement activated carbon project	Type 1	2024	RMB 85 thousand	RMB 82 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) VOC waste gas treatment system	Type 1	2024	RMB 1026 thousand	RMB 915 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Technical service fee for VOC equipment operations of pollution source monitoring system	Type 1	2024	RMB 56 thousand	RMB 18 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Service fee for online pollution source remote monitoring	Type 1	2024	RMB 70.7 thousand	RMB 53 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards
(Kunshan) Service fee for sewage treatment limited space information management platform operation and maintenance	Type 1	2024	RMB 8.7 thousand	RMB 2.9 thousand	Waste collection; reduce environmental impact; compliance with statutory emission standards

Note: In the data on environmental protection, small expenditures are not included in the above content but are included in the expenses of NT\$50,000 and RMB10,000 or more

(III) The improvement of environmental pollution made by the Company, disputes over pollution events, and how the Company dealt with such disputes in the most recent two years, and up to the date of publication of the annual report: None.

(IV) In the most recent two years and as of the date of publication of the annual report, losses due to environmental pollution (specifying compensation and environmental protection audit results that violate environmental protection regulations, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclosure of current and future estimated amounts and possible measures. When reasonable estimation cannot be provided, explanation for the such cases should be offered:

1. 2023: No related matters.
2. 2024: No related matters.
3. 2025 to date: No related matters.

(V) The current impact of pollution and corresponding improvements on the Company's earnings, competitive position and capital expenditures, and the estimated major environmental capital expenditures for the next two years: None.

V. Labor/management relations

(I) List each item of the Company's employee welfare measures, advanced education, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures.

1. Measures for employee benefits:

(1) Group insurance

The Company purchases group accident and medical insurance for all employees. Due to the position and work relationship of specific employees, we give higher group accident medical insurance to protect employees.

(2) Year-end bonus and employee compensation

We distribute employee compensation at a fixed percentage of the year's pre-tax earnings (paid in the middle of the following year) as per the Company Act and the Articles of Incorporation. We also distribute year-end bonuses at a fixed percentage of the year's earnings after tax. Business performance and results are reflected in employee compensation appropriately.

(3) Employee Welfare Committee

The Company has established an employee welfare committee in accordance with the law and it is responsible for the planning and implementation of employee benefits. The Company also allocates welfare funds in accordance with regulations, and regularly handles various activities and welfare matters such as annual travel, annual festival gifts, and unit

dinners.

(4) We offer gift certificates on the three traditional holidays (Spring Festival, Dragon Boat Festival, Mid-Autumn Festival) and on birthdays.

Twice a year, applications for employee and child scholarships and employee maternity allowances are processed.

(5) Regular employee health check-ups -- the Company regularly organizes employee health check-ups and cares about the health of employees.

Employee remuneration: The Company actively discloses salaries for full-time non-managerial employees in non-managerial positions. The average salary in 2024 is NT\$793,000 NT\$ and the median salary is NT\$683,000.

2. Employee education and training

The Company has long attached importance to employee career planning and talent cultivation, and actively encourages colleagues to participate in various training courses to enhance their professional capabilities and competitiveness. The training courses are based on the functional needs of employees, covering internal and external courses and seminars, and employees are allowed to apply for education and training based on their personal work development needs as a basis for career improvement. In addition, the Company has formulated the "Guidelines for Application for On-the-job Training" to fully subsidize tuition and miscellaneous fees to encourage employees to pursue on-the-job training and continue their self-improvement.

In order to improve the quality of training and systematic management, the Company took the initiative to apply for guidance on the "Talent Development Quality Management System (TTQS)" of the Ministry of Labor in 2022, and won the bronze medal in its very first assessment, demonstrating the Company's long-term efforts and professional capabilities in the field of talent training and development. In 2023, the Company further introduced the eHRD system, implemented systematic training management, and established an online learning platform to improve employee learning convenience and training effectiveness. In 2024, the Company once again participated in the TTQS assessment and won the bronze medal with a more advanced training system and practical results, which reflected to our persistent pursuit and commitment to talent development. Such achievement not only affirms the Company's outstanding performance in education and training, but also lays a solid foundation for continuously improving the quality of talent cultivation in the future.

Looking ahead, we will continue to optimize our training strategies, combining industry trends with organizational development needs to create more efficient and forward-looking training programs, and inject endless power into employee growth and the company's sustainable development.

3. Retirement system and implementation

In accordance with the provisions and management methods of labor retirement reserves, the Company deposits labor retirement reserves in the dedicated employee retirement reserve accounts in the Bank of Taiwan for use. As of March 31, 2022, the Company already settled the pension payment with all employees who had been with the Company before July 1, 2005 and to

whom the old pension scheme is applicable. In addition, starting from July 1, 2005 and after all employees elected to have the new labor retirement scheme applied to them, the Company has contributed 6% of monthly salaries to retirement funds and deposited them into employees' individual retirement accounts.

4. Agreement circumstances between labor and management

Harmonious labor-management relations have always been one of the areas to which the Company is committed. We adopt a two-way and open approach to communication, and wish that the relationship between labor and management always maintains harmony.

5. Various employee rights protection measures

The Company has established comprehensive management measures that clearly define the rights and obligations of employees and of welfare items, and regularly reviews and revises welfare content to protect the rights and interests of all employees.

(II) In the most recent year and up to the date of publication of the annual report, list any losses suffered due to labor disputes (including labor inspection results that violate the Labor Standards Act, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclose current and future estimated amounts and possible measures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated:

1. 2024: On December 12, 2024, the Labor Inspection Office of Taoyuan City Government sent personnel to conduct a labor inspection at the Company. The investigation found that the Company violated the relevant provisions of the Labor Standards Act as follows:

(1) The Company employed a worker named XX Li who worked for more than 7 consecutive days in September 2024 and did not allow such worker to take a regular day off every 7 days, which violated Article 36, Paragraph 1 of the Labor Standards Act and the Company was imposed a fine of NT\$50,000.

(2) From September to November 2024, 9 workers including XX Chen employed by the Company overworked their working hours beyond the maximum limit of 46 hours per month, which violated Article 32, Paragraph 2 of the Labor Standards Act and the Company was imposed a fine of NT\$50,000.

2. 2025 as of the printing date of this prospectus: no related matters.

VI. Cyber security management

(I) Cyber security management framework

The IT Department is in charge of the Company's information security management; it has one officer and several professional engineers, and is mainly responsible for formulating the Company's information security policy, planning information security measures, and implementing information-

related work, so as to maintain the system, protect data, make equipment operate stably, and ensure network security.

The IT Department is directly under the supervision of the President on the organizational structure, and is audited by the internal auditing unit from time to time. In addition, an external accounting firm also audits information-related procedures every year; if any deficiency is found, improvement goals will be set and tracked until the deficiency is fully remedied, so as to ensure a well-functioning system.

Since the Company attaches great importance to information security, the Company's information security unit is also required to report to the Company and officers at each level on the progress of the implementation of information security and governance and related information systems at internal meetings.

(II) Cyber security management policy

All employees of the Company are obliged to protect the Company's commercial information, secrerets, patents, manufacturing process, formula, and intellectual properties, and may not use private computers within the Company to copy or access any media or file without authorization. Any data or information received via any internal equipment is deemed to be the property of Tai-Tech Advanced Electronics. These rules shall apply to all direct, indirect, and contract workers. In the case of violation, the Company retains the right to claim any compensation.

The information security management policy is also incorporated into the "internal control system" and "internal regulations", which specify the control requirements and matters involved. Below is a summary:

1. Internal control system

"Chapter 10: Digital Information System Processing Operation" of the internal control system specifies the "Cyber Security Checklist", which enumerates the control points with respect to information-related duties, network security, file back-up, documentation, host protection, equipment management, personal data protection, public information filing, and so on.

2. Internal regulations and corresponding forms

Internal regulations include those for information security, which are implemented by using corresponding forms. Below is a summary in this regard:

Name of internal regulations	Corresponding forms
Cyber security management regulations	(Day-to-day and annual information audit)
Regulations for Information System Development and Maintenance	Digital System Operation Proxy

Regulations for System Recovery	Host Checklist; Back-up Checklist; Disaster Recovery Record Form.
Regulations Governing the Management of Computer Rooms	Engine Room Access Control Form
Regulations for Information Asset Management	Equipment Retirement Record Form
Regulations for Purchase of Hardware and Software	Computer Purchase Assessment Form

(III) Cyber security management project

To tighten overall information security, and Company continues the following management projects and measures:

1. Computer and Equipment Security Management

- (1) The Company's engine room is equipped with access control equipment; all personnel going in or out of the engine room must register in advance and be accompanied by personnel from the IT unit throughout the visit. The operation carried out therein must also be recorded.
- (2) The engine room is equipped with an independent air conditioning system to ensure that the hosts can operate under a normal ambience temperature. An uninterruptible power supply (UPS) system and an automatic power switch (APS) system are also in place to ensure operating safety.
- (3) Fire safety equipment and several chemical fire extinguishers are also made available inside and outside the engine room, so as to reduce the threat from fire.

2. Enhance Network Security Management

- (1) The portals interfacing with external network are all installed with a corporate-grade fire wall to prevent illegal intrusion.
- (2) Employees wishing to use the internet must log in first, and their use trajectory must be recorded.
- (3) Regularly review network service logs and track abnormalities, and adjust network policies at the Company's leisure.

3. Virus protection management

- (1) Servers and employees' computers are installed with renowned anti-virus software, and are required to be regularly updated.
- (2) The email server is equipped with an anti-virus mechanism and spam filtering mechanism, to prevent the intrusion of virus via e-mail.

4. System access control

- (1) Colleagues wishing to use the internal system must have completed the process for application of access permission and gained the permission from an authorized officer in the first place; when using the system, they must use the username created by the IT unit, within the scope of permission granted to them.
- (2) When colleagues must suspend their work due to retirement, resignation, leave without pay, the personnel unit will give a notice to request the revocation of permission to access any mail or information.
- (3) The system will mandatorily require employees to change their passwords from time to time.

5. Sustainable operation and disaster response plan.

- (1) Differential backup and complete remote backup are carried out daily and weekly for each information system and the network public area, and an audit is conducted regularly.
- (2) The information unit commissions an external IT-company to carry out a disaster recovery drill for the Company's major systems (e.g., ERP, electronic approval, personnel and salary) every year.
- (3) Relevant drill plans, process, and result reports are retained as contingency references, and for audit purpose.

6. Information security advocacy

- (1) Give a keynote speech on information security at the Company's new employee orientation session to raise their awareness of the security rules and matters requiring attention when they use the Internet or email, or access system information.
- (2) Issue information security reminders from time to time, or conduct social engineering drills (phishing, blind tests).

(IV) Resources invested in information security

To implement cyber security management programs, the Company has invested the following resources:

1. Hardware: Access control system, firewall, uninterruptible power supply system and APS system, backup host, and a virtualized host.
2. Software protection: Antivirus software, email server, backup software.
3. Network lines: multiple network lines, enterprise-level leased lines, VPN.
4. Daily checks: Daily and weekly backups and device checks.
5. Disaster recovery drill: Sign a contract to commission an external IT company to conduct regular recovery drills.

(V) Description and effect of material information security incidents in the past

Tai-Tech Advanced Electronics carries out internal and external audits of all information procedures and equipment every year, and did not suffer any material information security incident in the past few years nor any material operational loss.

In addition, according to the report on the disaster recovery drill, if the Company's systems are attacked, major systems, e.g., ERP, HRM (personnel and salary), and electrical approval can be resumed within 24 hours. Therefore, the Company should be able to be in control of such a situation.

VII. Important contracts

Contract nature	Parties	Contract start and end date	Main content	Restrictions
Long-term borrowings contract	Chang Hwa Commercial Bank	2021/08/27-2036/08/27 (110/08/27~125/08/27)	The Company signed an agreement with Chang Hwa Commercial Bank to obtain a long-term secured loan facility of NT\$433,933 thousand, which is amortized over 15 years.	None
Confidentiality agreement and technical service contract	Multiple companies	January 1, 2021 – December 31, 2026 – Both parties agreed to sign a contract jointly	The Company and many other companies signed a product manufacturing confidentiality agreement and a technical service contract.	Confidential
Product change notice (PCN) control agreement	Multiple companies	January 26, 2024 – 1 year expiration without termination, unless the customer revises the new version, which would make the previous version invalid	Signed a PCN control agreement with multiple companies.	Confidential
Private Label Agreement	Company A	July 4, 2007 – Either party may terminate the contract with prior written notice	Long-term OEM contract signed by Company A and the Company	Confidential
Purchase contract	Company I	July 17, 2019 - Either party may terminate the contract with prior written notice	Long-term purchase contract signed between Company I and the Company	Confidential
Purchase contract	Company E	November 12, 2007 - Either party may terminate the contract with prior written notice	Long-term purchase contract signed between Company E and the Company	Confidential
Purchase contract	Company C	May 1, 2013 – Either party may terminate the contract with prior written notice	Long-term purchase contract signed between Company C and the Company	Confidential
Purchase contract	Company Y	May 1, 2019 – Either party may terminate the contract with prior written notice	Long-term purchase contract signed between Company Y and the Company	Confidential
Purchase contract	Company AB	Effective from March 1, 2022, for a period of three years	Long-term purchase contract signed between Company AB and Company	Confidential
Purchase contract	Company AC	September 1, 2021 – Either party may terminate the contract with prior written notice	Long-term purchase contract signed between Company AC and Company	Confidential
Agency authorization agreement	Multiple companies	2024.01.01~2024.12.31	Signed a one-year agency authorization agreement with a number of agents, renewing every year	Confidential
Client confidentiality agreement	Company A	June 1, 2017 – Either party may terminate the	The long-term confidentiality agreement signed by Company A and the Company	Confidential

Contract nature	Parties	Contract start and end date	Main content	Restrictions
		contract with prior written notice		
Client confidentiality agreement	Company U	January 11, 2019 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by Company U and the Company	Confidential
Client confidentiality agreement	Company I	July 17, 2019 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by Company I and the Company	Confidential
Client confidentiality agreement	Company E	November 5, 2007 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by Company E and the Company	Confidential
Client confidentiality agreement	Company C	May 1, 2013 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by Company C and the Company	Confidential
Client confidentiality agreement	Company Y	April 25, 2019 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by Company Y and the Company	Confidential
Client confidentiality agreement	Superworld Holdings (Singapore) Pte. Ltd.	June 26, 2013 – Either party may terminate the contract with prior written notice	Confidentiality contract signed between related entity Superworld Holdings (Singapore) Pte. Ltd. and the Company	Confidential
Client confidentiality agreement	Company AB	Effective from March 1, 2022, for a period of three years	The long-term confidentiality agreement signed by Company AB and the Company	Confidential
Client confidentiality agreement	Company AC	September 1, 2021 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by Company AC and the Company	Confidential
Supplier Confidentiality Agreement	Company J	May 6, 2020- Either Party terminates the contract by giving written notice in advance	Long-term confidentiality contract signed by Supplier Company J and the Company's subsidiary Tai-Tech Advanced Electronics (Kunshan).	Confidential
Supplier Confidentiality Agreement	Company K	September 8, 2023 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company B and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential
Supplier Confidentiality Agreement	Company O	September 11, 2023 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company O and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential

Contract nature	Parties	Contract start and end date	Main content	Restrictions
Supplier Confidentiality Agreement	Company P	September 15, 2023 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company P and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential
Supplier Confidentiality Agreement	Company L	June 12, 2024 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company L and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential
Supplier Confidentiality Agreement	Company G	March 26, 2020 – Either party may terminate the contract with prior written notice	The long-term confidentiality agreement signed by supplier Company G and the Company	Confidential
Supplier Confidentiality Agreement	Company R	September 15, 2023 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company R and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential
Supplier Confidentiality Agreement	Company Q	October 24, 2023 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company Q and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential
Supplier Confidentiality Agreement	Company H	September 15, 2023 – Either party may terminate the contract with prior written notice	Long-term confidentiality contract signed by Supplier Company H and the Company's subsidiary TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Confidential

Five. Financial position and financial performance review analysis and risk matters

I. Financial position

Unit: NT\$ thousand; %

Item	Year	2023	2024	Difference	
				Amount	%
Current assets		4,623,896	4,981,845	357,949	7.74
Property, plant and equipment		4,100,494	4,358,293	257,799	6.29
Intangible assets		49,980	54,094	4,114	8.23
Other non-current assets		2,111,679	2,856,596	744,917	35.28
Total assets		10,886,049	12,250,828	1,364,779	12.54
Current liabilities		1,320,318	2,028,509	708,191	53.64
Non-current liabilities		2,829,404	2,614,602	(214,802)	(7.59)
Total liabilities		4,149,722	4,643,111	493,389	11.89
Equity attributable to shareholders of the parent		6,675,645	7,481,005	805,360	12.06
Share capital		1,020,340	1,020,349	9	0.00
Capital surplus		1,854,279	1,854,376	97	0.01
Retained earnings		3,661,977	4,109,588	447,611	12.22
Other equity		139,049	496,692	357,643	257.21
Non-controlling interests		60,682	126,712	66,030	108.81
Total equity		6,736,327	7,607,717	871,390	12.94

Description of major changes: (Where the ratio of increase or decrease is more than 20%, and the amount of change is more than NT\$10 million)

- (1) Other non-current assets: Mainly due to an increase in investments under the equity method i during the period.
- (2) Current liabilities: Mainly due to the increase in bank borrowings and accounts payable in the current period.
- (3) Other equity: Mainly due to the increase in unrealized gains and losses on financial assets measured at fair value through other comprehensive income and loss and foreign exchange differences in the current period
- (4) Non-controlling interests: mainly due to the increase of investment by equity method during the period.

II. Financial performance

Unit: NT\$ thousand; %

Item	Year	2023	2024	Difference	
				Amount	%
Operating revenue		4,431,789	5,506,106	1,074,314	24.24
Gross profit		1,117,683	1,331,975	214,292	19.17
Operating profit and loss		463,144	566,327	103,183	22.28
Non-operating income and expenses		206,081	285,017	78,936	38.30

Income before income tax	669,225	851,344	182,119	27.21
Net profit (loss) for current period	592,783	746,886	154,103	26.00
Net profit attributable to owner of the parent company	593,383	748,155	154,772	26.08
Description of major changes: (Where the ratio of increase or decrease is more than 20%, and the amount of change is more than NT\$10 million)				
(1) Operating revenue: Mainly due to the increase in customer demand in the current period.				
(2) Operating profit and loss: Mainly due to the increase in gross profit during the current period.				
(3) Non-operating income and expenses: Mainly due to the increase in foreign currency exchange gains and equity method investment gains in the current period.				
(4) Net profit before tax: Mainly due to the increase in operating gross profit in the current period.				
(5) Net profit for the current period: Mainly due to the increase in operating gross profit in the current period.				
(6) Net profit attributable to owners of the parent company: Mainly due to the increase in gross operating profit in the current period.				

III. Cash flows

(I) Analysis and explanation of cash flow changes in the most recent year

Unit: NT\$ thousand

Item	Year	2023	2024	Difference	
				Amount	%
Operating activities		1,210,331	685,023	(525,308)	(43.40)
Investing activities		(1,601,303)	(958,950)	642,353	40.11
Financing activities		1,061,859	(206,738)	(1,268,597)	(119.47)
Exchange rate effects		(47,130)	109,028	156,158	(331.33)
Net cash inflows		623,757	(371,637)	(995,394)	(159.58)

Description of major changes:

- (1) Decrease in cash inflow from operating activities: Mainly due to decrease in accounts receivable and inventory inflow during the period.
- (2) Decrease in cash outflow from investing activities: Mainly due to the decrease in investing outflows using the equity method in this period.
- (3) Increase in cash outflow from financing activities: Mainly due to the inflow from the issuance of convertible bonds and the raising of long-term loans in the previous period.

(II) Improvement plan for insufficient liquidity: not applicable.

(III) Analysis of cash flows in the coming year:

Unit: NT\$ thousand

Cash balance at the beginning of the period (December 31, 2024)	Expected net cash flow from operating activities for the full year (2025)	Expected net cash flow from investing activities for the full year (2025)	Expected net cash flow from financing activities for the full year (2025)	Estimated cash remaining amount (December 31, 2025)	Remedial measures for projected cash shortfalls	
					Investing plan	Financing plan
1,780,997	1,389,946	-400,318	-433,662	2,336,963	None	None

2025 Cash flow analysis

- (1) Operating activities: The Company continued to control costs and optimized product portfolio in 2025. It is estimated that the net cash flow from operating activities for the whole year will be a net cash inflow.
- (2) Investing activities: May receive cash dividends from investees; continue to make domestic and foreign investments and capital expenditures.
- (3) Financing activities: Mainly repayment of borrowings and payment of dividends.

IV. The impact of major capital expenditures in the most recent year on the financial business: None.

V. Reinvestment policy in the most recent year, the main reasons for its profit or loss, improvement plan, and investment plan for the following year:

December 31, 2024; unit: NT\$ thousand

Affiliated company name	Recognized investment gain and loss in 2024	Reinvestment policies	Main reason for profit or loss	Improvement plan	Investment plan for the coming year
Best Bliss	414,491	Investment holding company	Recognize investment income	—	—
North Star	1,589	Investment holding company	Recognize interest income	—	—
Techworld (S)	-1,722	Trading and investment holding	Investment loss recognized	Not in operations yet	Not in operations yet
TAI-TECH Advanced Electronics (Kunshan)	87,636	Production, processing and sale of electronic components	Economies of scale and production management performance	—	—
Fixed Rock	221,597	Investment holding company	Recognize investment income	—	—
TAIPAQ	299,308	Production, processing and sale of electronic components	Economies of scale and production management performance	—	—

Techworld (M)	-1,802	Production, processing and sale of electronic components	Not in production operations yet	Expected to start the production	Expected to start the production
JDX Technology Co.,Ltd.	-2,360	Sales of electronic components	Revenue not reaching economic benefits	Assist in market expansion	Assist in market expansion

VI. Risk events shall be analyzed and evaluated for the following events in the most recent year and up to the date of publication of the annual report:

(I) The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss, and future countermeasures:

1. Impact of interest rate changes and countermeasures:

(1) Impact on the Company's profit and loss

The financial costs to the Company and its subsidiaries for 2023 and 2024 were NT\$28,396 thousand and NT\$41,075 thousand, respectively, accounting for 0.64% and 0.75% of operating revenues, respectively. Overall, interest expense accounts for a small percentage of operating revenue. The impact on the Company is not significant.

(2) Specific measures

The Company and its subsidiaries actively pay attention to changes in interest rates in the financial market, and adjust fixed or floating borrowings to reduce the risk of rising capital costs caused by changes in interest rates.

2. Impact of exchange rate changes and countermeasures:

(1) Impact on the Company's profit and loss

Year	2023	2024
Exchange gains and losses	21,643	83,738
Operating revenue	4,431,789	5,506,106
Operating gains	463,144	566,327
Proportion of consolidated operating revenue (%)	0.49%	1.52%
Proportion of consolidated operating profit (%)	4.67%	14.79%

(2) Specific measures

In response to the impact of exchange rate fluctuations, when a business unit makes quotations to customers, it regularly considers the exchange rate impact into quotation decisions. The main strategy of exchange rate risk control is still to aim at natural hedging. When necessary, we conduct relevant foreign exchange hedging operations in accordance

with the "Procedures for Acquisition or Disposal of Assets" to reduce the impact of exchange rate changes on profit and loss.

3. The impact of inflation most recent year on the Company's profit and loss, and future countermeasures:

The Company and its subsidiaries are not significantly affected by inflation. However, we still pay close attention to the market trends of raw materials and adjust sales strategies to avoid major impacts on the Company due to inflation.

(II) Policies for engaging in high-risk, high-leverage investments, lending of funds to others, endorsements/guarantees, and derivatives trading, and the main reasons for profit or loss and future countermeasures:

Item	Policy	Reason for profit and loss	Future countermeasures
High-risk, high-leverage investments	Do not engage in high-risk and highly leveraged investments	Not applicable, no such matters	Adhering to the principle of conservative and stable operations
Loans of funds to others	In accordance with "Operational Procedures for Loans of Funds to Others "	None; we provide loans to subsidiaries only	Conservative and prudent principles to be handled in accordance with procedures
Endorsements/guarantees	In accordance with "Endorsement/Guarantee Operational Procedures"	None; endorsements/guarantees are made for subsidiaries only	Conservative and prudent principles to be handled in accordance with procedures
Derivatives trading	In accordance with the procedures for Acquisition or Disposal of Assets."	Not applicable; not engaged in such transactions	Conservative and prudent operating principles.

(III) Future R&D plans and estimated R&D expenses:

1. Future R&D plans

The main products of the Company and its subsidiaries encompass various types of inductors. In response to market demand, we develop new products and technologies for more diverse applications and meet customer and market demands. We continue to research and develop products with high quality and competitive cost. The main development direction at present is in automotive grade electronics, electric vehicle-related products, high-standard network communication-related products, and next-generation personal computer-related products.

2. Estimated R&D expenses

The amount of R&D expenses of the Company in 2024 accounted for 3.68% of the revenue. Future investments will be gradually rolled out according to the development progress of new technologies and new materials. With the growth of turnover, annual R&D expenses can be gradually increased to support future R&D projects and increase the Company's market competitiveness.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's financial business, and countermeasures:

The Company's operations are handled in accordance with relevant domestic and foreign laws and regulations. Furthermore, we always pay attention to domestic and foreign policy trends and changes in regulations, and consult relevant professionals, taking appropriate measures in a timely manner. As of the date of publication of this report, the Company and its subsidiaries had not been affected by any major changes in domestic and foreign policies and laws that would affect its financial business.

(V) The impact of technological changes (including information security risks) as well as industrial changes on the Company's financial business, and countermeasures:

Changes in technology and industry may have a significant impact on the Company's financial operations. Therefore, the Company must adapt to the changes and implement effective countermeasures. Below is a summary:

Impacts of technological changes:

1. Product obsolescence: rapid technological progress may render existing products obsolete, resulting in decreased demand and financial losses.
2. Product life cycle: due to changes in technology, the product life cycle is shortened, which may interrupt the Company's sources of revenue, and requires frequent investment in research and development.
3. Competition: the technological innovation of competitors may introduce better or more cost-effective substitutes, which brings pressure to the Company's market share and profitability.

Impacts of changes in the industry:

1. Shift of end-use industries: changes in industries that use passive components, such as electronics, automobiles, or telecommunications, can directly affect demand and revenue.
2. Supply chain disruption: the shift of global manufacturing centers, trade policies, or geopolitical factors may disrupt the Company's supply chain and increase operating costs.
3. Regulatory environment: changes in environmental regulations, safety standards or trade policies may increase additional compliance costs or restrict access to certain markets.

Countermeasures:

1. Innovative R&D: continue to invest in R&D to keep pace with technological developments, develop innovative products and maintain competitive advantages.
2. Diversified development: develop a diversified product portfolio to meet the needs of multiple application markets and reduce dependence on any single market.

3. Lean manufacturing: implement lean manufacturing processes to quickly adapt to changes in market demand and minimize inventory obsolescence.
4. Strategic partnerships: establish strategic partnerships with major customers, suppliers and technology companies to grasp industry trends and jointly develop solutions.
5. Cost optimization: continue to optimize operating costs through process improvement, supply chain optimization and efficient use of resources.
6. Talent attraction and retention: attract and retain professional talent who is familiar with technology and industrial changes and promote innovation and drive growth.
7. Regulatory compliance: pay close attention to regulatory changes and pro-actively ensure compliance to avoid fines or restricted market entry.

By implementing these countermeasures, the Company can mitigate the risks brought about by technological and industrial changes, adapt to the constantly evolving market environment and maintain financial stability and growth.

The impact of cybersecurity risks and countermeasures

The era of convenient information is both an opportunity and a relative source of risk for companies. The importance of information security has become an important issue that businesses cannot avoid. In addition to building firewall defenses for the network and computer room as well as configuring and using internationally certified antivirus software for each endpoint computer, Tai-Tech Advanced Electronics also conducts local and remote cross-backup procedures for each data item. Furthermore, since 2016, disaster recovery plan drills have been carried out for major systems every year, and many improvements have been made to computer room power facilities. These include a UPS uninterruptible power supply system, an ATS power switching system, construction of a special backup generator for the computer room, and so on, all of which have been put in place. All of the above measures are expected to achieve the goal of recovering the risks caused by information security in the shortest time while minimizing the corresponding damage. In the future, the Company will also actively prepare and plan to evaluate the EDR endpoint detection and protection system to target many unknown and potential man-made attacks, and also invest in information security education and training for internal personnel. In addition to giving reminders on relevant daily network operations to avoid risks, social engineering drills are also carried out on a regular basis to enhance information security awareness among internal employees. In view of the scope of information security, which is large, wide, and constantly changing, Tai-Tech Advanced Electronics is continuously seeking various resources to enhance the aspect and depth of information security risk management. Beyond this, we will simultaneously comply with government regulations, strengthen the organizational structure of information security, protect the rights and interests of investors, and advance towards the goal of sustainable business operations.

(VI) The impact of corporate image changes on corporate crisis management, and countermeasures:

Since our establishment in 1992, the Company has complied with relevant laws and regulations, actively improves management quality and performance, and continues to operate the business and care for society in the spirit of solidarity, cooperation, mutual assistance, and mutual trust. In the most recent year and through the date of publication of the report, there has been no incident affecting our corporate image.

(VII) Expected benefits, possible risks, and countermeasures of M&A:

For the most recent year and up to the date of publication of the annual report, the Company has no ongoing merger and acquisition plans.

(VIII) Expected benefits, possible risks and countermeasures of plant expansion:

In response to the needs of new product expansion and production integration, in 2021, we will purchase industrial land and factories in the Youth Industrial Park of Yangmei District, Taoyuan City. We expect to expand production scale and see increased revenue. The relative probable risk is the interest rate risk of the loan cost. Balance interest expense with integration benefits.

(IX) Risks and countermeasures confronted through purchase or sales concentration:

1. The risks and countermeasures faced by the concentration of purchases:

The proportion of purchases from the largest supplier by the Company and its subsidiaries in 2023 and 2024 was 15.11% and 14.04%, respectively, with no excessive concentration. For the main raw material of silver paste, we maintain more than two suppliers to diversify risks. The silver paste suppliers are well-known domestic manufacturers, and the quality of the silver paste they supplies is stable. The Company has maintained a long-term and good cooperative relationship with them, and there has been no shortage or interruption of supply in the last three years.

2. Risks faced through sales concentration, and countermeasures

The Company and its subsidiaries accounted for 15.26% and 15.85% of sales to the largest customer in 2023 and 2024, respectively and there was no concentration of sales. In addition to maintaining good and long-term cooperative relationships with our original customers, the Company and its subsidiaries continue to develop new customers and regularly assess the financial business conditions of customers to reduce the risk of diversifying operations. Overall, the Company has no significant risk of sales concentration.

(X) For directors, supervisors or major shareholders holding more than 10% of the shares, the impact, risks and countermeasures of a large-scale transfer or replacement of shares on the Company: No such situation.

(XI) The impact, risks and countermeasures of a change of management rights on the Company:

For the most recent year and up to the date of publication of the annual report, the Company has not had any changes in its management rights.

(XII) Litigation or non-litigation events:

In 2022 as of the publication date of the report: None.

(XIII) Other important risks and countermeasures: None

VII. Other important matters: None.

Six. Special Notes

I. Related company information:

(I) Consolidated Business Reports of Affiliated Enterprises

Please visit: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

MOPS/Basic Information/E-Documents/Three Documents for Affiliated Enterprises

(II) Consolidated Financial Statements of Affiliated Enterprises: Please refer to Appendix I.

II. Handling of privately placed securities in the most recent year and as of the date of publication of the annual report:

Please visit: <https://mopsov.twse.com.tw/mops/web/t116sb01>

MOPS/Investment/Private Placement/Private Placement Information Query

III. Other necessary supplementary explanations: None.

Seven. In the most recent year and as of the printing date of the annual report, the occurrence of the matters that have a significant impact on shareholders' equity or securities prices as specified in Article 36 Paragraph 2, Item 2 of the Securities and Exchange Act: None.

Appendix I :

2024 Annual Financial Statements

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report
2024 and 2023
(Stock Code: 3357)

Company address : No.1 You 4th Road, Youth Industrial District, Yangmei, Taoyuan City
326013, Taiwan
Telephone : (03)464-1148

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
2024 and 2023 Consolidated Financial Statements and Auditors' Report

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Tai-Tech Advanced Electronics Co., Ltd.
Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the combined financial statements of the Company as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Financial Statements of Affiliated Enterprises and Consolidated Business Reports are the same as those required to be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No.10 “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is already covered in the consolidated financial statements of Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries. As such, we do not prepare a separate set of combined financial statements.

Represented by

Company name: Tai-Tech Advanced Electronics Co., Ltd.

Responsible Person: Ming-Yen Hsieh

February 24, 2025

Independent Auditor's Report

(114) Caishenbaozi No. 24002672

To Tai-Tech Advanced Electronics Co., Ltd.,

Audit Opinions

We have audited the consolidated financial statements of Tai-Tech Advanced Electronics and Subsidiaries (referred to as the "Group" hereinafter), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years from January 1 through December 31, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In the opinion of this CPA, based on our audits and the reports of the other auditors (see Other Matters), all major aspects of the aforesaid Consolidated Financial Statements are formulated in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the guidelines, interpretation, and explanations announced by the International Financial Reporting Standards and the International Accounting Standards recognized and declared as effective by the Financial Supervisory Commission. They are sufficient to present the consolidated financial status of Tai-Tech Group for December 31, 2024 and 2023, as well as the Consolidated Financial Performance and Consolidated Cash Flow for January 1 to December 31, 2024 and 2023.

Basis of Audit Opinion

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" in our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of our accountants and the audit reports of other accountants, we are of the opinion that sufficient and appropriate audit evidence has been obtained to be served as the basis for expressing the audit opinion.

Key Audit Matters

The key audit items refer to the most important audit matters for the 2024 Consolidated Financial Statements of Tai-Tech Group under the professional judgment of this CPA. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon. As such, we do not provide a separate opinion on these matters.

The key audit matters for the Group's consolidated financial statements for the year ended 2024 are stated as follows:

Valuation of allowance for inventory valuation losses

Description

Please refer to Notes 4 (13), 5 (2), and 6 (3) of the Notes to Consolidated Financial Statements for detailed descriptions of the accounting policies, important accounting estimates, inventory evaluation assumptions, and accounting items for loss allowance due to inventory impairment. Tai-Tech Group's balances for inventory and loss allowance due to impairment as of December 31, 2024, were NT\$957,236 thousand and NT\$60,786 thousand, respectively.

The Group mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products. Since the value of inventory is subject to market price fluctuation and its lifetime, the risk of becoming obsolete is relatively high. In addition, since the valuation process usually involves subjective judgments, the uncertainty in accounting estimates is high. As such, we determine the valuation of the allowance for inventory valuation loss as one of the key audit matters.

Responsive audit procedures

We perform the following procedures for the inventory that is ageing and individually obsolete:

1. Assess the reasonableness of inventory allowance valuation policies and procedures adopted by the Group according to our understanding of the Group.
2. Review the annual inventory plans of the Group, and observe their annual inventory and management status to assess their management performance and capacity to control obsolete inventories.
3. Verify the completeness and accuracy of the inventory aging report to ensure report data and policy consistency.
4. Evaluate and confirm the accuracy of the inventory depreciation loss calculations, including verifying the accuracy of product selling and purchase prices, and recalculating and evaluating the appropriateness of depreciation loss provisions.

Other Matters - audits conducted by other certified public accountants

We have not audited the financial statements of partial investees under the equity method that are included in the consolidated financial statements of the Group, but other independent auditors have. Therefore, our opinion on the amount in the consolidated financial statements is based on the reports of other independent auditors. As of December 31, 2024 and 2023, the investments in the aforementioned companies under the equity method were NT\$1,717,727 thousand and NT\$1,463,347 thousand, representing 14% and 13% of the consolidated total assets, respectively; the profit or loss was NT\$311,871 thousand and NT\$70,078 thousand, representing 25% and 10% of the consolidated comprehensive income, respectively.

Other Matters– parent company only financial report

Tai-Tech Advanced Electronics Co., Ltd. has prepared the parent company only financial statements for 2024 and 2023, for which we have issued an unqualified opinion and the audit report with additional paragraphs for reference.

The Responsibilities of the Management Level and Governance Units for the Consolidated Financial Statements

The responsibilities of the management level are to comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the guidelines, interpretation, and explanations announced by the International Financial Reporting Standards and International Accounting Standards as recognized and declared effective by the Financial Supervisory Commission during the preparation of the Consolidated Financial Statements; maintain the necessary internal control mechanism related to the formulation of the Consolidated Financial Statements; and insure that the Consolidated Financial Statements do not contain significant false statements that can lead to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

The CPA's Responsibilities during the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits under the TWSA. We also:

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. The CPA must understand the organization's internal control unit being audited to design the appropriate audit procedure under the circumstances. The objective is not to express an opinion on the effectiveness of the internal control unit for the Tai-Tech Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Make a conclusion regarding the appropriateness for the management level to continue to adopt the existing accounting basis and determine whether there are any significant doubts or major uncertainties regarding Tai-Tech Group's ability to continue its operations. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of, and the notes to, the consolidated financial statements, and whether the consolidated financial statements fairly present the underlying transactions and events.
6. Acquire sufficient and appropriate audit evidence for the financial information of individuals formed within the Prince Group and issue an opinion regarding the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the group audit; we remain solely responsible for our audit opinion.

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



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

This accountant has decided the key audit items for the 2024 Consolidated Financial Statements of Tai-Tech Group based on the items communicated with the governance unit. We describe these matters in our 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.

PricewaterhouseCoopers Taiwan

Certified Public Accountant (CPA) Wei-hao Wu
Ya-Hui Cheng

Financial Supervisory Commission

Official Approval Letter No.: Jin Guan Zheng Shen Zi No.
1080323093

Former Financial Supervisory Commission and Securities and
Futures Bureau of the Executive Yuan

Official Approval Letter No.: Jin Guan Zheng Liu Zi No.
0960072936

February 26, 2025

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ thousand

	Assets	Note	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,780,997	15	\$ 2,152,634	20
1136	Financial assets measured at amortized cost—current	6 (1)	-	-	30,705	-
1150	Notes receivable, net	6 (2)	36,806	-	49,844	1
1170	Accounts receivable, net	6 (2)	1,996,348	16	1,464,122	13
1180	Accounts receivable from related parties, net	6 (2) and 7	129,489	1	94,850	1
1200	Other receivables		33,711	-	14,002	-
1210	Other receivables due from related parties	7	140	-	-	-
1220	Current income tax assets	6 (25)	2	-	6,717	-
130X	Inventory	6 (3)	896,450	8	768,123	7
1410	Pre-payments	6 (13)	104,091	1	42,632	-
1470	Other current assets		3,811	-	267	-
11XX	Total current assets		4,981,845	41	4,623,896	42
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6 (11)	770	-	880	-
1517	Financial assets at fair value through other comprehensive income - non-current	6 (4) and 12 (3)	567,634	5	558,896	5
1550	Investment accounted for using the equity method	6 (5)	2,178,533	18	1,470,603	14
1600	Property, plant and equipment	6 (6) and 8	4,358,293	35	4,100,494	38
1755	Right-of-use assets	6 (7) and 7	34,809	-	37,587	-
1780	Intangible assets		54,094	-	49,980	1
1840	Deferred income tax assets	6 (25)	3,237	-	26,638	-
1900	Other non-current assets	6 (8)	71,613	1	17,075	-
15XX	Total non-current assets		7,268,983	59	6,262,153	58
1XXX	Total assets		\$ 12,250,828	100	\$ 10,886,049	100

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term borrowings	6 (9)	\$ 330,000	3	\$ 100,000	1
2150 Notes payable		16,011	-	17,460	-
2170 Accounts payable		806,684	7	550,535	5
2180 Accounts payable - related parties	7	2,622	-	3,111	-
2200 Other payables	6 (10) and 7	587,956	5	553,461	5
2230 Current income tax liabilities	6 (25)	35,275	-	49,655	1
2250 Liability reserve - current		4,492	-	4,278	-
2280 Lease liabilities - current	7	2,311	-	4,085	-
2320 Current portion of long-term borrowings	6 (12)	243,158	2	37,733	-
21XX Total current liabilities		2,028,509	17	1,320,318	12
Non-current liabilities					
2530 Corporate bonds payable	6 (11)	1,066,426	9	1,048,695	10
2540 Long-term borrowings	6 (12)	1,266,554	10	1,504,712	14
2570 Deferred income tax liabilities	6 (25)	267,624	2	257,748	2
2580 Lease liabilities - non-current	7	5,376	-	7,182	-
2640 Net defined benefit liabilities – non-current	6 (13)	1,415	-	1,053	-
2670 Other non-current liabilities - others		7,207	-	10,014	-
25XX Total non-current liabilities		2,614,602	21	2,829,404	26
2XXX Total liabilities		4,643,111	38	4,149,722	38
Equity attributable to shareholders of the parent					
Share capital	6 (14)				
3110 Common shares		1,020,349	8	1,020,340	9
Capital surplus	6 (15)				
3200 Capital surplus		1,854,376	15	1,854,279	17
Retained earnings	6 (16)				
3310 Legal reserve		720,465	6	657,300	6
3320 Special reserve		76,642	1	76,642	1
3350 Unappropriated earnings		3,312,481	27	2,928,035	27
Other equity	6 (17)				
3400 Other equity		496,692	4	139,049	1
31XX Total equity attributable to owners of the parent company		7,481,005	61	6,675,645	61
36XX Non-controlling interests		126,712	1	60,682	1
3XXX Total equity		7,607,717	62	6,736,327	62
Significant Commitments or Contingencies	9				
3X2X Total liabilities and equity		\$ 12,250,828	100	\$ 10,886,049	100

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

(Except Earnings Per Share)

Item	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6 (18) and 7	\$ 5,506,106	100	\$ 4,431,789	100
5000 Operating costs	6 (3)(23)	(4,174,131)	(76)	(3,314,106)	(75)
5900 Gross profit	(24) and 7	<u>1,331,975</u>	<u>24</u>	<u>1,117,683</u>	<u>25</u>
Operating expenses	6 (23) (24) and 7				
6100 Selling and marketing expenses		(351,291)	(6)	(291,705)	(7)
6200 General and administrative expenses		(211,724)	(4)	(208,508)	(5)
6300 Research and development expenses		(202,633)	(4)	(155,250)	(3)
6450 Expected credit impairment gain	12 (2)	-	-	924	-
6000 Total operating expenses		(765,648)	(14)	(654,539)	(15)
6900 Operating gains		<u>566,327</u>	<u>10</u>	<u>463,144</u>	<u>10</u>
Non-operating income and expenses					
7100 Interest income	6 (19)	41,617	1	39,485	1
7010 Other income	6 (20) and 7	65,796	1	99,406	2
7020 Other gains and losses	6 (21)	81,625	2	16,172	1
7050 Financial costs	6 (9) (12)	(41,075)	(1)	(28,396)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6 (5)	<u>137,054</u>	<u>3</u>	<u>79,414</u>	<u>2</u>
7000 Total non-operating incomes and expenses		<u>285,017</u>	<u>6</u>	<u>206,081</u>	<u>5</u>
7900 Income before income tax		<u>851,344</u>	<u>16</u>	<u>669,225</u>	<u>15</u>
7950 Income tax expenses	6 (25)	(104,458)	(2)	(76,442)	(2)
8200 Net profit (loss) for current period		<u>\$ 746,886</u>	<u>14</u>	<u>\$ 592,783</u>	<u>13</u>

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand
(Except Earnings Per Share)

Item	Note	2024		2023	
		Amount	%	Amount	%
Other comprehensive income/(loss) for the year, net of income tax					
Components of other comprehensive income that will not be reclassified to profit or loss	6 (17)				
8316 Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6 (4)	\$ 107,717	2	\$ 192,848	5
8320 Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss		155,561	3	3,721	-
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		263,278	5	196,569	5
Items that may be reclassified subsequently to profit or loss	6 (17)				
8361 Exchange differences on translating the financial statements of foreign operations		223,418	4 (	71,946 ) (	2)
8370 Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that might be reclassified to profit or loss		31,585	- (	13,801)	-
8360 Total of items that may be reclassified subsequently to profit or loss		255,003	4 (	85,747 ) (	2)
8300 Other comprehensive income/(loss) for the year, net of income tax		\$ 518,281	9	\$ 110,822	3
8500 Total comprehensive income (loss) for the current period		\$ 1,265,167	23	\$ 703,605	16
Net income attributable to:					
8610 shareholders of the parent		\$ 748,155	14	\$ 593,383	13
8620 Non-controlling interests		(\$ 1,269 )	- (	(\$ 600)	-
Total comprehensive income (loss) attributable to:					
8710 shareholders of the parent		\$ 1,264,407	23	\$ 706,953	16
8720 Non-controlling interests		\$ 760	- (	(\$ 3,348)	-
Earnings per share	6 (26)				
9750 Basic earnings per share attributable to shareholders of the parent company		\$ 7.33		\$ 5.82	
9850 Diluted earnings per share attributable to shareholders of the parent company		\$ 6.83		\$ 5.73	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	Equity attributable to shareholders of the parent										Non-controlling interests	Total equity		
		Retained earnings					Other equity								
		Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income	Total						
2023															
Balance as of January 1, 2023		\$ 1,020,340	\$ 1,798,320	\$ 552,955	\$ 76,642	\$ 3,012,932	(\$ 134,642)	\$ 198,390	\$ 6,524,937	\$ -	\$ 6,524,937				
Net profit (loss) for current period		-	-	-	-	593,383	-	-	593,383	(600)	592,783				
Other comprehensive income for the year	6 (17)	-	-	-	-	-	(82,999)	196,569	113,570	(2,748)	110,822				
Total comprehensive income (loss) for the current period		-	-	-	-	593,383	(82,999)	196,569	706,953	(3,348)	703,605				
Appropriation and distribution of earnings:															
Legal reserve		-	-	104,345	-	(104,345)	-	-	-	-	-				
Cash dividends		-	-	-	-	(612,204)	-	-	(612,204)	-	(612,204)				
Issuance of convertible bonds	6 (11)	-	55,190	-	-	-	-	-	55,190	-	55,190				
Changes in associates and joint ventures accounted for using the equity method		-	769	-	-	-	-	-	769	-	769				
Increase in non-controlling interests		-	-	-	-	-	-	-	-	64,030	64,030				
Disposal of equity instruments measured at fair value through other comprehensive income	6 (17)	-	-	-	-	38,269	-	(38,269)	-	-	-				
Balance as of December 31, 2023		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	\$ 60,682	\$ 6,736,327				
2024															
Balance as of January 1, 2024		\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	\$ 60,682	\$ 6,736,327				
Net profit (loss) for current period		-	-	-	-	748,155	-	-	748,155	(1,269)	746,886				
Other comprehensive income for the year	6 (17)	-	-	-	-	-	252,974	263,278	516,252	2,029	518,281				
Total comprehensive income (loss) for the current period		-	-	-	-	748,155	252,974	263,278	1,264,407	760	1,265,167				
Appropriation and distribution of earnings:															
Legal reserve		-	-	63,165	-	(63,165)	-	-	-	-	-				
Cash dividends		-	-	-	-	(459,153)	-	-	(459,153)	-	(459,153)				
Changes in associates and joint ventures accounted for using the equity method		-	9	-	-	-	-	-	9	-	9				
Convertible corporate bond conversion	6 (11)	9	88	-	-	-	-	-	97	-	97				
Increase in non-controlling interests		-	-	-	-	-	-	-	-	65,270	65,270				
Disposal of equity instruments measured at fair value through other comprehensive income	6 (17)	-	-	-	-	158,609	-	(158,609)	-	-	-				
Balance as of December 31, 2024		\$ 1,020,349	\$ 1,854,376	\$ 720,465	\$ 76,642	\$ 3,312,481	\$ 35,333	\$ 461,359	\$ 7,481,005	\$ 126,712	\$ 7,607,717				

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flow from operating activities			
Income before income tax		\$ 851,344	\$ 669,225
Adjustments			
Adjustments for income and expenses			
Expected credit impairment gain	12 (2)	- (924)	924)
Depreciation expenses (including right-of-use assets)	6 (23)	540,703	511,098
Amortization	6 (23)	8,021	6,201
Net gain on financial assets and liabilities at fair value through profit or loss	6 (21)	(6,916) (1,672)	1,672)
Loss (gain) on disposal of property, plant and equipment	6 (21)	(260) (1,886)	1,886)
Interest income	6 (19)	(41,617) (39,485)	39,485)
Dividends income	6 (21)	(23,151) (33,534)	33,534)
Interest expenses	6 (22)	41,075	28,396
Share of profit of associates accounted for using equity method	6 (5)	(137,054) (79,414)	79,414)
Miscellaneous expenses		6,141	- -
Loss on disposal of investment	6 (21)	2,985	- -
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets compulsorily measured at fair value through profit or loss - current		7,026	1,232
Notes receivable		13,038	10,541
Accounts Receivable		(523,095)	161,849
Accounts receivable due from related parties		(34,639)	17,695
Other receivables		(6,942) (575)	575)
Other receivables due from related parties		(140)	- -
Inventory		(125,480)	176,072
Pre-payments		(61,112) (9,868)	9,868)
Other current assets		(3,485)	202
Changes in operating liabilities, net			
Notes payable		(764)	5,624
Accounts payable		249,736	17,111
Accounts payables to related parties		(489) (2,216)	2,216)
Other payables		47,393	(101,186)
Liability reserve - current		214	4,278
Net defined benefit liabilities		362	275
Other noncurrent liabilities		(1,767) (2,272)	2,272)
Cash generated from operating activities		801,127	1,340,539
Interest paid		(23,247) (25,454)	25,454)
Income taxes paid		(92,857) (104,754)	104,754)
Net cash inflow from operating activities		<u>685,023</u>	<u>1,210,331</u>

(Continued)

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flows from investing activities</u>			
Interests received		\$ 41,617	\$ 39,485
Dividends received		23,151	33,534
Acquisition of financial assets at fair value through other comprehensive income		(78,845)	(49,918)
Disposal of financial assets at fair value through other comprehensive income		-	64,431
Increase in financial assets measured at amortized cost		-	(81,860)
Decrease in financial assets at amortized cost		30,705	50,000
Investment accounted for using the equity method		(261,360)	(1,458,000)
Cash dividend of long-term equity investment under equity method		57,500	57,500
Acquisition of property, plant and equipment	6 (28)	(765,011)	(248,208)
Proceeds from disposal of property, plant and equipment		7,155	4,591
Acquisition of intangible assets		(11,719)	(12,765)
Increase in refundable deposits		(4,932)	(93)
Decrease in other noncurrent assets		88	-
Capital surplus distributed in cash		482	-
Cash proceeds from business combination	6 (27)	2,219	-
Net cash flows used in investing activities		<u>(958,950)</u>	<u>(1,601,303)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings		1,000,000	2,650,000
Decrease in short-term borrowings		(770,000)	(2,550,000)
Issuance of convertible bonds		-	1,100,502
Increase in long-term borrowings		-	453,999
Repayment for long-term borrowings		(37,733)	(37,733)
Repayment of the principal portion of lease liabilities	6 (29)	(4,082)	(6,735)
Decrease in deposits received		(1,040)	-
Cash dividends appropriated	6 (16)	(459,153)	(612,204)
Increase in non-controlling interests		65,270	64,030
Net cash generated from (used in) financing activities		<u>(206,738)</u>	<u>1,061,859</u>
Exchange rate adjustments		109,028	(47,130)
Increase (decrease) in cash and cash equivalents for the period		(371,637)	623,757
Cash and cash equivalents - beginning balance		2,152,634	1,528,877
Cash and cash equivalents - ending balance		<u>\$ 1,780,997</u>	<u>\$ 2,152,634</u>

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
2024 and 2023

Unit: NT\$ thousand
(unless otherwise specified)

I. Company History and Business Scope

Tai-Tech Advanced Electronics (hereinafter referred to as the “Company”) was incorporated on November 2, 1992. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products and acts as an agent for domestic and foreign companies in terms of quotation, bidding, distribution and import and export of the said products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of Financial Statements

The Consolidated Financial Statements have passed the board of directors resolution and were published on February 24, 2025.

III. Application of New and Amended Standards and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) approved and promulgated into effect by the FSC for application in 2024:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 16 “Lease liabilities of after-sale and leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of liabilities as current or non-current”	January 1, 2024
Amendments to IAS 1 “Non-current liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	January 1, 2024

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group’s financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

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

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7	January 1, 2026
“Amendments to the Classification and Measurement of Financial Instruments”	
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”	Yet to be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 Initial application of IFRS 17 and IFRS 9 — Comparative information	January 1, 2023
IFRS No. 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Group has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Group's financial position and financial performance.

1. Amendments to IFRS No. 9 and IFRS No. 7 ““Amendments to the Classification and Measurement of Financial Instruments”

The amendments are as follows:

Update the fair value of the equity instruments designated through other comprehensive income (FVOCI) through an irrevocable election should be disclosed for each type of equity instrument, and there is no need to disclose the fair value information for each underlying subject. In addition, the amount of fair value gain or loss recognized in other comprehensive income shall be disclosed. The amount of fair value gain or loss on the investment derecognized during the reporting period shall be presented separately. and accumulated gains and losses from investments that are derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS No. 18 "Presentation and Disclosures in Financial Statements"

IFRS No. 18 "Financial Statement Presentation and Disclosure" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements and notes and segmentation.

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

The consolidated financial statements are based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards and International Accounting Standards approved and promulgated by the FSC, as well as their interpretations and interpretation announcements (hereafter "IFRSs").

(II) Preparation Basis

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets measured at fair value through profit or loss (including derivatives).
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. Preparing financial statements in conformity with the IFRSs endorsed by the FSC require using some important accounting estimates. The management level's judgments were needed when applying the Group's accounting policies. Please refer to Note 5 for items involving high levels of judgment or complexity or significant assumptions and estimates of consolidated financial reports.

(III) Consolidation Basis

1. Principles for preparing the consolidated financial statements
 - (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries in the financial statements begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) Profit or loss and every component of other comprehensive income attribute to either owners of the parent company or non-controlling interests, so does the total comprehensive income even if this results in the non-controlling interests having a deficit balance.
 - (4) Changes in shareholding in subsidiaries that do not result in loss of control (i.e., transaction with non-controlling interests) are accounted for as equity transaction and as a transaction with owners. The differences between the adjustments to non-controlling interests and the fair value of consideration paid or received are directly recognized in equity.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Subsidiary name	Business nature	Shareholding percentage			Remarks
			December 31, 2024	December 31, 2023		
The Company	NORTH STAR INTERNATIONAL LIMITED	Invested business	100%	100%		
The Company	BEST BLISS INVESTMENTS LIMITED	Invested business	100%	100%		
The Company	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Reinvestment and trading-related business	60%	60%		Note 1
The Company	JDX Technology Co., Ltd.	Sale of electronic components	83.33%	26.67%		Note 2
BEST BLISS INVESTMENTS LIMITED	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	100%	100%		
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Invested business	100%	100%		
BEST BLISS INVESTMENTS LIMITED	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	26.60%	26.60%		
FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	73.40%	73.40%		
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Production, processing and sale of electronic components	100%	100%		Note 3
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sale of electronic components	100%	100%		

Note 1 : Incorporated in June 2023.

Note 2 : In November 2024, the Group acquired additional shares in the company, thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(27) for details on business combination.

Note 3 : Incorporated in July 2023.

3. Subsidiaries not included in the consolidated financial statements
None.
4. Adjustments for subsidiaries with different accounting periods
None.
5. Major restrictions
None.
6. Subsidiaries with significant non-controlling interest for the Group
None.

(IV) Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Group's functional currency.

1. Foreign currency transactions and balance
 - (1) Foreign currency derived from transactions was translated into the functional currency using the spot exchange rate prevailing on the trade date or the measurement date, with the resulting exchange difference recognized as gain or loss.
 - (2) The balance of monetary assets or liabilities denominated in foreign currency is adjusted by the exchange rate prevailing at the balance sheet date, with the resulting differences recognized as gain or loss.
 - (3) Non-monetary assets or liabilities denominated in foreign currency are adjusted by the spot exchange rate on the balance sheet date, with the resulting difference recognized in profit or loss if they are measured at fair value through profit or loss, or in other comprehensive income if they are measured at fair value through other comprehensive income. If they are not measured at fair value, they are measured by applying the historical exchange rate on the transaction date.

2. Translation of foreign operations financial statements

The results and financial position of associates and entities within the Group whose functional currency is not the presentation currency are translated into the presentation currency using the following procedures:

- (1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) Income and expenses for each statement of comprehensive income (including comparatives) are translated at the average exchange rates for the period; and
- (3) All resulting exchange differences are recognized in other comprehensive income.

(V) Classification of Current and Noncurrent Assets and Liabilities

1. Assets that meet one of the following criteria are classified as current assets:
 - (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (2) They are held primarily for trading.
 - (3) Assets that are expected to be realized within 12 months after the balance sheet date.
 - (4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.

Otherwise they are classified as noncurrent assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle.
 - (2) They are held primarily for trading.
 - (3) Liabilities that are expected to be settled within 12 months after the balance sheet date.
 - (4) Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. Liabilities that do not meet the above criteria are classified as non-current liabilities by the Group.

(VI) Cash Equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that fit the said definition and are intended to meet short-term operating cash commitments are classified as cash equivalents.

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

1. Financial assets not measured at cost after amortization or measured at fair value through other comprehensive income.
2. The Group's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. At initial recognition, the Group measures financial assets at fair value plus relevant transaction costs, and subsequently, the Group measures the financial assets at fair value and its gain or loss is recognized in profit or loss.
4. The Group recognizes dividends income in profit or loss when (a) the Group's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

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

1. It means the Group made an irrevocable election upon initial recognition to recognize the fair value changes in equity instruments not held for trading at other comprehensive income.
2. The Group's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. The Group has added the transaction cost measurement at fair value during the original recognition, which is subsequently measured via the fair value method. When changes in the fair value of equity instruments recognized as other comprehensive gains or losses are being derecognized, the cumulative profits or losses previously recognized as other comprehensive gains or losses are not subsequently reclassified to gain or loss and are transferred to retained earnings. The Group recognizes dividend income in profit or loss when (a) the Group's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

(IX) Financial assets at amortized cost

1. Financial assets that simultaneously satisfy the following criteria are classified in this category:
 - (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

- (2) The contractual terms of the financial assets give rise on specified date to cash flow that are solely payments of principal and interest on the principal amount outstanding.
- 2. The Group recognizes its time deposits not qualified as cash equivalents at the investment amount because they are held for a short period of time and so have insignificant discount effect.

(X) Accounts Receivables and Notes Receivables

- 1. Accounts receivable and notes receivable denote that the Group has unconditional right to the consideration, in the form of receivables or notes, for the goods and services transferred.
- 2. The Group measures short-term accounts receivable and notes receivables that do not bear an interest at the invoice value because they have insignificant discount effect.

(XI) Impairment of Financial Assets

At the end of each reporting period, the Group considers financial assets at amortized cost, investments in debt instruments that are measured at fair value through other comprehensive income, and receivables (including significant financial components) and takes into consideration all reasonable and supporting information (including the forward-looking information). For financial assets of which the credit risk does not significantly increase since initial recognition, the Group recognizes an allowance equal to 12-month expected credit losses; for financial assets of which the credit risk significantly increases since initial recognition, the Group recognizes an allowance equal to the lifetime expected credit loss; for accounts receivables that do not contain significant financial components or plan assets, the Group recognizes an allowance equal to the lifetime expected credit loss.

(XII) Derecognition of Financial Assets

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

(XIII) Inventory

Inventories are measured at the lower of cost and net realizable value. Cost is 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), excluding borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary for completion of the sale.

(XIV) Investment Accounted for Using the Equity Method — Associates

- 1. An associate refers to an associate over which the Group has no control but significant influence, typically those in which the Group has at least 20% of the total number of voting shares directly or indirectly. The Group accounts for investment in associates using the equity method and recognizes them at cost upon acquisition.
- 2. The Group's share of profit or loss in an associate after acquisition shall be recognized as current gain or loss, and its share of other comprehensive income after acquisition shall be recognized in other comprehensive income. When the Group's loss in any associate exceeds the equity (including any unsecured receivables) in such an associate, the Group does not recognize further losses except when any legal obligation or constructive obligation is incurred or the Group has made payment on behalf of the associate.
- 3. When an associate experiences equity changes not attributable to changes in any component of profit or loss or other comprehensive income and not impacting the Group's shareholding in such an associate, the Group accounts for such equity changes as "capital surplus" in proportion to its shareholding percentage.

4. Unrealized gain or loss arising from transactions between the Group and associates has been eliminated in proportion to the Group's shareholding percentage in the associates; unrealized loss is also eliminated unless evidence proves the impairment of the assets transferred in the transaction. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. If the Group loses significant influence over an associate, the Group shall account for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. If significant influence over the associate remains, the Group only proportionally reclassifies the amounts previously recognized in other comprehensive income.

(XV) Property, plant, and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance is recognized in profit or loss when accrued.
3. Property, plant and equipment are subsequently measured at cost. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Property, plant and equipment are depreciated individually if they contain any significant components.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8 - 50 years
Machinery	5 - 12 years
Utilities equipment	10 - 15 years
Transportation equipment	4 - 5 years
Office equipment	5 - 10 years
Other equipment	2 - 12 years

(XVI) Lease Transactions of a Lessee - Right-of-use Assets/Lease Liabilities

1. The Group recognizes right-of-use assets and lease liabilities for all leases at the date when they are available for the Group's use. Low-value assets and short-term leases are recognized as expenses on a straight-line basis over the lease period.
2. The Group measures its lease liability at commencement date by discounting future lease payments using its incremental borrowing interest rate. Lease payments include:
Fixed payments, less any lease incentives receivable
that are measured in subsequent periods using the effective interest rate method and

amortized over the lease term. When a change in lease payments occurs not due to contract modification, lease liability will be remeasured, with such remeasurements adjusted to right-of-use assets.

3. Right-of-use assets are recognized at costs at the inception of the lease. Cost includes:
 - (1) The initial lease liability measured;
 - (2) Lease payments made before or at the inception of the lease;
 - (3) Any original direct costs incurred.

Right-of-use assets are subsequently measured at costs. Depreciation of right-of-use assets is recognized at the earlier of the end of the useful life and the end of the lease term. When a lease liability is remeasured, the Group adjusts the right-of-use asset for any remeasurements.

(XVII) Intangible Assets

1. Computer software

Computer software is measured at the acquisition cost and amortized using the straight line method over its estimated useful life, which is 2-10 years.

2. Goodwill

Goodwill results from mergers or acquisition.

3. Patent rights

Patents are amortized at a period of 13 years using the straight line method.

(XVIII) Impairment of Financial Assets

1. The Group assesses at the end of reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is an asset's fair value less costs to sell or its value in use, whichever is higher. When there is an indication that the impairment loss recognized in prior years for an asset other than goodwill decreases or no longer exists, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss. However, the increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.
2. The Group regularly measures the recoverable amount of goodwill, intangible assets with uncertain useful life and intangible assets not available for use. Impairment is recognized when the recoverable amount is lower than the carrying amount. Impairment of goodwill is not reversed in subsequent periods.

(XIX) Borrowings

Borrowings mean short- and long-term loans borrowed from banks. Borrowings are initially recognized at the fair value less any transaction costs, and subsequently at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the borrowing period using the effective interest rate method.

(XX) Accounts Receivables and Notes Receivables

1. Accounts receivable and notes receivable are the debt incurred by credit purchase of raw materials, goods, or services and the notes receivables incurred by operating and non-operating activities.

2. The Group measures short-term accounts receivable and notes receivable that do not bear an interest at the invoice value because they have insignificant discount effect.

(XXI) Convertible corporate bonds payable

The convertible bonds issued by the Group are embedded with conversion rights (i.e. holders have the right to convert the bonds into the Group's common shares with a fixed amount for a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded resale rights and repurchase rights: at the time of initial recognition, the net fair value is stated as "financial assets or liabilities measured at fair value through profit and loss." Subsequently, the difference at the balance sheet date is recognized as "gain or loss on financial assets (liabilities) measured at fair value through profit or loss".
2. Master contract of corporate bonds: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the premium or discount of corporate bonds payable. Subsequently, the effective interest method is recognized in profit or loss as an adjustment item for "finance costs" on an amortized basis over the period of liquidity.
3. Embedded conversion options (complying with the definition of equity): at the time of initial recognition, the residual value of the issued amount after deducting the above-mentioned "financial assets or liabilities at fair value through profit or loss" and "corporate bonds payable" is accounted for as "capital surplus - options" and will not be remeasured subsequently.
4. The transaction costs directly attributable to the issuance are allocated to the components of each liability and equity in accordance with the original carrying amount of each of the above-mentioned components.
5. Upon conversion by the holders, the liabilities components (including "corporate bonds payable" and "financial assets or liabilities measured at fair value through profit or loss") are accounted for in accordance with the subsequent measurement methods of their classification, and then the carrying amount of the aforementioned liability components plus the carrying amount of "capital surplus - stock options" is used as the issuance cost of the common shares exchanged.

(XXII) Derecognition of Financial Liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are contractual obligations, canceled, or they expire.

(XXIII) Provisions for liabilities

Provisions (sales return and allowance) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXIV) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits

expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by using the interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the defined benefit plans. If there is no deep market in such bonds in a country, the discount rate shall be the market yields on government bonds.

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employee compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for as a change in accounting estimate. When employee compensation is appropriated in shares, the basis for calculating the number of shares shall be the closing price at the date before the date the Board of Directors resolves on the appropriation.

(XXV) Income Tax

1. The tax expense comprises current tax and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated by applying the taxable income to the tax rate specified in the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. Where appropriate, management also estimate income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
3. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts

in the consolidated balance sheets. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of the assets or liabilities in the transaction (excluding business merger), and if it does not affect the accounting profit or taxable income (tax loss) and does not generate an equivalent taxable and deductible temporary difference, it is not recognized. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(XXVI) Share capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.
2. When the Company repurchased shares previously issued, the consideration paid includes any directly attributable additional costs and the net amount after tax is recognized as a deduction of the shareholders' equity. During the subsequent reissuance of repurchased shares, any directly attributable additional costs and income tax are deducted from the consideration received, and the difference from the carrying amount is then recognized as an adjustment of shareholders' equity.

(XXVII) Dividend Appropriation

Dividends appropriated to shareholders of the Company are recognized on the date the Board of Directors' meeting resolves on such appropriation. Appropriation in cash is recognized as liability.

(XXVIII) Revenue Recognition

Sale of goods

1. The Group manufactures and sells electronic parts, magnet cores, multilayer wire-wound and other wire-wound products. Sales revenue is recognized when the control of products is transferred to clients, i.e., when products are delivered to clients to be handled at their discretion and the Group has no unperformed further obligation that may impact clients from accepting the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the clients, and either the clients have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
2. A receivable is recognized when the goods are delivered as this is the point in time that the

consideration is unconditional because only the passage of time is required before payment is due.

(XXIX) Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant, and equipment are recognized as noncurrent liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(XXX) Business Combinations

1. The Group uses the acquisition method for business combinations. The acquisition consideration is calculated based on the fair value of transferred assets, incurred or assumed liabilities, and issued equity instruments. The transfer consideration includes the fair value of any assets and liabilities arising from contingent consideration agreements. Acquisition-related costs are recognized as expenses when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. On a transaction-by-transaction basis, for components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, the Group chooses to measure them either at fair value at the acquisition date or at the proportionate share of the acquiree's identifiable net assets attributable to the non-controlling interests; all other components of non-controlling interests are measured at fair value at the acquisition date.
2. If the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree exceeds the fair value of the identifiable assets acquired and liabilities assumed, the excess is recognized as goodwill at the acquisition date. If the fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree, the difference is recognized as profit or loss in the current period at the acquisition date.

(XXXI) Operating Segments

The information on operating segments is reported in a manner consistent with the way the internal management report is provided to management. The key operating decision makers are responsible for allocating resources to operating segments and evaluate their performance. The Group identifies the Board of Directors as its key operating decision makers.

V. Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions

When preparing this consolidated financial statements, management has exercised their professional judgment to determine the accounting policies to be applied and made accounting estimates and assumptions based on reasonable expectation as to how future events will hold for the circumstances that exist on the balance sheets date. The significant accounting estimates and assumptions being made may deviate from the actual outcomes and will be consistently measured and adjusted in accordance with historical experience and for other factors. Such estimates and assumptions may lead to the risk of significant adjustment being made to the carrying amount of the assets and liabilities on the balance sheet. Significant accounting judgments and the uncertainty in accounting estimates and assumptions are stated below:

(I) Significant Judgements in Applying Accounting Policies

Please see the description in Note 6 (5)5.

(II) Significant Accounting Estimates and Assumptions

Since inventory is measured at the lower of costs and the net realizable value, the Group needs to exercise judgment and estimates to determine the net realizable value of inventory at the balance sheet date. Since the value of inventory is subject to market price fluctuation and its lifetime, the Group evaluates the market selling price and value lost due to obsolescence of inventory at the balance sheet date, and writes down inventory costs to net realization value. This inventory evaluation is mainly based on the current market conditions and past historical experience, so there may be major changes.

As of December 31, 2024, the carrying amount of the inventories of the Group was NT\$896,450.

VI. Description of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	\$ 2,593	\$ 2,325
Checking deposits and demand deposits	1,127,595	1,566,640
Time deposits	650,809	523,669
Commercial paper with repurchase agreement	-	60,000
Total	\$ 1,780,997	\$ 2,152,634

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group did not pledge any cash and cash equivalents as collaterals.
3. For December 31, 2024 and 2023, the Group recognized NT\$0 and NT\$30,705, respectively, for time deposits originally due within three months that are presented as “financial assets measured at amortized cost - current”.

(II) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 36,806	\$ 49,844
Accounts Receivable	\$ 1,997,803	\$ 1,465,544
Less: Allowance for losses	(1,455)	(1,422)
	<u>\$ 1,996,348</u>	<u>\$ 1,464,122</u>
Accounts receivable due from related parties	\$ 129,578	\$ 94,939
Less: Allowance for losses	(89)	(89)
	<u>\$ 129,489</u>	<u>\$ 94,850</u>

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

	December 31, 2024		December 31, 2023	
	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable
Not yet due	\$ 2,125,571	\$ 36,806	\$ 1,534,345	\$ 49,844
Within 30 days	1,810	-	24,900	-
31~90 days	-	-	1,230	-
91~180 days	-	-	8	-
	<u>\$ 2,127,381</u>	<u>\$ 36,806</u>	<u>\$ 1,560,483</u>	<u>\$ 49,844</u>

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

2. The accounts and bills receivables in December 31, 2024 and 2023 were all due to client contracts, and the balance of receivables from client contracts as of January 1, 2023 was NT\$1,801,892.
3. Without considering the collateral held or other credit enhancements; the maximum exposure amounts for credit risks that can best represent the Group's bills receivable as of December 31, 2024 and 2023 were NT\$36,806 and NT\$49,844, respectively; and the maximum credit risk amounts that can best represent the Group's accounts receivable as of December 31, 2024 and 2023 were NT\$2,125,837 and NT\$1,558,972, respectively.
4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(III) Inventory

	December 31, 2024		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 211,787	(\$ 10,272)	\$ 201,515
Supplies	22,947	(2,585)	20,362
Work in process	334,976	(22,582)	312,394
Finished products	355,674	(23,031)	332,643
Goods	31,852	(2,316)	29,536
Total	\$ 957,236	(\$ 60,786)	\$ 896,450

	December 31, 2023		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 135,708	(\$ 13,036)	\$ 122,672
Supplies	23,504	(3,093)	20,411
Work in process	340,197	(22,637)	317,560
Finished products	310,994	(27,793)	283,201
Goods	26,870	(2,591)	24,279
Total	\$ 837,273	(\$ 69,150)	\$ 768,123

1. The inventory costs recognized as expenses by the Group in this period:

	2024	2023
Cost of inventory sold	\$ 3,985,695	\$ 3,178,875
Inventory (recovery benefit) depreciation loss	(10,735)	11,045
Others	199,171	124,186
	\$ 4,174,131	\$ 3,314,106

In 2024, the Group's net realizable inventory value increased due to continuous inventory depletion.

2. The Group did not pledge any inventory as collaterals.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Equity instruments		
Shares listed on the stock exchange or the OTC market	\$ 55,157	\$ 36,094
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	210,399	169,833
	265,556	205,927
Adjustments for change in value	302,078	352,969
Total	<u>\$ 567,634</u>	<u>\$ 558,896</u>

1. The Group has classified strategic investment stocks 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 NT\$567,634 and NT\$558,896, respectively.
2. For the purposes of adjusting its position in strategic investments, in 2024, the Group disposed of its unlisted, TPEx-listed, and emerging stock market-listed share investments, whose fair value was NT\$179,806, for NT\$158,609.
3. For the purposes of adjusting its position in strategic investments, in 2023, the Group sold its listing share investments, whose fair value was NT\$64,431, for NT\$38,269.
4. The detailed breakdown of financial assets measured at fair value through other comprehensive income is as follows:

	<u>2024</u>	<u>2023</u>
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	\$ 107,717	\$ 192,848
Transfer of accumulated profit or loss to retained earnings due to derecognition	(\$ 158,609)	(\$ 38,269)
Dividends income recognized in profit or loss held at the end of current period	\$ 5,176	\$ 33,534
Derecognized during this period	<u>17,975</u>	<u>-</u>
	<u>\$ 23,151</u>	<u>\$ 33,534</u>

5. Without considering the collateral or other credit enhancements held, the financial assets measured at fair value through other comprehensive income that best represents the Group as of December 31, 2024 and 2023. The maximum exposure amounts were NT\$567,634 and NT\$558,896, respectively.
6. The Group did not pledge any financial assets at fair value through other comprehensive income as collaterals.

(V) Investment Accounted for Using the Equity Method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associate:		
APAQ Technology Co., Ltd.	\$ 1,717,727	\$ 1,463,347
Superworld Holdings (S) Pte. Ltd.	460,806	-
JD Technology Co., Ltd.	-	7,256
	<u>\$ 2,178,533</u>	<u>\$ 1,470,603</u>

- Below is the information about the Group's significant associates:

Provider	Main business premises	Shareholding ratio		Nature of relationship	Measuring method
		December 31, 2024	December 31, 2023		
APAQ Technology Co., Ltd.	Taiwan	28.1%	28.1%	Business strategy	Equity method

The Company publicly acquired common shares of APAQ Technology Co., Ltd. for 25,000 thousand shares at NTD 58 per share from March 17, 2023 to April 6, 2023. In addition, the acquisition amount was paid and equity transfer was completed on April 13, 2023. Accordingly, the Company has acquired 28.1% of equity of APAQ Technology Co., Ltd.

- The summarized financial information of the major associates of the Company is as follows:
- Balance sheet

	APAQ Technology Co., Ltd. and Subsidiaries	
	December 31, 2024	December 31, 2023
Current assets	\$ 4,079,702	\$ 3,168,097
Non-current assets	2,793,049	1,754,258
Current liabilities	(2,627,835)	(1,687,223)
Non-current liabilities	(206,156)	(320,757)
Non-controlling interests	(118,286)	-
Fair value adjustment of other intangible and tangible net assets	436,014	-
Adjusted total net assets	<u>\$ 4,356,488</u>	<u>\$ 2,914,375</u>
Share of net total assets of associates	\$ 1,224,173	\$ 818,939
Goodwill	523,825	644,408
Others	(30,271)	-
Carrying amount of associate	<u>\$ 1,717,727</u>	<u>\$ 1,463,347</u>

Statement of comprehensive income

	APAQ Technology Co., Ltd. and Subsidiaries	
	2024	2023
Revenue	\$ 3,495,668	\$ 2,934,913
Profit from continuing operations	\$ 511,815	\$ 328,378
Other comprehensive income (net amount after tax)	<u>673,964</u>	<u>64,814</u>
Total comprehensive income (loss) for the current period	<u>\$ 1,185,779</u>	<u>\$ 393,192</u>
Dividends received from associates	<u>\$ 57,500</u>	<u>\$ 57,500</u>

- A major associate of the Group, APAQ Technology Co., Ltd., has quotations in the open market. The fair value on December 31, 2024 and 2023 was NT\$3,712,500 and NT\$1,737,500, respectively.
- In 2024 and 2023, the investment income from APAQ Technology Co., Ltd. recognized under equity method was NT\$124,725 and NT\$80,158, respectively, which was based on the financial reports issued by other CPAs for the same period.
- The Group holds 28.1% of the total number of voting shares of APAQ Technology Co., Ltd., making the Group the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Group varies from that of the above companies, the Group is unable to direct the relevant activities of the above companies, hence no control over it. The Group believes it has only

significant influence over the above companies and therefore recognizes APAQ Technology Co., Ltd. as its associate.

6. The carrying amount and share of operating results of the associates not individually material to the Group are summarized as follows: As of December 31, 2024 and 2023, the carrying amount of the associates not individually material to the Group were NT\$460,806 and NT\$7,256, respectively.

	2024	2023
Profit (loss) from continuing operations	\$ 12,329	(\$ 744)
Other comprehensive income (net amount after tax)	-	-
Total comprehensive income (loss) for the current period	<u>\$ 12,329</u>	<u>(\$ 744)</u>

7. The Group originally held a 10% equity in SuperWorld Holdings (S) Pte. Ltd., which was recognized in the "Financial assets at fair value through other comprehensive income" account. In October 2024, the Group paid NT\$261,360 to acquire 2,700 thousand shares, bringing its shareholding to 23.5%. The Group began to use the equity method for valuation. According to regulations, the Group should complete the acquisition price allocation report before October 4, 2025. As of December 31, 2024, it is still in progress.

8. In November 2024, the Group acquired additional shares in Unique One Technology Co., Ltd., thereby gaining control over the company and making it a new consolidated entity. Please refer to Note 6(27) for details on business combination.

(VI) Property, Plant, and Equipment

	2024										
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total		
January 1											
Cost	\$ 777,560	\$ 590,845	\$ 5,644,458	\$ 25,018	\$ 11,611	\$ 58,766	\$ 342,246	\$ 25,212	\$ 7,475,716		
Accumulated depreciation and impairment	-	(280,130)	(2,815,129)	(18,182)	(9,476)	(40,125)	(212,180)	-	(3,375,222)		
	<u>\$ 777,560</u>	<u>\$ 310,715</u>	<u>\$ 2,829,329</u>	<u>\$ 6,836</u>	<u>\$ 2,135</u>	<u>\$ 18,641</u>	<u>\$ 130,066</u>	<u>\$ 25,212</u>	<u>\$ 4,100,494</u>		
January 1	\$ 777,560	\$ 310,715	\$ 2,829,329	\$ 6,836	\$ 2,135	\$ 18,641	\$ 130,066	\$ 25,212	\$ 4,100,494		
Addition	-	-	62,870	-	172	3,530	79,785	555,797	702,154		
Disposal	-	(15,619)	(4,177)	-	(35)	-	(210)	-	(20,041)		
Reclassification	205,022	139,651	131,755	-	-	853	6,729	(484,010)	-		
Depreciation expenses	-	(29,681)	(436,242)	(1,030)	(937)	(7,122)	(61,041)	-	(536,053)		
Impairment loss reversed	-	-	3,079	-	-	-	-	-	3,079		
Net exchange differences	1,643	13,899	89,522	-	20	365	(437)	3,648	108,660		
December 31	<u>\$ 984,225</u>	<u>\$ 418,965</u>	<u>\$ 2,676,136</u>	<u>\$ 5,806</u>	<u>\$ 1,355</u>	<u>\$ 16,267</u>	<u>\$ 154,892</u>	<u>\$ 100,647</u>	<u>\$ 4,358,293</u>		
December 31											
Cost	\$ 984,225	\$ 736,083	\$ 5,894,662	\$ 25,054	\$ 11,487	\$ 62,686	\$ 412,722	\$ 100,647	\$ 8,227,566		
Accumulated depreciation and impairment	-	(317,118)	(3,218,526)	(19,248)	(10,132)	(46,419)	(257,830)	-	(3,869,273)		
	<u>\$ 984,225</u>	<u>\$ 418,965</u>	<u>\$ 2,676,136</u>	<u>\$ 5,806</u>	<u>\$ 1,355</u>	<u>\$ 16,267</u>	<u>\$ 154,892</u>	<u>\$ 100,647</u>	<u>\$ 4,358,293</u>		

2023												
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance		Total		
January 1												
Cost	\$ 777,560	\$ 572,031	\$ 5,629,094	\$ 25,030	\$ 11,668	\$ 52,523	\$ 352,990	\$ 44,775	\$ 7,465,671			
Accumulated depreciation and impairment	-	(256,815)	(2,523,061)	(17,159)	(8,623)	(35,823)	(222,581)	-	(3,064,062)			
	<u>\$ 777,560</u>	<u>\$ 315,216</u>	<u>\$ 3,106,033</u>	<u>\$ 7,871</u>	<u>\$ 3,045</u>	<u>\$ 16,700</u>	<u>\$ 130,409</u>	<u>\$ 44,775</u>	<u>\$ 4,401,609</u>			
January 1	\$ 777,560	\$ 315,216	\$ 3,106,033	\$ 7,871	\$ 3,045	\$ 16,700	\$ 130,409	\$ 44,775	\$ 4,401,609			
Addition	-	1,575	49,686	-	-	5,299	49,753	128,787	235,100			
Disposal	-	-	-	-	-	-	-	-	-			
Reclassification (Note)	-	23,955	115,849	-	-	2,310	6,214	(148,397)	(69)			
Depreciation expenses	-	(26,399)	(415,359)	(1,035)	(904)	(5,541)	(54,374)	-	(503,612)			
Net exchange differences	-	(3,632)	(26,880)	-	(6)	(127)	(1,936)	47	(32,534)			
December 31	<u>\$ 777,560</u>	<u>\$ 310,715</u>	<u>\$ 2,829,329</u>	<u>\$ 6,836</u>	<u>\$ 2,135</u>	<u>\$ 18,641</u>	<u>\$ 130,066</u>	<u>\$ 25,212</u>	<u>\$ 4,100,494</u>			
December 31												
Cost	\$ 777,560	\$ 590,845	\$ 5,644,458	\$ 25,018	\$ 11,611	\$ 58,766	\$ 342,246	\$ 25,212	\$ 7,475,716			
Accumulated depreciation and impairment	-	(280,130)	(2,815,129)	(18,182)	(9,476)	(40,125)	(212,180)	-	(3,375,222)			
	<u>\$ 777,560</u>	<u>\$ 310,715</u>	<u>\$ 2,829,329</u>	<u>\$ 6,836</u>	<u>\$ 2,135</u>	<u>\$ 18,641</u>	<u>\$ 130,066</u>	<u>\$ 25,212</u>	<u>\$ 4,100,494</u>			

Note: Reclassified to intangible assets.

1. The amounts of interest capitalization in 2024 and 2023 were NT\$0.
2. The Group's significant components of buildings and structures, including buildings and engineering systems, are depreciated over 20~50 years and 8~20 years, respectively.
3. For information on pledged property, plant and equipment, refer to Note 8.

(VII) Lease Transactions - Lessee

1. The underlying assets of the Group's lease include land use right, buildings, company cars and multi-function peripherals. The lease duration usually lasts 3 to 50 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for land use right, leased assets shall not be used as collaterals and are not restricted in any way.
2. The lease term of the buildings and warehouses leased by the Group is less than 12 months. The low-value underlying asset of the Group's lease are photocopiers.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Right-of-use land	\$ 27,122	\$ 26,471
Buildings	6,924	9,193
Transportation equipment	-	1,309
Machinery and equipment	763	614
	<u><u>\$ 34,809</u></u>	<u><u>\$ 37,587</u></u>

	2024	2023
	Depreciation expenses	Depreciation expenses
Right-of-use land	\$ 719	\$ 705
Buildings	2,269	4,704
Transportation equipment	1,310	1,721
Machinery and equipment	352	356
	<u><u>\$ 4,650</u></u>	<u><u>\$ 7,486</u></u>

4. Profit or loss items in relation to lease contracts are as follows:

	2024	2023
<u><u>Items that affect profit or loss</u></u>		
Expenses attributable to short-term lease contracts	\$ 20,840	\$ 17,444
Expenses attributable to low-value assets	101	84

5. The Group's right-of-use asset increased by NT\$561 and NT\$10,133 for 2024 and 2023, respectively.
6. The Group's cash used in lease contracts increased by NT\$25,023 and NT\$24,263 for 2024 and 2023, respectively.

(VIII) Other non-current assets

	December 31, 2024	December 31, 2023
Refundable deposits	\$ 7,558	\$ 2,626
Pre-payments for construction and equipment	64,055	14,449
Uncollectible overdue receivables	1,252	1,252
Allowance for uncollectible-overdue receivables	(1,252)	(1,252)
	<u><u>\$ 71,613</u></u>	<u><u>\$ 17,075</u></u>

(IX) Short-term Borrowings

Nature of borrowings	December 31, 2024	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 230,000	1.80%~1.98%	-
Secured loan	\$ 100,000	1.89%	Land, buildings, and structures
	<u>\$ 330,000</u>		
Nature of borrowings	December 31, 2023	Interest rate range	Collaterals
Bank loan			
Credit loan	\$ 100,000	1.67%	-

The interest expense recognized in profit or loss of short-term borrowings in 2024 and 2023 were NT\$2,210 and NT\$6,756, respectively.

(X) Other Payables

	December 31, 2024	December 31, 2023
Salary and bonus payables	\$ 185,838	\$ 148,177
Social benefits liabilities payable	93,789	85,624
Employee compensation and directors' and supervisors' remuneration payable	64,538	51,686
Construction and equipment payable	48,645	61,211
Others	<u>195,146</u>	<u>206,763</u>
	<u>\$ 587,956</u>	<u>\$ 553,461</u>

(XI) Corporate bonds payable

	December 31, 2024	December 31, 2023
Corporate bonds payable	\$ 1,099,900	\$ 1,100,000
Less: Discount of corporate bond payable	(33,474)	(51,305)
	<u>1,066,426</u>	<u>1,048,695</u>
Less: Due within one year or one operating cycle		
Corporate bonds with repurchase rights or exercised resale rights		-
	<u>\$ 1,066,426</u>	<u>\$ 1,048,695</u>

1. Domestic convertible bonds issued by the Company

The conditions for the Company's issuance of the 1st domestic unsecured convertible corporate bonds are as follows

- (1) The Company was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is NT\$1,100,000, the coupon rate of 0%, the issuance period of 3 years, and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.
- (2) The period from the day following the expiration of three months after the date of issuance to the maturity date of the convertible corporate bond holders, except (1) the period of suspension of the common stock transfer according to law; (2) The period from the 15 business days before the book closure date for cash dividends or the book closure date to the base date of distribution of rights; (3) The base date of capital reduction for capital reduction is scheduled to expire on the day before the trading day before the capital reduction; (4) For a change in the denomination of shares, the Company may inform Taiwan Depository & Clearing Corporation through to request the Company's stock agent to convert the bonds into shares of the Company's common

stock in accordance with the Regulations, the rights and obligations of the common shares after conversion are the same as the common shares issued originally.

(3) The conversion price of these convertible corporate bonds is set according to the pricing model stipulated in the conversion regulations. The subsequent conversion price will be adjusted in accordance with the pricing model stipulated in the conversion plan in the event of an increase in the number of shares of common stock issued (or private placement) of securities with conversion or subscription rights to common shares at a capital reduction lower than the prevailing conversion or subscription price per share, and capital reduction not due to cancellation of treasury shares. The pricing model shall be adjusted in accordance with the conversion regulations.

On April 6, 2024, the Company adjusted the conversion price to NTD 113.5 in accordance with the Conversion Regulations.

(4) When the closing price of the Company's common shares has exceeded the conversion price at the time of conversion for 30 consecutive business days by more than 30%, the Company may, within 30 business days, send a copy of the "Notice of Recovery of Bonds" after the expiration of 30 days to the bondholders by registered mail, and also request the Taipei Exchange to make a public announcement, and within 5 business days after the date of the recovery, all the bonds shall be recovered in cash based on the face value of the bonds.

(5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Company shall be cancelled and may not be re-sold or re-issued, and the conversion rights attached shall also be extinguished.

2. When issuing the convertible bonds, the Group separated the equity conversion option and each component of liability in accordance with IAS No. 32 "Financial Instruments: Presentation," and accounted for NT\$55,190 as "Capital surplus - stock options." In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they were separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss." After the separation, the effective interest rate of the main contract debt was 1.7%.

3. As of December 31, 2024, the bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XII) Long-term Borrowings

Nature of borrowing	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2024
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 440,222
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000

Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.28%	-	
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-	220,000
Credit loan	The period from November 2024 to October 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from November 2025 to October 2029.	2.22%	-	250,000
				5,000
				1,509,712
Less: Current portion of long-term borrowings				(243,158)
				\$ 1,266,554

Nature of borrowing s	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2023
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.63%	Land, buildings, and structures	\$ 477,955
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.15%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.11%~1.15%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.15%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.11%	-	250,000
Less: Current portion of long-term borrowings				(37,733)
				\$ 1,504,712

In 2024 and 2023, the interest expenses recognized in profit or loss for long-term borrowings were NT\$20,953 and NT\$18,674, respectively.

(XIII) Pensions

1. (1) By adhering to the requirements set forth in the “Labor Standards Act,” the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the “Labor

Pension Act" on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the "Labor Pension Act." Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 3% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference. In accordance with the Labor Standards Act and the Labor Pension Act, the Company has already settled the length of services for some employees choosing the old pension scheme in 2022.

- (2) The Company has established the "Manager's Retirement and Resignation Method" to determine the payment applicable to the company's appointed managers. The retirement benefit formula is as follows:
 - A. Pensions for the service year applying the Labor Standards Act are calculated using the equation stated in the previous section.
 - B. The Company contributes an amount of pension equal to 6% of an employee's monthly salary for those electing to apply the Labor Pension Act and those taking their post on or after July 1, 2005.
 - C. For appointed managers who have rendered 25 or more years of services as of December 31, 2018, two bases are given to each full year of services rendered within 15 years, one base is given to each full year of service over 15 years (rounded up to one year for any year of service less than one year), and their annual salary at their 25th year of service is taken as their average salary. The Company makes a pension contribution equal to 6% of their monthly salary starting from their 25th year of service.
- (3) The Company is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the "Directors' Salary and Remuneration Measures."
- (4) The amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ 1,415	\$ 1,053
Fair value of plan assets	(9,632)	(8,747)
Net defined benefit assets	<u><u>(\$ 8,217)</u></u>	<u><u>(\$ 7,694)</u></u>

- (5) As of 2024 and 2023, the pension costs recognized in the manner specified above were NT\$361 and NT\$485, respectively.
- 2. (1) On July 1, 2005, the Company established its own pension regulations applicable to Taiwanese nationals in accordance with the "Labor Pension Act." For employees of the Company or domestic subsidiaries who elected to apply the "Labor Pension Act," the Company makes a contribution equal to 6% of the monthly salary to their individual retirement account with the Bureau of Labor Insurance. Employee pensions may be paid in monthly installments or in lump-sum payment based the accumulated amount in the employee's individual retirement account.

(2) TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd. and TAIPAQ Electronic Components (Si-Hong) Co., Ltd. have paid the monthly pension insurance according to a certain percentage of the total salary of local employees according to the pension insurance system stipulated by the People's Republic of China, and the allocation ratios for 2024 and 2023 were 16% and 16%, respectively. The pension for employees is managed independently by the government. Except for making monthly contribution, the Group has no further obligation.

(3) Techworld Electronics (m) Sdn. Bhd has established a defined contribution plan in accordance with local laws, and contributes to the public fund account on a monthly basis in accordance with the statutory percentage.

(4) As of 2024 and 2023, the pension costs recognized in the manner specified above were NT\$72,519 and NT\$60,141, respectively.

(XIV) Share Capital

- As of December 31, 2024, the Company had an authorized capital equal to NT\$3,000,000 (with NT\$20,000 retained for issuance of employee stock option certificates), a paid-in capital equal to NT\$1,020,349, and a share face value equal to NT\$10. All proceeds for share subscription were collected in full.
- As of December 31, 2024, the Company's convertible bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XV) Capital Surplus

- Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.
- The capital reserve is detailed as follows:

2024						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1	\$ 1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190	\$ 1,854,279
Convertible corporate bond conversion	93	-	-	-	(5)	88
Changes in associates and joint ventures accounted for using the equity method	-	-	9	-	-	9
December 31	<u>\$ 1,784,014</u>	<u>\$ 12,353</u>	<u>\$ 778</u>	<u>\$ 2,046</u>	<u>\$ 55,185</u>	<u>\$ 1,854,376</u>

2023						
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options	Total
January 1	\$ 1,783,921	\$ 12,353	\$ -	\$ 2,046	\$ -	\$ 1,798,320
Issuance of convertible bonds	-	-	-	-	55,190	55,190
Changes in associates and joint ventures	-	-	769	-	-	769

accounted for using the equity method						
December 31	\$ 1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190	\$ 1,854,279

(XVI) Retained Earnings

1. According to the Company's Articles of Incorporation, if the Company has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: (1) 10% as legal reserve until it reaches the Company's paid-in capital; (2) set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; (3) the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of Directors may appropriate dividends or bonuses in cash with its existing legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.
2. The Company's dividend policy determination factors include the industry's environment and the Company's growth stage, future capital needs, financial structure, capital budget, shareholders' interests, balanced dividends, and long-term financial planning. Each year shall remain within the range available for distribution. If the business development is in the active expansion stage, the profitability is expected to grow, and the stock dividend distribution will not significantly dilute the Company's profitability. The Board of Directors shall draft a distribution proposal according to law and report it to the shareholders' meeting. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. (1) According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriate earnings.
(2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company may reverse them to the extent of their original provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.
5. On February 24, 2023, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$612,204 (NT\$6 per share) according to the 2022 surplus.
6. On February 26, 2024, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$459,153 (NT\$4.5 per share) according to the 2023 surplus.
7. On February 24, 2025, the Board of Directors passed a resolution to distribute an ordinary

dividends of NT\$510,174 (NT\$5 per share) according to the 2024 surplus.

(XVII) Other Equity

	2024		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 356,690	(\$ 217,641)	\$ 139,049
Valuation of financial assets at fair value through other comprehensive income:			
– The Group	107,717	-	107,717
– Associate	155,561	-	155,561
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings	(158,609)	- (158,609)	
Exchange differences: - Group			
– The Group	-	221,389	221,389
– Associate	-	31,585	31,585
December 31	\$ 461,359	\$ 35,333	\$ 496,692
	2023		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 198,390	(\$ 134,642)	\$ 63,748
Valuation of financial assets at fair value through other comprehensive income:			
– The Group	192,848	-	192,848
– -Affiliated companies	3,721	-	3,721
Cumulative gains or losses from disposal of equity instruments			
Transferred to retained earnings (38,269)		- (38,269)	
Exchange differences: - Group			
– The Group	- (69,198)	(69,198)	
– -Affiliated companies	- (13,801)	(13,801)	
December 31	\$ 356,690	(\$ 217,641)	\$ 139,049

(XVIII) Operating Revenue

	2024	2023
Revenue from contracts with clients	\$ 5,506,106	\$ 4,431,789
The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:		
Wire-wound	\$ 3,997,059	\$ 3,064,067
Multilayer products	1,104,193	895,385
LAN transformer	362,297	412,141
Others	42,557	60,196
Total	\$ 5,506,106	\$ 4,431,789

(XIX) Interest Income

	2024	2023
Interest on bank deposits	\$ 41,345	\$ 37,495
Interest income from financial assets measured at amortized	240	1,958

cost		
Other interest income		32
	\$ 41,617	\$ 39,485

(XX) Other Income

	2024	2023
Rental income	\$ 17,683	\$ 10,520
Dividends income	23,151	33,534
Subsidies income	20,260	53,599
Miscellaneous income	4,702	1,753
	<u>\$ 65,796</u>	<u>\$ 99,406</u>

The Group recognized government grants primarily because its qualified for the grants awarded to entice investment in the industries within Si-Hong Economic Development Zone.

(XXI) Other Gains and Losses

	2024	2023
Loss (gain) on disposal of property, plant and equipment	\$ 260 (\$ 1,886)	
Loss on disposal of investment	(2,985)	-
Exchange gains, net	83,738	21,643
Gain on financial assets at fair value through profit or loss	6,916	1,672
Miscellaneous expenses	(6,304) (5,257)	
	<u>\$ 81,625</u>	<u>\$ 16,172</u>

(XXII) Financial Costs

	2024	2023
Interest expenses	\$ 23,163	\$ 25,430
Interest expense of corporate bonds payable	17,828	2,942
Other interest expenses	84	24
	<u>\$ 41,075</u>	<u>\$ 28,396</u>

(XXIII) Additional Information on the Nature of Expenses

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 882,426	\$ 375,162	\$ 1,257,588
Depreciation expenses of property, plant and equipment	476,325	59,728	536,053
Depreciation of right-of-use assets	344	4,306	4,650
Amortization expenses	4,435	3,586	8,021

	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 719,818	\$ 315,725	\$ 1,035,543
Depreciation expenses of property, plant and equipment	463,693	39,919	503,612
Depreciation of right-of-use assets	3,005	4,481	7,486
Amortization expenses	3,433	2,768	6,201

(XXIV) Employee Benefits Expenses

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 750,700	\$ 322,100	\$ 1,072,800
Labor and health insurance expense	21,396	16,635	38,031
Pension expense	54,985	17,895	72,880
Other personnel expense	55,345	18,532	73,877
	<u>\$ 882,426</u>	<u>\$ 375,162</u>	<u>\$ 1,257,588</u>

	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 602,591	\$ 273,826	\$ 876,417
Labor and health insurance expense	23,033	16,096	39,129
Pension expense	49,104	11,522	60,626
Other personnel expense	45,090	14,281	59,371
	<u>\$ 719,818</u>	<u>\$ 315,725</u>	<u>\$ 1,035,543</u>

- Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no more than 2% of the above earnings shall be allocated as remuneration for directors and supervisors.
- The estimated amount of employee remuneration in 2024 and 2023 was NT\$51,631 and NT\$41,349, respectively; the estimated amount of director/supervisor remuneration was NT\$12,907 and NT\$10,337, respectively, and the aforementioned amount was booked in salaries.

The remuneration to employees and directors/supervisors for 2024 is estimated at 6% and 1.5% of the profit, respectively for 2023. The actual distribution amounts resolved by the board of directors were NT\$51,631 and NT\$12,907, of which employee remuneration was be paid in cash.

The amount of the accrued employee compensation and directors' and supervisors' remuneration for 2023 as had been resolved by the Board of Directors was the same as the amount recognized in the financial statements for 2023.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the Market Observation Post System of TWSE.

(XXV) Income Tax

1. Income tax expense

(1) Income tax components:

	2024		2023	
Current tax:				
Tax attributable to taxable income of the period	\$ 71,887		\$ 52,987	
Additional levy on unappropriated earnings		5,467		9,753
Underestimation (overestimation) of income tax in previous years		4,773		(10,055)
Total current tax		<u>82,127</u>		<u>52,685</u>
Deferred income tax:				

Deferred income tax on temporary differences originated and reversed	22,331	23,757
Income tax expenses	\$ 104,458	\$ 76,442

(2) Income tax associates with other comprehensive income: None.

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

2. Relationship between income tax expenses and accounting profit

	2024	2023
Income tax derived from applying the statutory tax rate to income before tax (note)	\$ 238,312	\$ 185,280
Impacts on income tax items that must be adjusted according to the tax law	(126,672)	(100,025)
Tax effects of investment deductibles	(5,803)	(5,432)
Tax effects of temporary differences	(786)	(1,065)
Change in estimation of probability of realizing deferred tax assets	(10,833)	(2,014)
Income tax under (over) estimates of previous years	4,773	(10,055)
Additional levy on unappropriated earnings	5,467	9,753
Income tax expenses	\$ 104,458	\$ 76,442

Note: The tax rate applied is based on the tax rate applicable to income in each country.

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

	2024			
	January 1	Recognized in P/L	Exchange differences	December 31
Temporary differences:				
- Deferred tax assets:				
Unrealized gains from disposal	\$ 3,508	(\$ 1,430)	\$ 13	\$ 2,091
Others	1,257	(327)	62	992
Loss carryforwards	21,873	(22,602)	883	154
Sub-total	<u>26,638</u>	<u>(24,359)</u>	<u>958</u>	<u>3,237</u>
- Deferred tax liabilities:				
Reserve for land revaluation increment tax	(28,572)	-	-	(28,572)
Appreciation book-tax differences	(229,176)	2,028	(11,904)	(239,052)
Sub-total	<u>(257,748)</u>	<u>2,028</u>	<u>(11,904)</u>	<u>(267,624)</u>
Total	<u>(\$ 231,110)</u>	<u>(\$ 22,331)</u>	<u>(\$ 10,946)</u>	<u>(\$ 264,387)</u>

	2023			
	January 1	Recognized in P/L	Exchange differences	December 31
Temporary differences:				
- Deferred tax assets:				
Unrealized gains from disposal	\$ 4,671	(\$ 1,156)	(\$ 7)	\$ 3,508
Others	1,597	(320)	(20)	1,257
Loss carryforwards	34,554	(12,347)	(334)	21,873
Sub-total	<u>40,822</u>	<u>(13,823)</u>	<u>(361)</u>	<u>26,638</u>

-Deferred tax liabilities:	_____	_____	_____	_____
Reserve for land revaluation increment tax	(28,572)	-	-	(28,572)
Appreciation book-tax differences	(223,200)	(9,933)	3,957	(229,176)
Sub-total	(251,772)	(9,933)	3,957	(257,748)
Total	(\$ 210,950)	(\$ 23,756)	\$ 3,596	(\$ 231,110)

4. The effective period of the Group's unused tax credits and the amount of unrecognized deferred tax assets are as follows: (There was no such situation in 2023.)

December 31, 2024						
Year	Amount reported/approved	Unused tax credit amount	Amount not yet recognized in deferred tax assets	Last year for tax credits		
Malaysia:						
2024	\$ 1,885	\$ 1,885	\$ 1,885			2034

5. Deductible temporary differences that are not recognized as deferred income tax assets

	December 31, 2024	December 31, 2023
Deductible temporary differences:	\$ 111,582	\$ 156,475

6. The Company did not recognize deferred tax liabilities for the taxable temporary differences in relation to subsidiaries' investment. As of December 31, 2024 and 2023, the amounts of temporary differences for which deferred assets had not been recognized were NT\$725,844 and NT\$613,807, respectively.

7. The Company's income tax up to 2022 has been approved by the tax authority.

(XXVI) Earnings Per Share

	2024		
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	\$ 7.33
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	
Dilutive effects of the potential common shares			
Employee compensation	-	479	
Convertible corporate bonds	17,828	9,691	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 765,983	112,205	\$ 6.83
<u>2023</u>			
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			

Profit attributable to shareholders of common shares of the parent	\$ 593,383	102,034	\$ 5.82
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 593,383	102,034	
Dilutive effects of the potential common shares			
Employee compensation	-	472	
Convertible corporate bonds	2,942	1,554	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 596,325	104,060	\$ 5.73

(XXVII) Business Combination (No such situation in 2023)

1. The Group acquired 56.66% of the shares in Unique One Technology Co., Ltd. on November 1, 2024 with cash of NT\$5,347, and gained control over the company. The relevant equity has been fully settled, and the transaction price has been fully paid.
2. The information regarding the fair value of the consideration paid for the acquisition, the assets acquired and liabilities assumed at the acquisition date, and the share of the acquiree's identifiable net assets attributable to the non-controlling interests at the acquisition date is as follows:

	Acquisition date
Acquisition consideration	
Cash	\$ 5,347
Fair value of previously held equity at acquisition date	2,516
Share of acquiree's identifiable net assets attributable to non-controlling interests	1,346
	<u>9,209</u>
Fair value of identifiable assets acquired and liabilities assumed	
Cash	7,566
Accounts Receivable	9,164
Inventory	2,847
Other current and non-current assets	713
Accounts payable	(6,413)
Other payables	(800)
Long-term borrowings	(5,000)
Total identifiable net assets	8,077
Goodwill	<u>1,132</u>

3. Non-controlling interests are measured as the non-controlling interests' proportionate share of the acquiree's identifiable net assets.
4. The Group has held a 26.67% equity in Unique One Technology Co., Ltd. before the business combination, and recorded a loss of NT\$2,985 on the remeasurement of fair value.
5. Since the Group acquired and merged Unique One Technology Co., Ltd on November 1, 2024, the operating revenue contributed by Unique One Technology Co., Ltd was NT\$5,116, and the net loss before tax was NT\$725. If it is assumed that Unique One Technology Co., Ltd. had been included in the consolidated entities from January 1, 2024, the Group's operating revenue and net income before tax would have been NT\$5,537,638 and NT\$844,760, respectively.

(XXVIII) Additional Information on Cash Flows

Investing activities partially involving cash payments:

	2024	2023
Acquisition of property, plant, and equipment	\$ 702,154	\$ 235,100
Add: Construction and equipment payable at the beginning of the period	61,211	57,797
Notes payable at the beginning of the period	5,564	37,028
Prepayments for construction and equipment - ending	64,055	14,449
Less: Construction and equipment payable at the end of the period	(48,645)	(61,211)
Notes payable at the end of the period	(4,879)	(5,564)
Prepayments for construction and equipment - opening	(14,449)	(29,391)
Cash paid in the period	<u>\$ 765,011</u>	<u>\$ 248,208</u>

(XXIX) Changes in Liabilities Arising from Financing Activities

	2024				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1	\$ 100,000	\$ 1,542,445	\$ 11,267	\$ 1,048,695	\$ 2,702,407
Changes from financing cash flows	230,000	(37,733)	(4,082)	-	188,185
Effects of exchange rate changes	-	-	2	-	2
Changes in amortized interest of corporate bonds payable	-	-	-	17,828	17,828
Other non-cash changes	<u>\$ 330,000</u>	<u>\$ 1,509,712</u>	<u>\$ 7,687</u>	<u>\$ 1,066,426</u>	<u>\$ 2,913,825</u>
	2023				
	Short-term borrowings	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1	\$ -	\$ 1,126,179	\$ 7,870	\$ -	\$ 1,134,049
Changes from financing cash flows	100,000	416,266	(6,735)	1,100,502	1,610,033
Effects of exchange rate changes	-	-	(1)	-	(1)
Changes in amortized interest of corporate bonds payable	-	-	-	2,942	2,942
Other non-cash changes	<u>\$ 100,000</u>	<u>\$ 1,542,445</u>	<u>\$ 11,267</u>	<u>\$ 1,048,695</u>	<u>\$ 2,702,407</u>

VII. Related Party Transactions

(I) Name and Relationship of Related Party

Name of related party	Relationship with the Group
Superworld Electronics (S) Pte Ltd.	Other related parties and associates (Note 4)
TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD	Other related parties and associates (Note 4)
Superworld Electronics Co., Ltd.	Other related parties and associates (Notes 1 and 4)
Superworld Electronics Co., Ltd. (Dongguan)	Other related parties and associates (Notes 2 and 4)
SFI Electronics Technology Inc.	Other related party
Chanchang Technology (Shenzhen) Co., Ltd.	Other related party
JDJ Technology Co., Ltd.	Associates (Note 3)
APAQ Technology Co., Ltd.	Associate
Jui-hsia Tai	Immediate family member of the major management
Chang-i Hsieh	Immediate family member of the major management
Chairman, Supervisor, President, and Vice President	Major management of the Group

Note 1 : In December 2024, Chenghan Technology Co., Ltd. was renamed Superworld Electronics Co., Ltd.

Note 2 : In July 2024, Dongguan Chenghan Electronics Co., Ltd. was renamed Superworld Electronics Co., Ltd. (Dongguan).

Note 3 : The company has been merged into the Group since November 2024. Please refer to Note 4(3)2 for details.

Note 4 : Since October 2024, the company's relations with the Group have been changed from the category of other related parties to that of associates.

(II) Significant Transactions with Related Party

1. Operating revenue

	2024	2023
Sale of goods:		
Associate	\$ 85,601	\$ -
Other related party	311,731	287,137
Total	<u>\$ 397,332</u>	<u>\$ 287,137</u>

The price of goods sold to related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinarily clients.

2. Purchase

	2024	2023
Purchase of goods:		
Associate	\$ 1,856	\$ -
Other related party	7,579	9,360
Total	<u>\$ 9,435</u>	<u>\$ 9,360</u>

The price of goods purchased from related party by the Group is the same as that for an arm's length transaction; the payment terms also approximate those for ordinarily suppliers.

3. Freight expenses and miscellaneous expenses

	2024	2023
Associate	\$ 4	\$ -
Other related party	\$ 7	\$ 1,997
	<u>\$ 11</u>	<u>\$ 1,997</u>

4. Other income

	2024	2023
Associate	\$ 134	\$ -

5. Lease transactions - lessee

(1) The Group leased buildings from the immediate family members of the major management, with the lease term due between 2023 and 2028 and the rental paid on a monthly basis.

(2) Lease liabilities

Balance at the end of the period:

	December 31, 2024	December 31, 2023
Jui-hsia Tai	\$ 4,133	\$ 5,444
Chang-i Hsieh	2,791	3,676
	<u>\$ 6,924</u>	<u>\$ 9,120</u>

(3) Rental expense

	2024	2023
Associate	\$ 44	\$ -
Other related party	130	170
	<u>\$ 174</u>	<u>\$ 170</u>

6. Accounts receivables due from related party

	December 31, 2024	December 31, 2023
Accounts receivable:		
Associate	\$ 129,489	\$ -
Other related party	-	94,850
	<u>\$ 129,489</u>	<u>\$ 94,850</u>
Other receivables:		
Associate	140	-
	<u>\$ 129,629</u>	<u>\$ 94,850</u>

7. Accounts payables due to related party

	December 31, 2024	December 31, 2023
Accounts payable:		
Associate	\$ 2,361	\$ -
Other related party	261	3,111
Sub-total	<u>2,622</u>	<u>3,111</u>
Other payables:		
Associate	628	-
Other related party	-	125
Total	<u>\$ 3,250</u>	<u>\$ 3,236</u>

8. Asset transactions

Acquisition of financial assets: (no such transaction in 2023)

APAQ Technology Co., Ltd.	Investment accounted for using the equity method	2024		
		Number of share transactions	Transaction targets	Acquisition prices
				\$ 2,202

(III) Remuneration to Major Management

	2024	2023
Short-term employee benefits	\$ 80,545	\$ 69,947
Post-retirement benefits	1,769	1,575
Total	\$ 82,314	\$ 71,522

VIII. Pledged Assets

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

Type of asset	December 31, 2024	December 31, 2023	Purpose of collateral
Property, plant and equipment			
- Land	\$ 766,893	\$ 766,893	Short and long-term borrowings
- Houses and buildings	40,716	59,571	Short and long-term borrowings
- Machinery and equipment	349,638	401,327	Long-term borrowings

IX. Significant Commitments or Contingencies

(I) Contingency

None.

(II) Commitments

Capital expenditures committed but not yet incurred

	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ 153,270	\$ 158,703
Computer software	\$ 13,452	\$ 1,327

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimum capital structure to lower financing costs and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders or may issue new shares.

(II) Financial Instrument

1. Type of financial instrument

	December 31, 2024	December 31, 2023
Financial Assets		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	\$ 770	\$ 880
Financial assets at fair value through other comprehensive income		
Financial assets in equity instruments investment of which the fair value is designated to be recognized in other comprehensive income	<u>\$ 567,634</u>	<u>\$ 558,896</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 1,780,997	\$ 2,152,634
Financial assets at amortized cost	-	30,705
Notes receivable, net	36,806	49,844
Accounts receivable, net (including those due from related party)	2,125,837	1,558,972
Other receivables (including those due from related party)	33,851	14,002
Refundable deposits		
(Other non-current assets recognized)	<u>7,558</u>	<u>2,626</u>
	<u>\$ 3,985,049</u>	<u>\$ 3,808,783</u>
	<hr/> <u>December 31, 2024</u>	<hr/> <u>December 31, 2023</u>
Financial Liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 330,000	\$ 100,000
Notes payable	16,011	17,460
Accounts payable (including related party)	809,306	553,646
Other payables (including those due to related party)	587,956	553,461
Corporate bonds payable (including those due within one year or one operating cycle)	1,066,426	1,048,695
Long-term borrowings (including the portion with maturity in one year)	1,509,712	1,542,445
Deposits received		
(Other non-current liabilities recognized)	<u>600</u>	<u>1,640</u>
	<u>\$ 4,320,011</u>	<u>\$ 3,817,347</u>
Lease liabilities (including those due within one year)	<u>\$ 7,687</u>	<u>\$ 11,267</u>

2. Risk management policy

- (1) The Group's daily operations are affected by various financial risks, e.g., market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management policy focuses on the unpredictable market events

in order to minimize their potentially adverse impacts on the Group's financial position and financial performance.

(2) The Group's key financial activities are reviewed by the Board of Directors against relevant regulations and its internal control systems. The Company strictly abides by relevant financial operating procedures during the implementation of financial plans.

3. Nature and degree of significant financial risks

(1) Market risk

Foreign exchange risks

A. The Group operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk arises from future business transactions and the recognized assets and liabilities. In addition, the conversion from RMB to other currencies is subject to the foreign currency exchange control regulations imposed by China.

B. The Group's management has formulated relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.

C. Since the Group engages in business involving multiple functional currencies (e.g. the Company's functional currency is NTD while some subsidiaries' functional currencies are either USD or RMB), the Group is subject to fluctuation in foreign exchange rates. Foreign-currency-denominated assets and liabilities having significant impacts if foreign exchange rates change are as follows:

December 31, 2024				
	Foreign currency (in thousands)	Exchang e rate	Carrying amount (NTD/ RMB)	
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 40,043	32.79	\$	1,313,010
RMB : NTD	45,713	4.56		208,451
USD : RMB	40,370	7.19		290,260
<u>Non-monetary items</u>				
USD:NTD	14,053	32.79		460,806
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ 30,302	32.79	\$	993,603
RMB : NTD	4,037	4.56		18,409
USD : RMB	6,192	7.19		44,520

December 31, 2023				
	Foreign currency (in thousands)	Exchang e rate	Carrying amount (NTD/ RMB)	
(Foreign currency: functional currency)				
<u>Financial Assets</u>				
<u>Monetary items</u>				

USD:NTD	\$ 30,482	30.71	\$ 936,102
RMB : NTD	84,651	4.34	367,385
USD : RMB	40,037	7.08	283,462

Financial Liabilities

Monetary items

USD:NTD	\$ 19,764	30.71	\$ 606,952
RMB : NTD	706	4.34	3,064
USD : RMB	8,939	7.08	63,288

D. The aggregate amount of all exchange gains and losses (including realized and unrealized) recognized in 2024 and 2023 on the Group's monetary items that are significantly affected by exchange rate fluctuations were NT\$83,738 in exchange gains and NT\$21,643. Since the Group's transactions involve multiple currencies that have significant foreign exchange impacts, they are disclosed as a whole.

E. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to were as follows:

2024			
Sensitivity Analysis			
	Fluctuation	Effects on P/L (NTD/ RMB)	Effects on other comprehensive income (OCI)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 13,130	\$ -
RMB : NTD	1%	2,085	-
USD : RMB	1%	2,903	-
<u>Non-monetary items</u>			
USD:NTD	1%	-	4,608
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	9,936	-
RMB : NTD	1%	184	-
USD : RMB	1%	445	-
2023			
Sensitivity Analysis			
	Fluctuation	Effects on P/L (NTD/ RMB)	Effects on other comprehensive income (OCI)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 9,361	\$ -
RMB : NTD	1%	3,674	-
USD : RMB	1%	2,835	-
<u>Financial Liabilities</u>			
<u>Monetary items</u>			

USD:NTD	1%	6,070	-
RMB : NTD	1%	31	-
USD : RMB	1%	633	-

Price risk

- A. Since the Group's investment is classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value other comprehensive income on the consolidated balance sheets, the Group is exposed to the risk of price changes in financial assets of equity instrument.
- B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the price of such equity instrument goes up or down by 1%, held other variables constant, the post-tax profit or loss for the years 2024 and 2023 would increase or decrease by NT\$5,676 and NT\$5,589, respectively, due to the increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risks mainly come from short- and long-term borrowings issued at floating interest rates. Such exposure also means the Group is exposed to cash flow interest rate risks, though a portion of risks have been offset by the Group's holding of cash bearing a floating interest rate. In 2024 and 2023, the Group's borrowings with floating interest rates were denominated in NTD and USD.
- B. When the NTD and USD borrowing rate increases or decreases by 1% and all other factors remain unchanged, the post-tax net profit for 2024 and 2023 would decrease or increase by NT\$14,718 and NT\$13,140, respectively, mainly due to interest expense changes caused by floating rate loans.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients, or by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from accounts receivable, notes receivable and the contractual cash flows of financial assets measured at amortized cost that are prone to default by counter-parties.
- B. The Group establishes a framework for managing credit risks from a group's perspective. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.
- C. The Group applies the presumption of IFRS 9 and deems that the credit risk of a financial assets has significantly increased after initial recognition when the receivables obliged by the contractual terms are 30-days past due.
- D. The Group's credit risk management procedures deem a default occurred when a counterparty is significantly delinquent on repayments.
- E. After the recourse procedures, the Group writes off financial assets that could not be reasonably expected to be recovered. Nonetheless, the Group will continue the

recourse legal procedures to secure its right to the debt. The Group's written-off claims with recourses still active as of both December 31, 2024 and 2023 were NT\$0.

F. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.

G. The Group incorporates perspective considerations for future specific periods and the loss rate established by the current information in order to estimate the allowance for receivables and contractual assets. The preparation matrix for as of December 31, 2024 and 2023 is as follows:

	Individual disclosure	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2024</u>						
Expected loss (%)	100.00%	0.00%	0.00%	0.00%	0.00%	
Total carrying amount	\$ 1,252	\$ 2,162,377	\$ 1,810	\$ -	\$ -	\$ 2,165,439
Loss allowance	<u>\$ 1,252</u>	<u>\$ 942</u>	<u>\$ 602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,796</u>
<u>December 31, 2023</u>						
Expected loss (%)	100.00%	0.07%	5.44%	6.94%	100.00%	
Total carrying amount	\$ 1,252	\$ 1,584,189	\$ 24,900	\$ 1,230	\$ 8	\$ 1,611,579
Loss allowance	<u>\$ 1,252</u>	<u>\$ 924</u>	<u>\$ 552</u>	<u>\$ 27</u>	<u>\$ 8</u>	<u>\$ 2,763</u>

H. Changes in the loss allowances provided for accounts receivable using the simplified approach are as follows:

	2024			
	Accounts Receivable	Notes receivable	Uncollectible overdue receivables	Total
January 1	\$ 1,511	\$ -	\$ 1,252	\$ 2,763
Exchange rate effects	33	-	-	33
December 31	<u>\$ 1,544</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 2,796</u>
	2023			
	Accounts Receivable	Notes receivable	Uncollectible overdue receivables	Total
January 1	\$ 2,442	\$ -	\$ 1,252	\$ 3,694
Impairment loss reversed	(924)	-	- (924)	
Exchange rate effects	(7)	-	- (7)	
December 31	<u>\$ 1,511</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 2,763</u>

(3) Liquidity risk

A. Cash flows forecast is done by each operating entity; the Administration Department of the Group is responsible only for summarizing the results. Administration Department of the Group monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and

maintain sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Group's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet and conformity with external regulatory requirements, such as foreign exchange control.

B. The table below listed the Group's non-derivative financial liabilities by maturity date. They were analyzed for the residual duration between the balance sheet date and the maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 330,000	\$ -	\$ -	\$ -
Notes payable	16,011	-	-	-
Accounts payable (including related party)	809,306	-	-	-
Other payables (including those due to related party)	587,956	-	-	-
Lease liabilities (including the portion with maturity in one year)	2,311	2,205	3,171	-
Corporate bonds payable	-	1,099,900	-	-
Long-term borrowings (including the portion with maturity in one year)	263,158	370,617	675,900	275,787

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 100,000	\$ -	\$ -	\$ -
Notes payable	17,460	-	-	-
Accounts payable (including related party)	553,646	-	-	-
Other payables (including those due to related party)	553,461	-	-	-
Lease liabilities (including the portion with maturity in one	4,085	2,199	4,983	-

year)				
Corporate bonds				
payable	-	-	1,100,000	-
Long-term				
borrowings				
(including the				
portion with				
maturity in one				
year)	57,227	261,065	902,117	410,727

C. The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier or the actual amount would be significantly different.

(III) Fair Value Information

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

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

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability. The fair value of the Group's investment in non-active market is included in Level 3.

2. Financial instruments not measured at fair values

(1) Including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivables, other receivables, short-term borrowings, notes payable, accounts payable, other payable, lease liability and long-term borrowings (including the portion with maturity in one year), is the reasonable approximation of their fair value, except for those listed in the table below.

	December 31, 2024			
	Carrying amount	Fair value per unit		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,066,426	\$ -	\$ 1,289,633	\$ -

	December 31, 2023			
	Carrying amount	Fair value per unit		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,048,695	\$ -	\$ 1,274,900	\$ -

(2) The methods and assumptions used by the Group to measure fair value are as follows: Corporate bonds payable are the corporate bonds issued by the Group. As their coupon rates are approximately equivalent to market rates, the most recent transaction prices

and quotation data are used as the basis for assessing their fair value.

3. Financial and non-financial assets at fair value are classified by nature, characteristic, risk and fair value level, stated as follows:

(1) The Group classifies its assets and liabilities by their function; stated as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 289,397	\$ -	\$ 278,237	\$ 567,634
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 770	\$ -	\$ 770
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 116,876	\$ -	\$ 442,020	\$ 558,896
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 880	\$ -	\$ 880

(2) The techniques and assumptions used to measure fair value are stated as follows:

A. Financial instruments of which the fair value is marked to market quotations (i.e., level 1 inputs) are stated as follows:

Market quotation	Listed shares
	Closing price

B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, or by using other valuation technique, e.g., the one that applies market information available on the consolidated balance sheets date to a pricing model for calculation. The redemption right of convertible bonds is typically evaluated using a binomial tree convertible bond valuation model.

C. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, e.g. model risk or liquidity risk.

4. There has been no transfer between the Level 1 and the Level 2 in 2024 and 2023.

5. The following table reflects Level 3 changes in 2024 and 2023.

	2024	2023
	Equity-based securities	Equity-based securities

January 1	\$ 442,020	\$ 297,657
Gains or losses recognized in other comprehensive income		
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(65,285)	103,785
Purchase of current period	78,845	41,085
Disposal during the current period	(179,806)	-
Exchange rate effects	2,463	(507)
December 31	\$ 278,237	\$ 442,020

6. There was no transfer in or out from Level 3 in 2024 and 2023.

7. The management department is responsible for the independent fair value verification of the Group's financial instruments to evaluate the fair value classified as Level 3. Independent source materials allow the evaluation results to closely reflect the market status. The source of the verification data must be independent, reliable, consistent with other resources, and implement any other necessary fair value adjustments to ensure that the valuation results are reasonable.

8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 253,517	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEx-listed companies' privately placed shares	\$ 24,720	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2023	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted shares	\$ 442,020	Public company comparables	Discount for lack of marketability	15%~20% (18.75%)	The higher the discount for lack of marketability, the lower the fair value

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

	December 31, 2024					
			Recognized in P/L		Recognized in other comprehensive income (OCI)	
	Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial asset - equity instrument	\$ 323,520	±1%	\$ -	\$ -	\$ 2,401	(\$ 2,401)

December 31, 2023

	Inputs	Changes	Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial asset - equity instrument	\$ 529,156	±1%	\$ -	\$ -	\$ 4,941	(\$ 5,235)

(IV) As of December 31, 2024 and 2023, there were no open-ended financial derivatives for trading purposes. In 2024 and 2023, the Group's net gains from financial derivatives generated were NT\$0 and NT\$1,672, respectively.

XIII. Additional Disclosures

(I) Information on Significant Transactions

1. Loaning Funds to Others: Refer to Table 1.
2. Provision of Endorsements and Guarantees: Refer to Table 2.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and the Control Portion in a Joint Venture): Refer to Table 3.
4. Accumulative Purchase or Disposal of the Same Marketable Securities that Reaches NT\$300 Million or 20% or More of Paid-in Capital: Refer to Table 4.
5. Acquisition of Real Property That Reaches NT\$300 Million or 20% or More of Paid-in Capital: Refer to Table 5.
6. Disposal of Real Property That Reaches NT\$300 Million or 20% or More of Paid-in Capital: None.
7. Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 6.
8. Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 7.
9. Engagement in derivative transactions: See Note 12 (3).
10. Significant Inter-company Transactions during the Reporting Period. Refer to Table 8.

(II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): Refer to Table 9.

(III) Investment in Mainland China

1. Basic Information: Refer to Table 10.
2. Significant transactions that occurred directly or indirectly through third-region enterprises and investee companies and were reinvested in mainland China: refer to Table 8.

(IV) Major Shareholder Information

Major Shareholder Information: Refer to Table 11.

XIV. Segment Information

(I) General Information

The Group engages in a single industry; the Group's Board of Directors evaluates the performance of, and allocates resources to, the Group as a whole. As such, the Group identifies itself to be a single reporting segment.

(II) Segment Information

Information on reportable segment provided to the main operating decision makers:

	2024	2023
Segment revenue	\$ 5,506,106	\$ 4,431,789
Segment gross profit	\$ 1,331,975	\$ 1,117,683
Segment profits or losses	\$ 851,344	\$ 669,225
Discount and amortization (including right-of-use assets)	\$ 548,724	\$ 517,299
Income tax expenses	\$ 104,458	\$ 76,442
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Segment assets	\$ 12,250,828	\$ 10,886,049
Segment liabilities	\$ 4,643,111	\$ 4,149,722

(III) Reconciliation of Segment Profit or Loss

Reconciliation is not required because the profit or loss information on the reporting segment that was provided to the main operating decision makers is consistent with that prepared and disclosed in the financial statements.

(IV) Types of Products and Services

Revenue from external customers mainly derives from sale of products, e.g. electronic parts, magnet cores, multilayer wire-wound and other wire-wound products; components of revenue are presented as follows:

	2024	2023
Wire-wound	\$ 3,997,059	\$ 3,064,067
Multilayer products	1,104,193	895,385
LAN transformer	362,297	412,141
Others	42,557	60,196
Total	<u>\$ 5,506,106</u>	<u>\$ 4,431,789</u>

(V) Geographical Information

Information of the Group by region in 2024 and 2023 is as follows:

	2024		2023		Non-current assets
	Revenue	Non-current assets	Revenue	Non-current assets	
Taiwan	\$ 1,296,524	\$ 2,304,402	\$ 1,002,286	\$ 2,206,297	
Mainland China	2,713,463	1,999,921	2,350,689	1,987,373	
Hong Kong	601,846	-	411,593	-	
Singapore	109,850	-	60,377	-	
Others	784,423	206,928	606,844	8,840	
Total	<u>\$ 5,506,106</u>	<u>\$ 4,511,251</u>	<u>\$ 4,431,789</u>	<u>\$ 4,202,510</u>	

Note: Revenue is attributable to the country based on the place of receipt.

(VI) Information on Major Clients

Information on the Group's important customers in 2024 and 2023 is as follows:

Name of Clients	2024			2023		
	Amount	%	Name of Clients	Amount	%	
Client A	\$ 872,765	16	Client A	\$ 676,234	15	

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Loans of funds to others
 January 1 to December 31, 2024

Table 1

Unit: NT\$ thousand
 (unless otherwise specified)

No.	Lending company	Borrowing party	Transaction item	Whether or not a related party	Maximum balance amount	Ending balance	Amount actually drawn	Interest rate range	Nature of loaned funds	Business dealing amount	Reason for necessary short-term financing		Allowance for Impairment Loss		Collaterals		Limit of loans to individual borrowers (Note)	Total limit of loans (Note)	Remarks
											short-term financing	Business revolving fund	Impairment Loss	Name	Value				
1	FIXED ROCK HOLDING LTD.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 49,178	\$ 49,178	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	\$ 5,984,804	\$ 5,984,804		
1	FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Other receivables	Yes	\$ 197,010	\$ 98,355	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,984,804	5,984,804		
2	NORTH STAR INTERNATIONAL LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 98,355	\$ 98,355	\$ 96,716	1.68%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,984,804	5,984,804		
2	NORTH STAR INTERNATIONAL LIMITED	FIXED ROCK HOLDING LTD.	Other receivables	Yes	\$ 97,635	\$ -	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,984,804	5,984,804		
3	BEST BLISS INVESTMENTS LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 98,355	\$ 98,355	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ -	5,984,804	5,984,804		

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company, and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.

Loaning of funds between subsidiaries wholly owned, directly and indirectly, by the Company, or between overseas companies wholly owned, directly and indirectly, by the Group's parent company and the Group's parent company, shall be limited to an aggregate and individual amount not exceeding 80% of the Group's parent company's net worth, over a term not exceeding three years.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Endorsements/guarantees
 January 1 to December 31, 2024

Table 2

Unit: NT\$ thousand
 (unless otherwise specified)

No.	Endorsements/ guarantees company name	Endorsed/ guaranteed party name			Limits on endorsement/ guarantee amount provided (Note)	Balance of maximum amount of endorsement/ guarantee of the period	Ending balance of endorsement/ guarantee	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of the accumulated endorsement/ guarantee amount to the net worth	Maximum amount of endorsement/ guarantee allowance (Note)	Endorsement/ guarantee provided by parent company to subsidiary	Endorsement/ guarantee provided by subsidiary to parent company	Endorsement/ guarantee provided to Mainland China	Remarks
		Provider	Relationship	Amount											
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Subsidiary	\$ 2,992,402	\$ 262,680	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 3,740,503	Yes	No	Yes	
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Subsidiary	\$ 2,992,402	\$ 65,670	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 3,740,503	Yes	No	Yes	

Note: The total amount of endorsements/guarantees shall not exceed 50% of the net worth of the Company. The amount of endorsements/guarantees made for one single enterprise shall not exceed 40% of the net worth of the Company.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies and the Control Portion in a Joint Venture)

December 31, 2024

Table 3

Unit: NT\$ thousand
(unless otherwise specified)

Holding company name	Marketable securities types and name	Relationship with issuer	Financial statement account	End of period					Remarks
				Number of shares (in thousands)	Carrying amount	Shareholdings Percentage	Fair value per unit		
Tai-Tech Advanced Electronics Co., Ltd.	Stock: All Ring Tech Co., Ltd.	None	Financial assets at fair value through other comprehensive income acquired - non-current	615 \$	247,230	0.63%	\$ 247,230		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Ample Electronic Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	300 \$	31,200	1.00%	\$ 31,200		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AMIDA Technology	None	Financial assets at fair value through other comprehensive income acquired - non-current	187 \$	10,967	0.43%	\$ 10,967		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Enermax Technology Corporation	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500 \$	24,720	2.46%	\$ 24,720		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	SFI Electronics Technology Inc.	Other related party	Financial assets at fair value through other comprehensive income acquired - non-current	5,320 \$	99,969	11.64%	\$ 99,969		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AZ Venture Investment II Limited	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500 \$	16,455	12.50%	\$ 16,455		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	I-See Vision Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	2,000 \$	8,060	4.47%	\$ 8,060		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	e-Formula Technologies Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500 \$	47,760	5.61%	\$ 47,760		Unpledged
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Xiamen Eisend Electronics Co., Ltd	None	Financial assets at fair value through other comprehensive income acquired - non-current	- \$	81,273	17%	\$ 81,273		Unpledged

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Accumulative Purchase or Disposal of the Same Marketable Securities that Reaches NT\$300 Million or 20% or More of Paid-in Capital
 January 1 to December 31, 2024

Table 4

Unit: NT\$ thousand
 (unless otherwise specified)

Buyer/Seller	Marketable securities types and name	Financial statement account	Transaction counterparty	Relationship	Beginning of period		Purchase			Disposal			End of period (Notes 2 and 3)	
					Number of shares (in thousands)	Amount	Number of shares (In Thousands)	Amount	Number of shares (In Thousands)	Selling price	Book cost	Disposal gains or losses	Number of shares (In Thousands)	Amount
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Note 1	Phua Teo Chye, Cycle Technologies Company Limited	Non-related party	-	\$ -	2,700	\$ 261,360	-	\$ -	\$ -	\$ -	2,700	\$ 269,451

Note 1: Presented under “Investments accounted for using the equity method”.

Note 2: The ending balance includes not only the gains and losses from investments accounted for using the equity method but also relevant adjustment items.

Note 3: It excludes the portion originally held by Best Bliss Investments Limited.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
 January 1 to December 31, 2024

Table 5

Unit: NT\$ thousand
 (unless otherwise specified)

Company acquiring real property	Property name	Date of occurrence (Note 2)	Transaction amount	Payment status	Transaction counterparty	Relationship	Owner	Where the transaction counterparty is a related party, information on the previous transfer is as follows:			Reference for price determination Basis (Note 1)	Purpose of acquisition and state of use	Other agreements
								Relationship with the issuer	Date of transfer	Amount			
Tai-Tech Advanced Electronics Co., Ltd.	Industrial land and plant	113.7.10	\$ 245,000	\$ 245,000	Excellence Electronic Co., Ltd.	Non-related party	N/A	N/A	N/A	N/A	Appraisal amount of professional appraisal institution and market price, etc.	For use by the R&D Center, it integrates the business, management, and logistics departments. It is still under renovation.	

Note 1: For assets acquired requiring appraisal, it is necessary to indicate the appraisal results in the “Reference basis for price determination.”

Note 2: The date of occurrence refers to the any one of the following dates of transaction contract signing date, payment day, commissioning date, transfer date, board resolution date or other dates where the transaction amount are confirmed.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital
 January 1 to December 31, 2024

Table 6

Unit: NT\$ thousand
 (unless otherwise specified)

Purchaser/Seller	Transaction party name	Relationship	Transaction Details			Abnormal Transaction and Reason		Notes/Accounts receivable (payable)		Percentage of total notes/accounts receivable (payable)	Remarks
			Purchase (sale)	Amount	Percentage of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance		
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Sales	(401,620)	11%	Note 1	Note 1	-	181,588	14%	
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte Ltd.	(Note 3)	Sales	(291,109)	8%	Note 2	Note 2	-	88,675	7%	
Tai-Tech Advanced Electronics Co., Ltd.	Tai-tech Advanced Electronics (S) Pte . Ltd.	(Note 3)	Sales	(104,162)	3%	Note 2	Note 2	-	39,993	3%	
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(264,319)	39%	Note 1	Note 1	-	90,308	34%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(2,051,606)	52%	Note 1	Note 1	-	768,883	46%	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Associate	Sales	(109,200)	3%	Note 1	Note 1	-	38,352	2%	

Note 1: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 2: Transaction price and the payment receipt period adopts the general rules.

Note 3: Since October 2024, the Company's relations with the Group have been changed from the category of other related parties to that of associates.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital
 December 31, 2024

Table 7

Unit: NT\$ thousand
 (unless otherwise specified)

Company of accounts receivable recognized	Transaction party name	Relationship	Balance of accounts			Overdue amount of accounts receivable from related party	Treatment method	Amount received from related parties in subsequent period	Allowance for Impairment Loss
			receivables due from related party	Turnover rate	Amount				
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Accounts Receivable	181,588	2.88	\$ -	-	\$ 25,986	\$ -
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Accounts Receivable	768,883	3.26	-	-	364,250	-

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries

The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent company and Subsidiaries or among Subsidiaries

January 1 to December 31, 2024

Table 8

Unit: NT\$ thousand

(unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction details			Transaction terms	Percentage of consolidated total revenue or total assets
				Item	Amount			
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sales revenue	401,620		Note 3	7%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts Receivable	181,588			1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sale of fixed Asset	87,217		Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts payable	768,883			6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Purchase	2,051,606		Note 3	37%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Purchase	264,319		Note 3	5%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Accounts payable	90,308			1%
0	Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	1	Other payables	96,716			1%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Sales revenue	71,963		Note 3	1%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Purchase	109,200		Note 3	2%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Accounts payable	38,352			0%

Note 1: The business dealing information between the parent company and subsidiary shall be, respectively, indicated in the numbering column and there are two types of number filling methods as follows:

(1) Fill in “0” for the parent company.

(2) Subsidiaries are listed in sequential order starting from Arabic number of “1”

Note 2: There are two types of relationship with the transaction party as follows:

(1) Parent company to subsidiary

(2) Subsidiary to parent company

Note 3: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 4: The disclosure standard of the business relationship and important transactions between the parent and subsidiary companies from January 1 to December 31, 2024 is NT\$30 million or more

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Names and Location of Investees (Excluding those in Mainland China)
 January 1 to December 31, 2024

Table 9

Unit: NT\$ thousand
 (unless otherwise specified)

Name of Investor	Name of Investee	Location	Main business	Initial investment amount		End of term holding					Current investment profit/loss recognized	Remarks
				End of current period	End of last year	Number of shares (In Thousands of Shares)	ratio	Carrying amount	Current profit/loss of investee			
Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	Samoa	Re-invested business	3,459	3,459	100	100%	97,591	1,589	1,589		
Tai-Tech Advanced Electronics Co., Ltd.	BEST BLISS INVESTMENTS LIMITED	Cayman Islands	Re-invested business	1,075,284	1,075,284	34,250	100%	4,605,982	416,115	414,491		
Tai-Tech Advanced Electronics Co., Ltd.	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Singapore	Reinvestment and trading business	191,931	96,045	6,000	60%	188,230	(2,870)	(1,722)		
Tai-Tech Advanced Electronics Co., Ltd.	APAQ Technology Co., Ltd.	Taiwan	Electronic components	1,450,000	1,450,000	25,000	28.10%	1,717,727	534,394	124,725	Note 1	
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Taiwan	Electronic components	13,347	8,000	2,500	83.33%	7,258	(7,309)	(2,360)		
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	261,360	-	2,700	13.50%	269,451	226,125	8,091		
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Seychelles	Re-invested business	890,624	890,624	26,450	100%	2,687,347	221,597	221,597		
BEST BLISS INVESTMENTS LIMITED	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	21,156	21,156	2,000	10%	191,355	226,125	5,994		
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Malaysia	Electronic components	292,462	19,632	43,000	100%	299,210	(1,802)	(1,802)		

Note 1: Based on the audit reports issued by other CPAs during the same period.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Information on Investments in Mainland China - Basic Information
 January 1 to December 31, 2024

Table 10

Unit: NT\$ thousand
 (unless otherwise specified)

Name of investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated outward remittance for investment from Taiwan at beginning of the current period	Outward remittance	Outward remittance or repatriation for investment	Cumulative outward remittance of the investment amount from Taiwan in the period end (Note 8)	Current profit/loss of investee	Ownership percentage of direct or indirect investment	Current Investment profit/loss recognized (Note 4)	Carrying amount at end of the period (Note 4)	Accumulated repatriation of investment income as of end of current period	Remarks
						Repatriation							
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	384,904	Investment in Mainland China companies through a company invested and established in a third region (Note 1)	\$ 352,249	\$ -	\$ -	\$ 352,249	\$ 87,636	100%	\$ 87,636	\$ 775,333	\$ -	
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	1,343,832	Investment in Mainland China companies through a company invested and established in a third region (Note 2)	600,232	-	-	600,232	299,308	100%	299,308	3,589,158		
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sales of electronic components	-	Investment through companies in mainland China (Note 3)	-	-	-	-	-	-	-	-	-	Note 3

Provider	Accumulated outward remittance for investment in China region at end of the period	Investment amount approved by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
	(Notes 5, 6, and 9)	(Notes 7 and 9)	Commission, MOEA
Tai-Tech Advanced Electronics Co., Ltd.	\$ 1,412,662	\$ 1,453,785	4,564,630

Note 1: 100% invested by Best Bliss Investments Limited 100%.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is 100% invested by TAIPAQ Electronic Components (Si-Hong) Co., Ltd, but there was no capital injection as of December 31, 2024.

Note 4: The parent company's CPA in Taiwan audited the financial report.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is USD 1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is calculated based on rate of the balance sheet date

Note 8: The amount invested with a third place's self-owned funds is not included.

Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.

Tai-Tech Advanced Electronics Co., Ltd. and Subsidiaries
 Major Shareholder Information
 December 31, 2024

Table 11

Major shareholders	Shares	
	Number of shares held	Shareholdings Percentage
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	10,207,649	10.00%
Hengyang Investment Co., Ltd.	6,540,995	6.41%
Northwest Investment Co., Ltd.	6,121,718	5.99%

Explanation: The Company obtains the information of this table from the Taiwan Depository and Clearing Corporation:

- (1) This table is based on the information provided by the Taiwan Depository and Clearing Corporation for shareholders holding greater than 5% of the shares completed the process of registration and book-entry delivery in dematerialized form (including treasury stocks) of the Company at the last business date of each quarter.
 There may be a discrepancy in the number of shares recorded on the Company's financial statements and its dematerialized securities arising from the difference in basis of preparation.
- (2) For the table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, including their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website. Information on equity is available on the MOPS of TWSE website.

Tai-Tech Advanced Electronics Co., Ltd.
Parent Company Only Financial Statements and Independent Auditors' Report
2024 and 2023
(Stock Code: 3357)

Company address : No.1 You 4th Road, Youth Industrial District, Yangmei, Taoyuan City
326013, Taiwan
Telephone : (03)464-1148

Tai-Tech Advanced Electronics Co., Ltd.

2024 and 2023 Parent Company Only Financial Statements and Auditors' Report

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Independent Auditor's Report

(114) Caishenbaozi No. 24002668

To Tai-Tech Advanced Electronics Co., Ltd.,

Audit Opinions

We have audited the Parent Company Only Balance Sheet of Tai-Tech Advanced Electronics Co., Ltd. (the Company) as of December 31, 2024 and 2023 as well as the Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flow, and the Notes to Parent Company Only Financial Statements (including the summary of significant accounting policies) for January 1 to December 31, 2024 and 2023.

In the opinion of this CPA, based on our audits and the reports of the other auditors (see Other Matters), all major aspects of the preceding Parent Company Only Financial Statements are formulated in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers; and are sufficient to present the parent company only financial position as of December 31, 2024 and 2023, and the parent company only financial performance and parent company only cash flows from January 1 to December 31, 2024 and 2023.

Basis of Audit Opinion

We have conducted the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Taiwan Standards on Auditing. Our responsibilities under those standards are further described in the section titled "Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements" in our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of our accountants and the audit reports of other accountants, we are of the opinion that sufficient and appropriate audit evidence has been obtained to be served as the basis for expressing the audit opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, were of most significance

~ 4 ~

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in our audit of the Parent Company Only Financial Statements of the Company in 2024. 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. As such, we do not provide a separate opinion on these matters.

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2024 are as follows:

Valuation of allowance for inventory valuation losses

Description

The Company mainly manufactures and processes various electronic components, magnet cores, multilayer wire-wound, and other wire-wound products. Since the value of inventories is affected by market price fluctuations and life cycles, there is a high risk of obsolescence. The evaluation procedure generally involves subjective judgments and may lead to substantial uncertainty in accounting estimates. As of December 31, 2024, the Company's investment balance using the equity method accounted for 40% of its total assets. The financial status and financial performance of its subsidiaries significantly impact the Company's parent company only financial statements, and evaluating the subsidiaries' loss allowance due to inventory impairment is critical. Therefore, the CPA listed the inventory allowance evaluation of the Company and its subsidiaries' loss allowance due to inventory impairment as one of the most critical matters in this year's audit.

Please refer to Notes 4 (11), 5 (2), and 6 (3) of the Notes to Parent Company Only Financial Statements for detailed descriptions of the accounting policies, important accounting estimates, inventory evaluation assumption, and accounting items for loss allowance due to inventory impairment. The Company's balances for inventory and loss allowance due to impairment as of December 31, 2024 were NT\$368,095 thousand and NT\$19,243 thousand, respectively.

Responsive audit procedures

We perform the following procedures for the inventory that is ageing and individually obsolete:

1. Assess the reasonableness of inventory allowance valuation policies and procedures adopted by the Company according to our understanding of the Group.
2. Review the annual inventory plans of the Company and its subsidiaries, and observe their annual inventory and management status to assess their management performance and capacity to control obsolete inventories.
3. Verify the completeness and accuracy of the inventory aging report to ensure report data and policy consistency.
4. Evaluate and confirm the accuracy of the inventory depreciation loss calculations, including verifying the accuracy of product selling and purchase prices, and recalculating and evaluating the appropriateness of depreciation loss provisions.

Other Matters - audits conducted by other certified public accountants

We have not audited the financial statements of the Company's parent company only financial statements of the Group, but other independent auditors have. Therefore, our opinion on the amount in the parent company only financial statements is based on the reports of other independent auditors. As of December 31, 2024 and 2023, the investments in the aforementioned companies under the equity method were NT\$1,717,727 thousand and NT\$1,463,347 thousand, representing 15% and 14% of the total assets, respectively; the profit or loss was NT\$311,871 thousand and NT\$70,078 thousand, representing 25% and 10% of the comprehensive income, respectively.

The Management and Governance Units' Responsibilities for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

The CPA's Responsibilities for the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance refers to a high degree of assurance, but the audit performed according to the TWSA cannot guarantee that material misrepresentations in parent company only financial statements will be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

The CPA has exercised professional judgment and skepticism when conducting audits

under the TWSA. We also:

1. Identify the risks of material misstatements that may lead to fraud or error for the parent company only financial statements, design and implement appropriate countermeasures for the risks found, and acquire sufficient and appropriate audit evidence as the basis for the 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. The CPA must gain the necessary understanding of internal controls related to the audit to design the appropriate audit procedures under the circumstances. However, its purpose is not to express an opinion on the internal control performance of the Company.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Based on the audit evidence obtained, this CPA has concluded that the appropriateness of the accounting basics for continual operations adopted by the management level as well as whether there is any material uncertainty regarding events or circumstances that may cast significant doubt on the Company's capacity to continue its operations. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of, and the notes to, the parent company only financial statements, and whether the parent company only financial statements fairly present the underlying transactions and events.
6. Acquire sufficient and appropriate audit evidence for the financial information of individuals formed within the Company and issue an opinion regarding the parent company only financial statements. We are responsible for the direction, supervision, and performance of the individual audit; we remain solely responsible for audit opinion of parent company only financial statements.

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

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

The matters communicated between the CPA and the governance unit comprised key audit items for the audit of the Company's 2024 Parent Company Only Financial Statements. We describe these matters in our 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.

PricewaterhouseCoopers Taiwan

Certified	Wei-hao Wu
Public	
Accountant	
(CPA)	Ya-Hui Cheng

Financial Supervisory Commission

Official Approval Letter No.: Jin Guan Zheng Shen Zi No.
1080323093

Former Financial Supervisory Commission and Securities and
Futures Bureau of the Executive Yuan

Official Approval Letter No.: Jin Guan Zheng Liu Zi No.
0960072936

February 26, 2025

Tai-Tech Advanced Electronics Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets					
1100 Cash and cash equivalents	6 (1)	\$ 368,403	3	\$ 901,740	9
1150 Notes receivable, net	6 (2)	10,540	-	15,894	-
1170 Accounts receivable, net	6 (2)	1,000,339	9	726,542	7
1180 Accounts receivable from related parties, net	6 (2) and 7	327,070	3	277,898	3
1200 Other receivables		32,659	-	9,363	-
1210 Other receivables due from related parties	7	3,264	-	-	-
130X Inventory	6 (3)	348,852	3	318,591	3
1410 Pre-payments	6 (13)	28,242	-	17,125	-
1470 Other current assets		3,760	-	262	-
11XX Total current assets		2,123,129	18	2,267,415	22
Non-current assets					
1510 Financial assets at fair value through profit or loss - non-current	6 (11)	770		880	
1517 Financial assets at fair value through other comprehensive income - non-current	6 (4) and 12 (3)	486,361	4	234,936	2
1550 Investment accounted for using the equity method	6 (5)	6,886,239	58	5,714,425	55
1600 Property, plant and equipment	6 (6), 7, and 8	2,219,475	19	2,148,262	21
1755 Right-of-use assets	6 (7)	7,687	-	11,064	-
1780 Intangible assets		47,677	1	44,641	-
1840 Deferred income tax assets	6 (24)	2,091	-	3,201	-
1900 Other non-current assets	6 (8)	35,316	-	4,671	-
15XX Total non-current assets		9,685,616	82	8,162,080	78
1XXX Total assets		\$ 11,808,745	100	\$ 10,429,495	100

(Continued)

Tai-Tech Advanced Electronics Co., Ltd.

Parent Company Only Balance Sheet

December 31, 2024 and 2023

Unit: NT\$ thousand

Liabilities and equity	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term borrowings	6 (9)	\$ 330,000	3	\$ 100,000	1
2150 Notes payable		16,011	-	17,459	-
2170 Accounts payable		100,654	1	74,497	1
2180 Accounts payable - related parties	7	859,192	7	588,172	6
2200 Other payables	6 (10) and 7	388,614	4	286,151	3
2230 Current income tax liabilities	6 (24)	19,365	-	49,655	-
2250 Liability reserve - current		4,492	-	4,278	-
2280 Lease liabilities - current	7	2,311	-	4,051	-
2320 Current portion of long-term borrowings	6 (12)				
		242,950	2	37,733	-
21XX Total current liabilities		1,963,589	17	1,161,996	11
Non-current liabilities					
2530 Corporate bonds payable	6 (11)	1,066,426	9	1,048,695	10
2540 Long-term borrowings	6 (12)	1,261,762	11	1,504,712	15
2570 Deferred income tax liabilities	6 (24)	28,572	-	28,572	-
2580 Lease liabilities - non-current	7	5,376	-	7,182	-
2640 Net defined benefit liabilities – non-current	6 (13)				
		1,415	-	1,053	-
2670 Other non-current liabilities - others		600	-	1,640	-
25XX Total non-current liabilities		2,364,151	20	2,591,854	25
2XXX Total liabilities		4,327,740	37	3,753,850	36
Equity					
Share capital					
3110 Common shares	6 (14)	1,020,349	9	1,020,340	10
Capital surplus	6 (15)				
3200 Capital surplus		1,854,376	15	1,854,279	18
Retained earnings	6 (16)				
3310 Legal reserve		720,465	6	657,300	6
3320 Special reserve		76,642	1	76,642	1
3350 Unappropriated earnings		3,312,481	28	2,928,035	28
Other equity	6 (17)				
3400 Other equity		496,692	4	139,049	1
3XXX Total equity		7,481,005	63	6,675,645	64
Significant Commitments or Contingencies	9				
3X2X Total liabilities and equity		\$ 11,808,745	100	\$ 10,429,495	100

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

(Except Earnings Per Share)

Item	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6 (18) and 7	\$ 3,776,269	100	\$ 3,093,378	100
5000 Operating costs	6 (3) (22) (23) and 7	(3,091,295)	(82)	(2,514,358)	(81)
5900 Gross profit		684,974	18	579,020	19
5910 Unrealized gains from sale		(16,302)	(1)	(25,575)	(1)
5920 Realized gain from sale		25,575	1	72,830	2
5950 Gross profit, net		694,247	18	626,275	20
Operating expenses	6 (22) (23) and 7				
6100 Selling and marketing expenses		(230,571)	(6)	(200,418)	(6)
6200 General and administrative expenses		(142,807)	(4)	(130,483)	(4)
6300 Research and development expenses		(112,647)	(3)	(85,157)	(3)
6000 Total operating expenses		(486,025)	(13)	(416,058)	(13)
6900 Operating gains		208,222	5	210,217	7
Non-operating income and expenses					
7100 Interest income		13,364	-	11,793	-
7010 Other income	6 (19)	15,289	-	18,038	1
7020 Other gains and losses	6 (20)	55,785	2	2,083	-
7050 Financial costs	6 (9) (12)(21)	(41,502)	(1)	(28,394)	(1)
7070 Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6 (5)			544,814	15
7000 Total non-operating incomes and expenses				587,750	16
7900 Income before income tax				795,972	21
7950 Income tax expenses	6 (24)	(47,817)	(1)	(44,072)	(2)
8200 Net profit (loss) for current period		<u>\$ 748,155</u>	<u>20</u>	<u>\$ 593,383</u>	<u>19</u>
Other comprehensive income/(loss) for the year, net of income tax					
Components of other comprehensive income that will not be reclassified to profit or loss	6 (17)				
8316 Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6 (4)				
		\$ 173,062	5	\$ 107,758	4
8330 Share of profit (loss) of associates and joint ventures accounted for using equity method - Components of other comprehensive income that will not be reclassified to profit or loss				90,216	2
8310 Total components of other comprehensive income that will not be reclassified to profit or loss				263,278	7
Items that may be reclassified subsequently to profit or loss	6 (17)				
8361 Exchange differences on translating the financial statements of foreign operations				291,467	7
8380 Share of profit (loss) of associates and joint ventures accounted for using equity method - Items that may be reclassified to profit or loss				(38,493)	(1)
8360 Total of items that may be reclassified subsequently to profit or loss				252,974	6
8300 Other comprehensive income/(loss) for the year, net of income tax					
				\$ 516,252	13
8500 Total comprehensive income (loss) for the current period				<u>\$ 1,264,407</u>	<u>33</u>
9750 Basic earnings per share	6 (25)			\$ 7.33	
Basic earnings per share					
Diluted earnings per share					
9850 Diluted earnings per share - Total				\$ 6.83	

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

Note	Retained earnings					Other equity			Total
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on financial assets at fair value through other comprehensive income		
2023									
Balance as of January 1, 2023	\$ 1,020,340	\$ 1,798,320	\$ 552,955	\$ 76,642	\$ 3,012,932	(\$ 134,642)	\$ 198,390	\$ 6,524,937	
Net profit (loss) for current period	-	-	-	-	593,383	-	-	593,383	
Other comprehensive income for the year	6 (17)	-	-	-	-	(82,999)	196,569	113,570	
Total comprehensive income (loss) for the current period	-	-	-	-	593,383	(82,999)	196,569	706,953	
Appropriation and distribution of earnings:									
Legal reserve	-	-	104,345	-	(104,345)	-	-	-	
Cash dividends	-	-	-	-	(612,204)	-	-	(612,204)	
Issuance of convertible bonds	6 (11)	-	55,190	-	-	-	-	55,190	
Changes in associates and joint ventures accounted for using the equity method	-	769	-	-	-	-	-	-	769
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	38,269	-	(38,269)	-	
Balance as of December 31, 2023	\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	
2024									
Balance as of January 1, 2024	\$ 1,020,340	\$ 1,854,279	\$ 657,300	\$ 76,642	\$ 2,928,035	(\$ 217,641)	\$ 356,690	\$ 6,675,645	
Net profit (loss) for current period	-	-	-	-	748,155	-	-	748,155	
Other comprehensive income for the year	6 (17)	-	-	-	-	252,974	263,278	516,252	
Total comprehensive income (loss) for the current period	-	-	-	-	748,155	252,974	263,278	1,264,407	
Appropriation and distribution of earnings:									
Legal reserve	-	-	63,165	-	(63,165)	-	-	-	
Cash dividends	-	-	-	-	(459,153)	-	-	(459,153)	
Changes in associates and joint ventures accounted for using the equity method	-	9	-	-	-	-	-	-	9
Convertible corporate bond conversion	6 (11)	9	88	-	-	-	-	-	97
Subsidiary's disposal of equity instruments measured at fair value through other comprehensive income	6 (17)	-	-	-	158,609	-	(158,609)	-	
Balance as of December 31, 2024	\$ 1,020,349	\$ 1,854,376	\$ 720,465	\$ 76,642	\$ 3,312,481	\$ 35,333	\$ 461,359	\$ 7,481,005	

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flow from operating activities			
Income before income tax		\$ 795,972	\$ 637,455
Adjustments			
Adjustments for income and expenses			
Depreciation expenses (including right-of-use assets)	6 (22)	203,693	199,282
Amortization	6 (22)	7,529	5,828
Net gain on financial assets and liabilities at fair value through profit or loss	6 (20)	(6,916)	(1,672)
Gains on disposal of property, plant and equipment	6 (20)	(5,809)	(3,143)
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6 (5)	(544,814)	(423,718)
(Realized) unrealized gain from sale		(9,273)	(47,255)
Interest income		(13,364)	(11,793)
Dividends income	6 (19)	(5,176)	(7,129)
Interest expenses		41,502	28,394
Miscellaneous expenses		6,141	-
Loss on disposal of investment	6 (20)	2,985	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets compulsorily measured at fair value through profit or loss - current		7,026	1,232
Notes receivable		5,354	5,072
Accounts Receivable		(273,797)	80,217
Accounts receivable due from related parties		(49,172)	263,957
Other receivables		(10,657)	3,636
Other receivables due from related parties		(3,264)	-
Inventory		(30,261)	19,334
Pre-payments		(11,117)	177
Other current assets		(3,498)	(262)
Changes in operating liabilities, net			
Notes payable		(762)	5,622
Accounts payable		26,157	(26,896)
Accounts payable - related parties		271,020	(143,176)
Other payables		12,094	(96,908)
Liability reserve - current		214	4,278
Net defined benefit liabilities		362	275
Cash generated from operating activities		412,169	492,807
Interest paid		(23,674)	(25,452)
Income taxes paid		(80,158)	(70,614)
Net cash inflow from operating activities		<u>308,337</u>	<u>396,741</u>

(Continued)

Tai-Tech Advanced Electronics Co., Ltd.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flows from investing activities			
Interests received		\$ 13,364	\$ 11,793
Dividends received		5,176	7,129
Acquisition of financial assets at fair value through other comprehensive income		(78,845)	(49,918)
Capital surplus distributed in cash		482	-
Disposal of financial assets at fair value through other comprehensive income		-	64,431
Increase in financial assets measured at amortized cost		- (50,000)	
Decrease in financial assets at amortized cost		- 50,000	
Other receivables due from related parties		- 151,216	
Investment accounted for using the equity method		(362,594)	(1,554,045)
Cash dividend of long-term equity investment under equity method		90,634	57,500
Acquisition of property, plant, and equipment	6 (26)	(411,889)	(181,480)
Proceeds from disposal of property, plant and equipment		91,319	107,784
Acquisition of intangible assets		(10,565)	(10,127)
Increase in refundable deposits		(3,500)	-
Increase in other non-current assets		- (97)	
Net cash flows used in investing activities		(666,418)	(1,395,814)
Cash flows from financing activities			
Proceeds from short-term borrowings		1,000,000	2,650,000
Repayments for short-term borrowings		(770,000)	(2,550,000)
Other payables - related parties		96,716	-
Issuance of convertible bonds		-	1,100,502
Increase in long-term borrowings		-	453,999
Repayment for long-term borrowings		(37,733)	(37,733)
Repayment of the principal portion of lease liabilities	6 (27)	(4,046)	(6,524)
Cash dividends appropriated	6 (16)	(459,153)	(612,204)
Decrease in deposits received		(1,040)	-
Net cash generated from (used in) financing activities		(175,256)	998,040
Decrease in cash and cash equivalents for the period		(533,337)	(1,033)
Cash and cash equivalents - beginning balance		901,740	902,773
Cash and cash equivalents - ending balance		<u>\$ 368,403</u>	<u>\$ 901,740</u>

The accompanying notes are an integral part of the parent company only financial statements; please refer to them as well.

Tai-Tech Advanced Electronics Co., Ltd.
Notes to the Parent Company Only Financial Statements
2024 and 2023

Unit: NT\$ thousand
(unless otherwise specified)

I. Company History

Tai-Tech Advanced Electronics (the “Company” hereinafter) was incorporated on November 2, 1992. The Company mainly engages in manufacturing and processing of electronic parts, magnet cores, multilayer wire-wound and other wire-wound products, and act as an agent for domestic and foreign companies in terms of quotation, bidding, distribution, and import and export of the said products. The Company’s shares were listed on Taipei Exchange for trading on April 27, 2021.

II. Approval Date and Procedure of Financial Statements

The parent company only financial statements were passed the board of directors resolution and published on February 24, 2025.

III. Application of New and Amended Standards and Interpretations

(I) The impact of the adoption of the new and revised International Financial Reporting Standards (IFRS) recognized and promulgated by the Financial Supervisory Commission (FSC)

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) approved and promulgated into effect by the FSC for application in 2024:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 16 “Lease liabilities of after-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 has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Company’s financial position and financial performance.

(II) Effects of Not Adopting the Newly Issued or Amended IFRSs Endorsed by the FSC

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Company has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Company’s financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

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

New, Revised or Amended Standards and Interpretations	Effective date announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts 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”	Yet to be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 Initial application of IFRS 17 and IFRS 9 — Comparative information	January 1, 2023
IFRS No. 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Company has assessed the aforementioned standards and interpretations and concluded that they do not have significant effects on the Company's financial position and financial performance.

1. Amendments to IFRS No. 9 and IFRS No. 7 ““Amendments to the Classification and Measurement of Financial Instruments”

The amendments are as follows:

Update the fair value of the equity instruments designated through other comprehensive income (FVOCI) through an irrevocable election should be disclosed for each type of equity instrument, and there is no need to disclose the fair value information for each underlying subject. In addition, the amount of fair value gain or loss recognized in other comprehensive income shall be disclosed. The amount of fair value gain or loss on the investment derecognized during the reporting period shall be presented separately, and accumulated gains and losses from investments that are derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS No. 18 "Presentation and Disclosures in Financial Statements"

IFRS No. 18 "Financial Statement Presentation and Disclosure" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary of the main financial statements and notes and segmentation.

IV. Summary of Significant Accounting Policies

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

(I) The Parent Company Only Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Preparation Basis

1. This financial statement is prepared based on the historical costs except for the following important items:
 - (1) Financial assets and liabilities (including derivatives) measured at fair value through gain or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. Preparing financial reports in conformity with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretations (hereafter “IFRSs”) endorsed by the FSC require using some important accounting estimates. When applying the Company's accounting policies, the management level's judgments were needed. Please refer to Note 5 for items involving high levels of judgment or complexity or significant assumptions and estimates of parent company only financial statements.

(III) Foreign Currency Translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

1. Foreign currency transactions and balance

- (1) Foreign currency derived from transactions was translated into the functional currency using the spot exchange rate prevailing on the trade date or the measurement date, with the resulting exchange difference recognized as gain or loss.
- (2) The balance of monetary assets or liabilities denominated in foreign currency is adjusted by the exchange rate prevailing at the balance sheet date, with the resulting differences recognized as gain or loss.
- (3) Non-monetary assets or liabilities denominated in foreign currency are adjusted by the spot exchange rate on the balance sheet date, with the resulting difference recognized in profit or loss if they are measured at fair value through profit or loss, or in other comprehensive income if they are measured at fair value through other comprehensive income. If they are not measured at fair value, they are measured by applying the historical exchange rate on the transaction date.

2. Translation of foreign operations financial statements

The results and financial position of associates and entities within the Company whose functional currency is not the presentation currency are translated into the presentation currency using the following procedures:

- (1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) Income and expenses for each statement of comprehensive income (including comparatives) are translated at the average exchange rates for the period; and
- (3) All resulting exchange differences are recognized in other comprehensive income.

(IV) Classification of Current and Noncurrent Assets and Liabilities

1. Assets that meet one of the following criteria are classified as current assets:
 - (1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (2) They are held primarily for trading.
 - (3) Assets that are expected to be realized within 12 months after the balance sheet date.
 - (4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.
 Otherwise they are classified as noncurrent assets.
2. Liabilities that meet one of the following criteria are classified as current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle.
 - (2) They are held primarily for trading.
 - (3) Liabilities that are expected to be settled within 12 months after the balance sheet date.
 - (4) Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date
 Otherwise they are classified as noncurrent liabilities.

(V) Cash equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that fit the said definition and are intended to meet short-term operating cash commitments are classified as cash equivalents.

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

1. Financial assets not measured at cost after amortization or measured at fair value through other comprehensive income.
2. The Company's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. At initial recognition, the Company measures financial assets at fair value plus relevant transaction costs, and subsequently, the Group measures the financial assets at fair value and its gain or loss is recognized in profit or loss.
4. The Company recognizes dividend income in profit or loss when (a) the Company's right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Company; and (c) such dividends can be reliably measured.

(VII) Financial Assets at Fair Value through Other Comprehensive Income

1. It means the Group made an irrevocable election upon initial recognition to recognize the fair value changes in equity instruments not held for trading at other comprehensive income.
2. The Company's financial assets measured at fair value through other comprehensive income according to the trading conventions are accounted for on the trade date.
3. The Company has added the transaction cost measurement at fair value during the original recognition, which is subsequently measured via the fair value method. When changes in the fair value of equity instruments recognized as other comprehensive gains or losses are being derecognized, the cumulative profits or losses previously recognized as other comprehensive gains or losses are not subsequently reclassified to gain or loss and are transferred to retained earnings. The Company recognizes dividend income in profit or loss when (a) the Company's right to the dividends is established; (b) the economic benefits

associated with dividends are probable to flow to the Company; and (c) such dividends can be reliably measured.

(VIII) Accounts Receivables and Notes Receivables

1. Accounts receivable and notes receivable denote that the Group has unconditional right to the consideration, in the form of receivables or notes, for the goods and services transferred.
2. The discount effect for unpaid-interest short-term accounts and bills receivable is small, so the Company is measured via the original invoice amount.

(IX) Impairment of Financial Assets

At the end of each reporting period, the Company considers financial assets at amortized cost, investments in debt instruments that are measured at FVTOCI, and receivables (including significant financial components), and takes into consideration all reasonable and supporting information (including the forward-looking information). For financial assets of which the credit risk does not significantly increase since initial recognition, the Company recognizes an allowance equal to 12-month expected credit losses; for financial assets of which the credit risk significantly increases since initial recognition, the Company recognizes an allowance equal to the lifetime expected credit loss; for accounts receivables that do not contain significant financial components or contract assets, the Company recognizes an allowance equal to the lifetime expected credit loss.

(X) Derecognition of Financial Assets

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

(XI) Inventory

Inventories are measured at the lower of cost and net realizable value. Cost is 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), excluding borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XII) Investment accounted for using the equity method

1. Subsidiaries refer to entities (including structural entities) under the control of this Company. When this Company is exposed to the participation of variable remunerations for said entities or has rights over such variable remunerations and has the power to impact said remunerations of such entities, the Company controls said entities.
2. Unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of gain or loss after the acquisition of the subsidiary shall be recognized as current gain or loss, and other shares of comprehensive gain or loss after acquisition shall be recognized as other comprehensive gain or loss. When the Company's share of losses of its subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses in proportion to its shareholding percentage.
4. An associate refers to an entity over which the Company has no control but significant influence, typically those in which the Company has at least 20% of the total number of voting shares directly or indirectly. The Company accounts for investment in associates using the equity method and recognizes them at cost upon acquisition.

5. The Company's share of profit or loss in an associate after acquisition shall be recognized as current gain or loss, and its share of other comprehensive income after acquisition shall be recognized in other comprehensive income. When the Company's loss in any associate exceeds the equity (including any unsecured receivables) in such an associate, the Company does not recognize further losses except when any legal obligation or constructive obligation is incurred or the Company has made payment on behalf of the associate.
6. When an associate experiences equity changes not attributable to changes in any component of profit or loss or other comprehensive income and not impacting the Company's shareholding in such an associate, the Company accounts for such equity changes as "capital surplus" in proportion to its shareholding percentage.
7. Unrealized gain or loss arising from transactions between the Company and associates has been eliminated in proportion to the Company's shareholding percentage in the associates; unrealized loss is also eliminated unless evidence proves the impairment of the assets transferred in the transaction. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
8. If the Company loses significant influence over an associate, the Company shall account for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. If significant influence over the associate remains, the Group only proportionally reclassifies the amounts previously recognized in other comprehensive income.
9. According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the current gain or loss in parent company only financial statements and other comprehensive gains and losses shall be the same as the current gain or loss and other comprehensive gains and losses attributable to the proportion of the share held by the parent company as listed in the financial report prepared on a consolidated basis. The equity ownership listed in parent company only financial statements shall be the same as the equity ownership attributable to the parent company as listed in the individual report prepared on a consolidated basis.

(XIII) Property, Plant, and Equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequently, costs are only likely to flow into this Company for future economic benefits associated with the project. Only when the project costs can be reliably measured can they be included in the book amount of the asset or recognized as a separate asset. The carrying amount of the replaced part is derecognized. All other repair and maintenance is recognized in profit or loss when accrued.
3. Property, plant and equipment are subsequently measured at cost. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Property, plant and equipment are depreciated individually if they contain any significant components.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is

accounted for as a change in estimate under IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors,” from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8 - 50 years
Machinery	5 - 12 years
Utilities equipment	10 - 15 years
Transportation equipment	5 years
Office equipment	5 years
Other equipment	2 - 12 years

(XIV) Lease Transactions of a Lessee - Right-of-use Assets/Lease Liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the day available for use by the Company. Low-value assets and short-term leases are recognized as expenses on a straight-line basis over the lease period.

2. Lease liabilities are recognized at the present value of unpaid lease payments discounted at the Company's incremental borrowing rate on the lease commencement date. The lease payments include:

Fixed payments less any rental incentives that may be received.

that are measured in subsequent periods using the effective interest rate method and amortized over the lease term. When a change in lease payments occurs not due to contract modification, lease liability will be remeasured, with such remeasurements adjusted to right-of-use assets.

3. Right-of-use assets are recognized at costs at the inception of the lease. Cost includes:

(1) The initial lease liability measured;

(2) Lease payments made before or at the inception of the lease;

(3) Any original direct costs incurred.

Right-of-use assets are subsequently measured at costs. Depreciation of right-of-use assets is recognized at the earlier of the end of the useful life and the end of the lease term. When a lease liability is remeasured, the Group adjusts the right-of-use asset for any remeasurements.

(XV) Intangible Assets

1. Computer software

Computer software is measured at the acquisition cost and amortized using the straight line method over its estimated useful life, which is 3-5 years.

2. Goodwill

Goodwill results from mergers or acquisition.

3. Patent rights

Patents are amortized at a period of 13 years using the straight line method.

(XVI) Impairment of Non-financial Assets

1. The Company shall target the assets with signs of impairment on the balance sheet date to assess the recoverable amount and recognize the impairment loss when the recoverable amount is lower than its book value. The recoverable amount is an asset's fair value less costs to sell or its value in use, whichever is higher. When there is an indication that the impairment loss recognized in prior years for an asset other than goodwill decreases or no longer exists, the impairment loss is reversed to the extent of the loss previously recognized

in profit or loss. However, the increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2. The Group regularly measures the recoverable amount of goodwill, intangible assets with uncertain useful life and intangible assets not available for use. Impairment is recognized when the recoverable amount is lower than the carrying amount. Impairment of goodwill is not reversed in subsequent periods.

(XVII) Borrowings

Borrowings mean short- and long-term loans borrowed from banks. Borrowings are initially recognized at the fair value less any transaction costs, and subsequently at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the borrowing period using the effective interest rate method.

(XVIII) Accounts Receivables and Notes Receivables

1. Accounts receivable and notes receivable are the debt incurred by credit purchase of raw materials, goods, or services and the notes receivables incurred by operating and non-operating activities.
2. Because the effect of discount for unpaid-interest short-term accounts and bills payable is small, the Company is measured via the original invoice amount.

(XIX) Convertible corporate bonds payable

The convertible bonds issued by the Company are embedded with conversion rights (i.e. holders have the right to convert the bonds into the Company's common shares with a fixed amount for a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded resale rights and repurchase rights: at the time of initial recognition, the net fair value is stated as "financial assets or liabilities measured at fair value through profit and loss." Subsequently, the difference at the balance sheet date is recognized as "gain or loss on financial assets (liabilities) measured at fair value through profit or loss".
2. Master contract of corporate bonds: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the premium or discount of corporate bonds payable. Subsequently, the effective interest method is recognized in profit or loss as an adjustment item for "finance costs" on an amortized basis over the period of liquidity.
3. Embedded conversion options (complying with the definition of equity): at the time of initial recognition, the residual value of the issued amount after deducting the above-mentioned "financial assets or liabilities at fair value through profit or loss" and "corporate bonds payable" is accounted for as "capital surplus - options" and will not be remeasured subsequently.
4. The transaction costs directly attributable to the issuance are allocated to the components of each liability and equity in accordance with the original carrying amount of each of the above-mentioned components.
5. Upon conversion by the holders, the liabilities components (including "corporate bonds payable" and "financial assets or liabilities measured at fair value through profit or loss") are accounted for in accordance with the subsequent measurement methods of their classification, and then the carrying amount of the aforementioned liability components plus

the carrying amount of “capital surplus - stock options” is used as the issuance cost of the common shares exchanged.

(XX) Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Group’s obligations are contractual obligations, canceled, or they expire.

(XXI) Provisions for liabilities

Provisions (sales return and allowance) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXII) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by using the interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the defined benefit plans. If there is no deep market in such bonds in a country, the discount rate shall be the market yields on government bonds.

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employee compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference

between the amount accrued and the amount actually distributed is accounted for as a change in accounting estimate. When employee compensation is appropriated in shares, the basis for calculating the number of shares shall be the closing price at the date before the date the Board of Directors resolves on the appropriation.

(XXIII) Income Tax

1. The tax expense comprises current tax and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The Company calculates the current income tax based on the tax rates enacted or substantively enacted at the balance sheet date in the nations whereby the operations and taxable income are generated. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. Where appropriate, management also estimate income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax is recognized based on the temporary difference between the taxation basis of assets and liabilities and their carrying amounts on the parent company only balance sheet using the balance sheet method. The Company does not recognize a temporary difference if (1) the Company can control the point of time at which it is reversed; and (2) such a temporary difference is not expected to be reversed in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(XXIV) Share Capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.
2. When the Company repurchased shares previously issued, the consideration paid includes any directly attributable additional costs and the net amount after tax is recognized as a deduction of the shareholders' equity. During the subsequent reissuance of repurchased shares, any directly attributable additional costs and income tax are deducted from the consideration received, and the difference from the carrying amount is then recognized as

an adjustment of shareholders' equity.

(XXV) Dividend Appropriation

Dividends appropriated to shareholders of the Company are recognized on the date the Board of Directors' meeting resolves on such appropriation. Appropriation in cash is recognized as liability.

(XXVI) Revenue Recognition

Sale of goods

1. The Company manufactures and sells various electronic components, magnet cores, multilayer wire-wound and other wire-wound products. The sales revenue is recognized when the products' control is transferred to the clients or when the products are delivered to the clients. The clients have discretion over product sales and prices, and the Company has no outstanding performance obligations that may affect the clients' acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the clients, and either the clients have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
2. Accounts receivable are recognized when the goods are delivered to the customer. Since the Company has unconditional rights to the contract price from that point in time, it is only necessary to collect the consideration from the customer when the time comes.

(XXVII) Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant, and equipment are recognized as noncurrent liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(XXVIII) Business Combinations

1. The Company uses the acquisition method for business combinations. The acquisition consideration is calculated based on the fair value of transferred assets, incurred or assumed liabilities, and issued equity instruments. The transfer consideration includes the fair value of any assets and liabilities arising from contingent consideration agreements. Acquisition-related costs are recognized as expenses when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. On a transaction-by-transaction basis, for components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, the Company chooses to measure them either at fair value at the acquisition date or at the proportionate share of the acquiree's identifiable net assets attributable to the non-controlling interests; all other components of non-controlling interests are measured at fair value at the acquisition date.
2. If the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree exceeds the fair value of the identifiable assets acquired and liabilities assumed, the excess is recognized as goodwill at the acquisition date. If the fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the transfer consideration, the non-controlling interests in the acquiree, and the fair value of previously held equity interests in the acquiree, the difference is recognized as profit or loss in the current period at the acquisition date.

V. Significant Accounting Judgments, Estimates, and Major Sources of Uncertainty for Assumptions

When preparing these parent company only financial statements, management has exercised their professional judgment to determine the accounting policies to be applied, and made accounting estimates and assumptions based on reasonable expectation as to how future events will hold for the circumstances that exist on the balance sheet date. The significant accounting estimates and assumptions being made may deviate from the actual outcomes and will be consistently measured and adjusted in accordance with historical experience and for other factors. Such estimates and assumptions may lead to the risk of significant adjustment being made to the carrying amount of the assets and liabilities on the balance sheet. Significant accounting judgments and the uncertainty in accounting estimates and assumptions are stated below:

(I) Significant Judgements in Applying Accounting Policies

Please see the description in Note 6 (5) 3(5).

(II) Significant Accounting Estimates and Assumptions

Since inventory is measured at the lower of costs and the net realizable value, the Company needs to exercise judgment and estimates to determine the net realizable value of inventory at the balance sheet date. Since the value of inventory is subject to market price fluctuation and its life cycle, the Group evaluates the market selling price and value lost due to obsolescence of inventory at the balance sheet date, and writes down inventory costs to net realization value. This inventory evaluation is mainly based on the current market conditions and past historical experience, so there may be major changes.

As of December 31, 2024, the carrying amount of the Company's inventories is NT\$348,852.

VI. Description of Significant Accounts

(I) Cash

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	\$ 366	\$ 355
Checking deposits and demand deposits	368,037	841,385
Commercial paper with repurchase agreement	-	60,000
Total	\$ 368,403	\$ 901,740

1. The Company's financial institutions have good credit quality and have been dealing with several financial institutions to diversify credit risk. The possibility of default is extremely low.
2. The Company pledged no cash or its equivalent as collateral.

(II) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 10,540	\$ 15,894
Accounts receivable	\$ 1,001,134	\$ 727,337
Less: Allowance for losses	(795)	(795)
	\$ 1,000,339	\$ 726,542
Accounts receivable due from related parties	\$ 327,158	\$ 277,986
Less: Allowance for losses	(88)	(88)
	\$ 327,070	\$ 277,898

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

	December 31, 2024		December 31, 2023	
	Accounts Receivable	Notes receivable	Accounts Receivable	Notes receivable
Not yet due	\$ 1,313,091	\$ 10,540	\$ 973,234	\$ 15,894
Within 30 days	13,336	-	32,081	-
31~90 days	1,865	-	-	-
91~180 days	-	-	8	-
	<u>\$ 1,328,292</u>	<u>\$ 10,540</u>	<u>\$ 1,005,323</u>	<u>\$ 15,894</u>

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

2. The accounts and bills receivables as of both December 31, 2024 and 2023 were all due to client contracts, and the balance of receivables from client contracts as of January 1, 2023 was NT\$1,371,944.
3. Without considering the collateral held or other credit enhancements; the maximum exposure amounts for credit risks that can best represent the Company's bills receivable as of December 31, 2024 and 2023 were NT\$10,540 and NT\$15,894, respectively; and the maximum credit risk amounts that can best represent the Company's accounts receivable as of December 31, 2024 and 2023 were NT\$1,327,409 and NT\$1,004,440, respectively.
4. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(III) Inventory

	December 31, 2024		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 50,532	(\$ 2,847)	\$ 47,685
Supplies	4,253	(188)	4,065
Work in process	76,475	(7,831)	68,644
Finished products	34,463	(4,090)	30,373
Goods	202,372	(4,287)	198,085
Total	<u>\$ 368,095</u>	<u>(\$ 19,243)</u>	<u>\$ 348,852</u>

	December 31, 2023		
	Cost	Allowance for inventory valuation	Carrying amount
Raw materials	\$ 20,770	(\$ 2,572)	\$ 18,198
Supplies	3,672	(280)	3,392
Work in process	121,273	(8,211)	113,062
Finished products	31,478	(3,878)	27,600
Goods	163,203	(6,864)	156,339
Total	<u>\$ 340,396</u>	<u>(\$ 21,805)</u>	<u>\$ 318,591</u>

1. The Company's current inventory cost is recognized as a loss:

	2024		2023
	Cost of inventory sold	Inventory (recovery benefit) depreciation loss	
Cost of inventory sold	\$ 3,012,907	(2,562)	\$ 2,428,244
Inventory (recovery benefit) depreciation loss			7,698
Others		80,950	78,416
	<u>\$ 3,091,295</u>	<u>(2,562)</u>	<u>\$ 2,514,358</u>

In 2024, the Company's net realizable value of the inventory increased due to the continuous inventory depletion.

2. There is no inventory pledged as collateral by the Company.

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

	December 31, 2024	December 31, 2023
Non-current:		
Equity instruments		
Shares listed on the stock exchange or the OTC market	\$ 55,157	\$ 36,094
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	179,386	120,086
	234,543	156,180
Adjustments for change in value	251,818	78,756
Total	<u>\$ 486,361</u>	<u>\$ 234,936</u>

1. The Company has classified strategic investment stocks 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 NT\$486,361 and NT\$234,936, respectively.
2. For the purposes of adjusting its position in strategic investments, in 2023, the Company sold its listing share investments, whose fair value was NT\$64,431, for NT\$38,269.
3. The detailed breakdown of financial assets measured at fair value through other comprehensive income is as follows:

	2024	2023
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	\$ 173,062	\$ 107,758
Transfer of accumulated profit or loss to retained earnings due to derecognition	\$ - (\$ 38,269)	
Dividend income recognized in profit or loss held at end of year	<u>\$ 5,176</u>	<u>\$ 7,129</u>

4. Without considering the collateral or other credit enhancements held, the financial assets measured at fair value through other comprehensive income that best represents the Company as of December 31, 2024 and 2023. The maximum exposure amounts were NT\$486,361 and NT\$234,936, respectively.
5. The Company did not provide financial assets measured at fair value through other comprehensive income as a pledge guarantee.

(V) Investment Accounted for Using the Equity Method

Investor	December 31, 2024	December 31, 2023
Subsidiary:		
BEST BLISS INVESTMENT LIMITED	\$ 4,605,982	\$ 4,062,920
NORTH STAR INTERNATIONAL LIMITED	97,591	89,880
TECHWORLD ELECTRONICS SINGAPORE PTE.LTD.	188,230	91,022
JDX Technology Co., Ltd.	7,258	-
Associate:		
APAQ Technology Co., Ltd.	1,717,727	1,463,347
JDX Technology Co., Ltd.	-	7,256
Superworld Holdings (S) Pte. Ltd.	269,451	-
	<u>\$ 6,886,239</u>	<u>\$ 5,714,425</u>

1. For information about the subsidiaries of the Company, please refer to Note 4 (3) of the

Company's 2024 and 2023 consolidated financial statements.

2. The shares of profit and loss of subsidiaries and associates recognized using the equity method in 2024 and 2023 were NT\$544,814 and NT\$423,718, respectively.
3. Associates:

- (1) The basic information of the Company's major associates is as follows:

Provider	Main business premises	Shareholding ratio		Nature of relationship	Measuring method
		December 31, 2024	December 31, 2023		
APAQ Technology Co., Ltd.	Taiwan	28.1%	28.1%	Business strategy	Equity method

The Company publicly acquired common shares of APAQ Technology Co., Ltd. for 25,000 thousand shares at NTD 58 per share from March 17, 2023 to April 6, 2023. In addition, the acquisition amount was paid and equity transfer was completed on April 13, 2023. Accordingly, the Company has acquired 28.1% of equity of APAQ Technology Co., Ltd.

- (2) The summarized financial information of the major associates of the Company is as follows:

Balance sheet

	APAQ Technology Co., Ltd. and Subsidiaries	
	December 31, 2024	December 31, 2023
Current assets	\$ 4,079,702	\$ 3,168,097
Non-current assets	2,793,049	1,754,258
Current liabilities	(2,627,835)	(1,687,223)
Non-current liabilities	(206,156)	(320,757)
Non-controlling interests	(118,286)	-
Fair value adjustment of other intangible and tangible net assets	436,014	-
Adjusted total net assets	<u>\$ 4,356,488</u>	<u>\$ 2,914,375</u>
Share of net total assets of associates	\$ 1,224,173	\$ 818,939
Goodwill	523,825	644,408
Others	(30,271)	-
Carrying amount of associate statement of comprehensive income	<u>\$ 1,717,727</u>	<u>\$ 1,463,347</u>

	APAQ Technology Co., Ltd. and Subsidiaries	
	2024	2023
Revenue	\$ 3,495,668	\$ 2,934,913
Profit from continuing operations	\$ 511,815	\$ 328,378
Other comprehensive income (net amount after tax)	673,964	64,814
Total comprehensive income (loss) for the current period	<u>\$ 1,185,779</u>	<u>\$ 393,192</u>
Dividends received from associates	<u>\$ 57,500</u>	<u>\$ 57,500</u>

- (3) A major associate of the Company, APAQ Technology Co., Ltd., has quotations in the open market. The fair value on December 31, 2024 and 2023 was NT\$3,712,500 and NT\$1,737,500, respectively.

(4) In 2024 and 2023, the investment income from APAQ Technology Co., Ltd. recognized under equity method was NT\$124,725 and NT\$80,158, respectively, which was based on the financial reports issued by other CPAs for the same period.

(5) The Company holds 28.1% of the total number of voting shares of APAQ Technology Co., Ltd., respectively, making the Company the single largest shareholder. Since the quantities and dispersion of voting shares held by others were not widely dispersed and the governance body of the Company varies from that of the above companies, the Company is unable to direct the relevant activities of the above companies, hence no control over it. The Company believes that it has only a significant influence on the abovementioned company, so it is listed as an associate of the Company.

(6) The carrying amount and share of operating results of the associates not individually material to the Company are summarized as follows: As of December 31, 2024 and 2023, the carrying amount of the associates not individually material to the Company were NT\$269,451 and NT\$7,256, respectively.

	2024	2023
Profit from continuing operations	\$ 6,335	(\$ 744)
Profit or loss from discontinued operations	-	-
Other comprehensive income (net amount after tax)	-	-
Total comprehensive income (loss) for the current period	<u>\$ 6,335</u>	<u>(\$ 744)</u>

(7) In October 2024, the Company paid NT\$261,360 to acquire 2,700 thousand shares in SuperWorld Holdings (S) Pte. Ltd., bringing it and its subsidiary's shareholdings to 23.5%, and the Company adopted the equity method to value it. The Company is required to complete an acquisition price allocation report by October 4, 2025. The report was under preparation as of December 31, 2024.

(8) In November 2024, the Company acquired additional shares in Unique One Technology Co., Ltd., thereby gaining control over the company and making it a subsidiary of the Company.

(VI) Property, Plant, and Equipment

	2024									
	Land	Buildings and structures	Machinery	Utilities equipment	Transportatio n equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total	
January 1										
Cost	\$ 777,560	\$ 198,974	\$ 2,098,954	\$ 24,315	\$ 8,282	\$ 30,901	\$ 186,674	\$ 22,121	\$ 3,347,781	
Accumulated depreciation and impairment	-	(103,909)	(950,002)	(17,479)	(6,538)	(19,634)	(101,957)	-	(1,199,519)	
	<u>\$ 777,560</u>	<u>\$ 95,065</u>	<u>\$ 1,148,952</u>	<u>\$ 6,836</u>	<u>\$ 1,744</u>	<u>\$ 11,267</u>	<u>\$ 84,717</u>	<u>\$ 22,121</u>	<u>\$ 2,148,262</u>	
January 1										
Addition	\$ 777,560	\$ 95,065	\$ 1,148,952	\$ 6,836	\$ 1,744	\$ 11,267	\$ 84,717	\$ 22,121	\$ 2,148,262	
Disposal	-	-	8,990	-	-	1,887	59,728	307,106	377,711	
Cost	-	(17,749)	(156,414)	-	-	(1,728)	(8,533)	-	(184,424)	
Cumulative Depreciation	-	2,130	68,321	-	-	1,728	5,563	-	77,742	
Reclassification	169,292	75,670	74,435	-	-	853	5,392	(325,642)	-	
Depreciation expenses	-	(7,541)	(150,269)	(1,030)	(741)	(3,764)	(36,471)	-	(199,816)	
December 31	<u>\$ 946,852</u>	<u>\$ 147,575</u>	<u>\$ 994,015</u>	<u>\$ 5,806</u>	<u>\$ 1,003</u>	<u>\$ 10,243</u>	<u>\$ 110,396</u>	<u>\$ 3,585</u>	<u>\$ 2,219,475</u>	
December 31										
Cost	\$ 946,852	\$ 256,895	\$ 2,025,965	\$ 24,315	\$ 8,282	\$ 31,913	\$ 243,261	\$ 3,585	\$ 3,541,068	
Accumulated depreciation and impairment	-	(109,320)	(1,031,950)	(18,509)	(7,279)	(21,670)	(132,865)	-	(1,321,593)	
	<u>\$ 946,852</u>	<u>\$ 147,575</u>	<u>\$ 994,015</u>	<u>\$ 5,806</u>	<u>\$ 1,003</u>	<u>\$ 10,243</u>	<u>\$ 110,396</u>	<u>\$ 3,585</u>	<u>\$ 2,219,475</u>	

2023											
	Land	Buildings and structures	Machinery	Utilities equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending acceptance		Total	
January 1											
Cost	\$ 777,560	\$ 175,019	\$ 2,185,997	\$ 24,315	\$ 8,282	\$ 26,707	\$ 143,616	\$ 11,516	\$ 3,353,012		
Accumulated depreciation and impairment	-	(97,569)	(870,963)	(16,444)	(5,758)	(17,066)	(77,765)	-	(1,085,565)		
	<u>\$ 777,560</u>	<u>\$ 77,450</u>	<u>\$ 1,315,034</u>	<u>\$ 7,871</u>	<u>\$ 2,524</u>	<u>\$ 9,641</u>	<u>\$ 65,851</u>	<u>\$ 11,516</u>	<u>\$ 2,267,447</u>		
January 1	\$ 777,560	\$ 77,450	\$ 1,315,034	\$ 7,871	\$ 2,524	\$ 9,641	\$ 65,851	\$ 11,516	\$ 2,267,447		
Addition	-	-	38,984	-	-	3,437	38,698	102,793	183,912		
Disposal											
Cost	-	-	(186,767)	-	-	(531)	(1,776)	-	(189,074)		
Cumulative Depreciation	-	-	77,672	-	-	531	556	-	78,759		
Reclassification (Note)	-	23,955	60,740	-	-	1,288	6,136	(92,188)	(69)		
Depreciation expenses	-	(6,340)	(156,711)	(1,035)	(780)	(3,099)	(24,748)	-	(192,713)		
December 31	<u>\$ 777,560</u>	<u>\$ 95,065</u>	<u>\$ 1,148,952</u>	<u>\$ 6,836</u>	<u>\$ 1,744</u>	<u>\$ 11,267</u>	<u>\$ 84,717</u>	<u>\$ 22,121</u>	<u>\$ 2,148,262</u>		
Cost as of December 31	\$ 777,560	\$ 198,974	\$ 2,098,954	\$ 24,315	\$ 8,282	\$ 30,901	\$ 186,674	\$ 22,121	\$ 3,347,781		
Accumulated depreciation and impairment	-	(103,909)	(950,002)	(17,479)	(6,538)	(19,634)	(101,957)	-	(1,199,519)		
	<u>\$ 777,560</u>	<u>\$ 95,065</u>	<u>\$ 1,148,952</u>	<u>\$ 6,836</u>	<u>\$ 1,744</u>	<u>\$ 11,267</u>	<u>\$ 84,717</u>	<u>\$ 22,121</u>	<u>\$ 2,148,262</u>		

Note: Reclassified to intangible assets.

1. The capitalized amounts of interest from January 1 to December 31, 2024 and 2023 were both NT\$0.
2. The major components of the Company's buildings and structures, including buildings and engineering systems, are depreciated over 25 - 50 years and 8 - 20 years, respectively.
3. For information on pledged property, plant and equipment, refer to Note 8.

(VII) Lease Transactions - Lessee

1. The underlying assets leased by the Company include buildings, business vehicles, and multi-function peripherals. The lease contract period is usually 3 to 5 years. Lease contracts are agreed upon individually and contain different terms and conditions. Leased assets are not restricted in any way, except that they shall not be used as collaterals for borrowings.
2. The lease term of the buildings and warehouses leased by the Company is less than 12 months. The low-value underlying asset of the Company's lease is the electronic host for business use.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Buildings	\$ 6,924	\$ 9,193
Transportation equipment	-	1,257
Machinery and equipment	763	614
	<u>\$ 7,687</u>	<u>\$ 11,064</u>

	2024	2023
	Depreciation expenses	Depreciation expenses
Buildings	\$ 2,268	\$ 4,704
Transportation equipment	1,257	1,509
Machinery and equipment	352	356
	<u>\$ 3,877</u>	<u>\$ 6,569</u>

4. Profit or loss items in relation to lease contracts are as follows:

<u>Items that affect profit or loss</u>	2024	2023
Expenses attributable to short-term lease contracts	\$ 18,064	\$ 14,774
Expenses attributable to low-value assets	101	84

5. The increase of the Company's right-of-use assets in 2024 and 2023 were NT\$561 and NT\$10,133, respectively.
6. The total lease cash outflow of the Company in 2024 and 2023 was NT\$22,211 and NT\$21,382, respectively.

(VIII) Other non-current assets

	December 31, 2024	December 31, 2023
Refundable deposits	\$ 5,841	\$ 2,341
Pre-payments for construction and equipment	29,475	2,330
Uncollectible overdue receivables	1,252	1,252
Allowance for uncollectible-overdue receivables	(1,252)	(1,252)
	<u>\$ 35,316</u>	<u>\$ 4,671</u>

(IX) Short-term Borrowings

Nature of borrowings	December 31, 2024	Interest rate range	Collaterals
Bank loan			Land, buildings, and structures
Credit loan	\$ 230,000	1.80%~1.98%	
Secured loan	100,000	1.89%	
	<u>\$ 330,000</u>		

Nature of borrowings	December 31, 2023	Interest rate range	Collaterals
Bank loan		1.67%	-
Credit loan	\$ 100,000		

The interest expense recognized in profit or loss of short-term borrowings in 2024 and 2023 were NT\$2,210 and NT\$6,756, respectively.

(X) Other Payables

	December 31, 2024	December 31, 2023
Salary and bonus payables	\$ 103,720	\$ 89,901
Employee compensation and directors' and supervisors' remuneration payable	64,538	51,686
Construction and equipment payable	36,952	43,299
Others	183,404	101,265
	<u>\$ 388,614</u>	<u>\$ 286,151</u>

(XI) Corporate bonds payable

	December 31, 2024	December 31, 2023
Corporate bonds payable	\$ 1,099,900	\$ 1,100,000
Less: Discount of corporate bond payable	(33,474)	(51,305)
	1,066,426	1,048,695
Less: Due within one year or one operating cycle		
Corporate bonds with repurchase rights or exercised resale rights	-	-
	<u>\$ 1,066,426</u>	<u>\$ 1,048,695</u>

1. Domestic convertible bonds issued by the Company

The conditions for the Company's issuance of the 1st domestic unsecured convertible corporate bonds are as follows

- (1) The Company was approved by the competent authority to issue the first domestic unsecured convertible corporate bonds. The total amount to be issued is NT\$1,100,000, the coupon rate of 0%, the issuance period of 3 years, and the circulation period from October 31, 2023 to October 31, 2026. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The convertible bonds were listed for trading on the Taipei Exchange on October 31, 2023.
- (2) The period from the day following the expiration of three months after the date of issuance to the maturity date of the convertible corporate bond holders, except (1) the period of suspension of the common stock transfer according to law; (2) The period from the 15 business days before the book closure date for cash dividends or the book closure date to the base date of distribution of rights; (3) The base date of capital reduction for capital reduction is scheduled to expire on the day before the trading day before the capital reduction; (4) For a change in the denomination of shares, the Company may inform Taiwan Depository & Clearing Corporation through to request the Company's stock agent to convert the bonds into shares of the Company's common

stock in accordance with the Regulations, the rights and obligations of the common shares after conversion are the same as the common shares issued originally.

(3) The conversion price of these convertible corporate bonds is set according to the pricing model stipulated in the conversion regulations. The subsequent conversion price will be adjusted in accordance with the pricing model stipulated in the conversion plan in the event of an increase in the number of shares of common stock issued (or private placement) of securities with conversion or subscription rights to common shares at a capital reduction lower than the prevailing conversion or subscription price per share, and capital reduction not due to cancellation of treasury shares. The pricing model shall be adjusted in accordance with the conversion regulations.

On April 6, 2024, the Company adjusted the conversion price to NTD 113.5 in accordance with the Conversion Regulations.

(4) When the closing price of the Company's common shares has exceeded the conversion price at the time of conversion for 30 consecutive business days by more than 30%, the Company may, within 30 business days, send a copy of the "Notice of Recovery of Bonds" after the expiration of 30 days to the bondholders by registered mail, and also request the Taipei Exchange to make a public announcement, and within 5 business days after the date of the recovery, all the bonds shall be recovered in cash based on the face value of the bonds.

(5) In accordance with the conversion regulations, all the convertible corporate bonds recovered (including repurchased from the Taipei Exchange), repaid or converted by the Company shall be cancelled and may not be re-sold or re-issued, and the conversion rights attached shall also be extinguished.

2. When issuing the convertible bonds, the Company separated the equity conversion option and each component of liability in accordance with IAS No. 32 "Financial Instruments: Presentation," and accounted for NT\$55,190 as "Capital surplus - stock options." In addition, the embedded repurchase options were not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they were separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss." After the separation, the effective interest rate of the main contract debt was 1.7%.

3. As of December 31, 2024, the bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XII) Long-term Borrowings

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2024
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.75%	Land, buildings, and structures	\$ 440,222
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.28%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.23%~1.28%	Machinery	368,000
Credit loan	The period from March 2023 to	1.28%	-	220,000

	March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.		
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.23%	-
			250,000
			1,504,712
Less: Current portion of long-term borrowings		(242,950)	
			\$ 1,261,762

Nature of borrowings	Loan period and means of repayment	Interest rate range	Collaterals	December 31, 2023
Secured loan	Principal and interest are paid from August 2021 to August 2036.	1.63%	Land, buildings, and structures	\$ 477,955
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.15%	-	226,490
Secured loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2029.	1.11%~1.15%	Machinery	368,000
Credit loan	The period from March 2023 to March 2026 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2026 to February 2030.	1.15%	-	220,000
Credit loan	The period from April 2022 to March 2025 is the grace period, and interest is paid monthly. Principal and interest are paid from April 2025 to March 2027.	1.11%	-	250,000
				1,542,445
Less: Current portion of long-term borrowings		(37,733)		
				\$ 1,504,712

In 2024 and 2023, the interest expenses recognized in profit or loss for long-term borrowings were NT\$20,934 and NT\$18,674, respectively.

(XIII) Pensions

1. (1) By adhering to the requirements set forth in the “Labor Standards Act,” the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the “Labor Pension Act” on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the “Labor Pension Act.” Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered.

The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference. In accordance with the Labor Standards Act and the Labor Pension Act, the Company has already settled the length of services for some employees choosing the old pension scheme in 2022.

- (2) The Company has established the "Manager's Retirement and Resignation Method" to determine the payment applicable to the company's appointed managers. The retirement benefit formula is as follows:
 - A. Pensions for the service year applying the Labor Standards Act are calculated using the equation stated in the previous section.
 - B. The Company contributes an amount of pension equal to 6% of an employee's monthly salary for those electing to apply the Labor Pension Act and those taking their post on or after July 1, 2005.
 - C. For appointed managers who have rendered 25 or more years of services as of December 31, 2018, two bases are given to each full year of services rendered within 15 years, one base is given to each full year of service over 15 years (rounded up to one year for any year of service less than one year), and their annual salary at their 25th year of service is taken as their average salary. The Company makes a pension contribution equal to 6% of their monthly salary starting from their 25th year of service.
- (3) The Company is obligated to pay retirement pensions to the directors and chairman of the board who were employees, which is calculated at 6% of the monthly salary according to the "Directors' Salary and Remuneration Measures."
- (4) The amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ 1,415	\$ 1,053
Fair value of plan assets	(9,632)	(8,747)
Net defined benefit assets	<u>(\$ 8,217)</u>	<u>(\$ 7,694)</u>

- (5) In 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$361 and NT\$485, respectively.
2. (1) Starting July 1, 2005, the Company has established a retirement scheme based on the "Labor Pension Act," which shall apply to the laborers of this nationality. For employees of the Company who elected to apply the Labor Pension Act, the Company makes a contribution equal to 6% of the monthly salary to their individual retirement account with the Bureau of Labor Insurance. Employee pensions may be paid in monthly installments or in lump-sum payment based the accumulated amount in the employee's individual retirement account.
- (2) In 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$14,092 and NT\$13,025, respectively.

(XIV) Share Capital

- As of December 31, 2024, the Company had an authorized capital equal to NT\$3,000,000 (with NT\$20,000 retained for issuance of employee stock option certificates), a paid-in capital equal to NT\$1,020,349, and a share face value equal to NT\$10. All proceeds for share subscription were collected in full.
- As of December 31, 2024, the Company's convertible bonds with a face value of NT\$100 had been converted into 881 ordinary shares.

(XV) Capital Surplus

- Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.
- The capital reserve is detailed as follows:

	2024				
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options
January 1	\$ 1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190
Convertible corporate bond conversion	93	-	-	-	(5)
Changes in associates and joint ventures accounted for using the equity method	-	-	9	-	-
December 31	\$ 1,784,014	\$ 12,353	\$ 778	\$ 2,046	\$ 55,185
					\$ 1,854,376

	2023				
	Additional paid-in capital	Changes in ownership interests in subsidiaries	Changes in net equity of associates	Net assets from merger	Stock options
January 1	\$ 1,783,921	\$ 12,353	\$ -	\$ 2,046	\$ -
Issuance of convertible bonds	-	-	-	-	55,190
Changes in associates and joint ventures accounted for using the equity method	-	-	769	-	-
December 31	\$ 1,783,921	\$ 12,353	\$ 769	\$ 2,046	\$ 55,190
					\$ 1,854,279

(XVI) Retained Earnings

- According to the Company's Articles of Incorporation, if the Company has any earnings in the final account, they should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation: (1) 10% as legal reserve until it reaches the Company's paid-in capital; (2) set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations; (3) the remainder plus unappropriated earnings from prior years may be used to appropriate dividends or bonuses to shareholders after an earnings appropriation proposal is drafted by the Board of Directors and resolved in favor by the shareholders meeting. As required by Article 240 of the Company Act, if approved

by a majority vote at a Board of Directors' meeting attended by two thirds of directors, the Board of Directors may appropriate dividends or bonuses in cash with its existing legal reserve or capital surplus, and shall report to the shareholder's meeting. In such case, the requirements regarding resolution made by shareholders' meeting set out in the Company's Articles of Incorporation do not apply.

2. The Company's dividend policy determination factors include the industry's environment and the Company's growth stage, future capital needs, financial structure, capital budget, shareholders' interests, balanced dividends, and long-term financial planning. Each year shall remain within the range available for distribution. If the business development is in the active expansion stage, the profitability is expected to grow, and the stock dividend distribution will not significantly dilute the Company's profitability. The Board of Directors shall draft a distribution proposal according to law and report it to the shareholders' meeting. No less than 30% of annual earnings are appropriated to shareholders. Shareholder's bonuses may be appropriated in cash or in shares, provided, however, that the appropriation in cash shall not be less than 10% of the total appropriated amount.
3. Except being used to make up previous deficits or appropriate shares or cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate new shares or cash shall be limited to the portion exceeding 25% of the paid-in capital.
4. (1) According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.
(2) As for the special reserves provided upon initial application of IFRSs to satisfy the requirements specified in the official letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021, the Company may reverse them to the extent of their original provision ratio if subsequently the Company intends to use, dispose of or reclassify related assets. If the said related assets are investment property relating to land, such assets are reversed upon disposal or reclassification; if the said related assets are investment property other than land, such assets are reversed gradually over the use period.
5. On February 24, 2023, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$612,204 (NT\$6.0 per share) according to the 2022 surplus.
6. On February 26, 2024, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$459,153 (NT\$4.5 per share) according to the 2023 surplus.
7. On February 24, 2025, the Board of Directors passed a resolution to distribute an ordinary dividends of NT\$510,174 (NT\$5 per share) according to the 2024 surplus.

(XVII) Other Equity

	2024		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 356,690	(\$ 217,641)	\$ 139,049
Valuation of financial assets at fair value through other comprehensive income			
The Company and its			
– subsidiaries	107,717	-	107,717
– Associate	155,561	-	155,561
Disposal of equity instruments by subsidiary adjusted and transferred to retained earnings (	158,609 )	- (	158,609)
Exchange differences:			
The Company and its			
– subsidiaries	-	221,389	221,389
– Associate	-	31,585	31,585
December 31	<u>\$ 461,359</u>	<u>\$ 35,333</u>	<u>\$ 496,692</u>
	2023		
	Unrealized gains (losses)	Foreign currency translation	Total
January 1	\$ 198,390	(\$ 134,642)	\$ 63,748
Valuation of financial assets at fair value through other comprehensive income			
The Company and its			
– subsidiaries	192,848	-	192,848
– Associate	3,721	-	3,721
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings (	38,269 )	- (	38,269)
Exchange differences:			
The Company and its			
– subsidiaries	- (69,198)	(69,198)	
– Associate	- (13,801)	(13,801)	
December 31	<u>\$ 356,690</u>	<u>(\$ 217,641)</u>	<u>\$ 139,049</u>

(XVIII) Operating Revenue

	2024	2023
Revenue from contracts with clients	\$ 3,776,269	\$ 3,093,378

The Company's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	2024	2023
Wire-wound	\$ 3,048,464	\$ 2,371,941
Multilayer products	513,368	453,641
LAN transformer	86,162	117,472
Others	128,275	150,324
Total	<u>\$ 3,776,269</u>	<u>\$ 3,093,378</u>

(XIX) Other Income

	2024	2023
Rental income	\$ 4,523	\$ 10,129
Dividends income	5,176	7,129
Subsidies income	3,295	175
Miscellaneous income	2,295	605
Total	\$ 15,289	\$ 18,038

(XX) Other Gains and Losses

	2024	2023
Gains on disposal of property, plant and equipment	\$ 5,809	\$ 3,143
Loss on disposal of investment	(2,985)	-
Exchange gains, net	52,319	1,780
Gain on financial assets at fair value through profit or loss	6,916	1,672
Miscellaneous expenses	(6,274)	(4,512)
Total	\$ 55,785	\$ 2,083

(XXI) Financial Costs

	2024	2023
Interest expenses	\$ 23,144	\$ 25,430
Interest expense of corporate bonds payable	17,828	2,942
Other interest expenses	530	22
Total	\$ 41,502	\$ 28,394

(XXII) Additional Information on the Nature of Expenses

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expense	\$ 251,047	\$ 267,346	\$ 518,393
Depreciation expenses of property, plant and equipment	164,252	35,564	199,816
Depreciation of right-of-use assets	344	3,533	3,877
Amortization expenses	4,165	3,364	7,529
2023			
	Attributable to operating costs	Attributable to operating expenses	Total
	\$ 237,992	\$ 230,786	\$ 468,778
Employee benefits expense	168,249	24,464	192,713
Depreciation expenses of property, plant and equipment	3,005	3,564	6,569
Depreciation of right-of-use assets	3,297	2,531	5,828

(XXIII) Employee Benefits Expense

	2024		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 212,741	\$ 232,408	\$ 445,149
Labor and health insurance expense	21,396	16,535	37,931
Pension expense	5,657	8,796	14,453
Other personnel expense	11,253	9,607	20,860
	<u>\$ 251,047</u>	<u>\$ 267,346</u>	<u>\$ 518,393</u>

	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Salary and wages	\$ 196,808	\$ 198,500	\$ 395,308
Labor and health insurance expense	23,033	16,096	39,129
Pension expense	6,154	7,356	13,510
Other personnel expense	11,997	8,834	20,831
	<u>\$ 237,992</u>	<u>\$ 230,786</u>	<u>\$ 468,778</u>

1. Where there are earnings in the final account, no less than 6% shall be allocated as employee compensation, either in cash or in shares, as resolved by the Board of Directors - employees qualified for such compensation include employees from affiliated companies who meet certain criteria; and no more than 2% of the above earnings shall be allocated as remuneration for directors and supervisors.
2. The estimated amount of employee remuneration in 2024 and 2023 was NT\$51,631 and NT\$41,349, respectively; the estimated amount of director/supervisor remuneration was NT\$12,907 and NT\$10,337, respectively, and the aforementioned amount was booked in salaries.

The remuneration to employees and directors/supervisors for 2024 is estimated at 6% and 1.5% of the profit, respectively for 2023. The actual distribution amounts resolved by the Board of Directors were \$51,631 and \$12,907, of which employee remuneration was paid in cash.

The amount of the accrued employee compensation and directors' and supervisors' remuneration for 2023 as had been resolved by the Board of Directors was the same as the amount recognized in the financial statements for 2023.

The amounts of employee compensation and directors' and supervisors' remuneration approved by the Board of Directors and resolved by the shareholders' meeting can be found on the Market Observation Post System of TWSE.

(XXIV) Income Tax

1. Income tax expense

(1) Income tax components:

	2024	2023
Current tax:		
Tax attributable to taxable income of the period	\$ 40,170	\$ 41,052
Additional levy on unappropriated earnings	5,467	9,753
Underestimation (overestimation) of income tax in previous years	1,070	(7,889)
Total current tax	<u>46,707</u>	<u>42,916</u>
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	1,110	1,156
Income tax expenses	<u>\$ 47,817</u>	<u>\$ 44,072</u>

(2) Income tax associates with other comprehensive income: None.

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

2. Relationship between income tax expenses and accounting profit

	2024	2023
Income tax derived from applying the statutory tax rate to income before tax	\$ 159,194	\$ 127,491
Impacts on income tax items that must be adjusted according to the tax law	(100,714)	(80,739)
Temporary differences not recognized as deferred tax assets	-	1,953
Tax effects of investment deductibles	(5,803)	(5,432)
Tax effects of temporary differences	(786)	(1,065)
Change in estimation of probability of realizing deferred tax assets	(10,611)	-
Income tax under (over) estimates of previous years	1,070	(7,889)
Additional levy on unappropriated earnings	5,467	9,753
Income tax expenses	<u>\$ 47,817</u>	<u>\$ 44,072</u>

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

	2024		
	January 1	Recognized in P/L	December 31
Deferred tax assets			
-Temporary differences:			
Unrealized gains from disposal	\$ 3,201	(\$ 1,110)	\$ 2,091
Deferred tax liabilities			
Reserve for land revaluation increment tax	(\$ 28,572)	\$ -	(\$ 28,572)
Total	<u>(\$ 25,371)</u>	<u>(\$ 1,110)</u>	<u>(\$ 26,481)</u>

	2023		
	January 1	Recognized in P/L	December 31
Deferred tax assets			
-Temporary differences:			
Unrealized gains from disposal	\$ 4,357	(\$ 1,156)	\$ 3,201
Deferred tax liabilities			
Reserve for land revaluation increment tax	(\$ 28,572)	\$ -	(\$ 28,572)
Total	(\$ 24,215)	(\$ 1,156)	(\$ 25,371)

4. Deductible temporary differences that are not recognized as deferred income tax assets

	December 31, 2024	December 31, 2023
Deductible temporary differences:	\$ 35,009	\$ 18,047

5. The Company did not recognize deferred tax liabilities for the taxable temporary differences in relation to subsidiaries' investment. As of December 31, 2024 and 2023, the amounts of temporary differences for which deferred assets had not been recognized were NT\$725,844 and NT\$613,807, respectively.

6. The Company's income tax up to 2022 has been approved by the tax authority.

(XXV) Earnings Per Share

	2024		
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	\$ 7.33
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 748,155	102,035	
Dilutive effects of the potential common shares			
Employee compensation	-	479	
Convertible corporate bonds	17,828	9,691	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 765,983	112,205	\$ 6.83

	2023		
	Post-tax amount	Weighted average number of outstanding shares (In Thousands of Shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 593,383	102,034	\$ 5.82
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of common shares of the parent	\$ 593,383	102,034	
Dilutive effects of the potential common shares			
Employee compensation	-	472	
Convertible corporate bonds	2,942	1,554	
Profit attributable to shareholders of common shares of the parent plus effects of potential common shares	\$ 596,325	104,060	\$ 5.73

(XXVI) Additional Information on Cash Flows

Investing activities partially involving cash payments:

	2024	2023
Acquisition of property, plant, and equipment	\$ 377,711	\$ 183,912
Plus: Equipment payable at the beginning of the period	43,299	26,313
Plus: Notes payable at the beginning of the period	5,565	37,028
Add: Prepayments for construction and equipment - ending	29,475	2,330
Plus: Equipment payable at the end of the period	(36,952)	(43,299)
Less: Notes payable at the end of the period	(4,879)	(5,565)
Less: Prepayments for construction and equipment - opening	(2,330)	(19,239)
Cash paid in the period	<u>\$ 411,889</u>	<u>\$ 181,480</u>

(XXVII) Changes in Liabilities Arising from Financing Activities

	Short-term borrowing s	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1, 2024	\$ 100,000	\$ 1,542,445	\$ 11,233	\$ 1,048,695	\$ 2,702,373
Changes from financing cash flows	230,000 (37,733) (4,046)			-	188,221
Changes in amortized interest of corporate bonds payable	-	-	-	17,828	17,828
Other non-cash changes	-	-	500 (97)	403	
December 31, 2024	<u>\$ 330,000</u>	<u>\$ 1,504,712</u>	<u>\$ 7,687</u>	<u>\$ 1,066,426</u>	<u>\$ 2,908,825</u>

	Short-term borrowing s	Long-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities arising from financing activities - Total
January 1, 2023	\$ -	\$ 1,126,179	\$ 7,624	\$ -	\$ 1,133,803
Changes from financing cash flows	100,000	416,266	(6,524)	1,100,502	1,610,244
Changes in amortized interest of corporate bonds payable	-	-	-	2,942	2,942
Other non-cash changes	-	-	10,133	(54,749)	(44,616)
December 31, 2023	<u>\$ 100,000</u>	<u>\$ 1,542,445</u>	<u>\$ 11,233</u>	<u>\$ 1,048,695</u>	<u>\$ 2,702,373</u>

VII. Related Party Transactions

(I) Name and Relationship of Related Party

Name of related party	Relationship with the Company
BEST BLISS INVESTMENTS LIMITED	Being the Company's subsidiary
NORTH STAR TINTERNATIONAL LIMITED	Being the Company's subsidiary
FIXED ROCK HOLDING LTD.	Being the Company's subsidiary
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Being the Company's subsidiary
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Being the Company's subsidiary
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Being the Company's subsidiary
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Subsidiary of the Company (Note 1)
TECHWORLD ELECTRONICS (M) SDN. BHD.	Subsidiary of the Company (Note 2)
JDX Technology Co., Ltd.	Subsidiary of the Company (Note 3)
Superworld Electronics (S) Pte Ltd.	Other related parties and associates (Note 5)
TAI-TECH ADVANCED ELECTRONICS (S) PTE LTD	Other related parties and associates (Note 5)
Superworld Electronics Co., Ltd.	Other related parties and associates (Notes 4 and 5)
SFI Electronics Technology Inc.	Other related party
APAQ Technology Co., Ltd.	Associate
Jui-hsia Tai	Immediate family member of the major management
Chang-i Hsieh	Immediate family member of the major management
Chairman, Supervisor, President, and Vice President	Major management of the Company

Note 1 : Incorporated in June 2023.

Note 2 : Incorporated in July 2023.

Note 3 : Since November 2024, the company's relations with the Company have been changed from an associate to a subsidiary of the Company.

Note 4 : In December 2024, Chenghan Technology Co., Ltd. was renamed Superworld Electronics Co., Ltd.

Note 5 : Since October 2024, the Company's relations with the Group have been changed from the category of other related parties to that of associates.

(II) Significant Transactions with Related Party

1. Operating revenue

	2024	2023
Sale of goods:		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 401,620	\$ 354,986
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	25,415	83,272
Subsidiary	7	-
Associate	85,571	-
Other related party	311,538	286,990
Total	<u>\$ 824,151</u>	<u>\$ 725,248</u>

When selling goods to a related party, the price is the same as that for an arm's length transaction, except the price for sales to a subsidiary, in which case the price is negotiated by the Company and the subsidiary. The payment terms also approximate those for ordinarily clients.

2. Purchase

	2024	2023
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 2,051,606	\$ 1,382,432
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	264,319	436,510
Other related party	13	960
Total	<u>\$ 2,315,938</u>	<u>\$ 1,819,902</u>

- (1) The price of commodities purchased by the Company from related parties shall be handled according to general transaction procedures except unless otherwise negotiated by both parties. The payment terms shall be similar to those of general suppliers.
- (2) In 2024, the Company indirectly purchased inventories from TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., of which NT\$84,922 and NT\$21,128 were sold by the Company to TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., respectively. But these parts are not included in the sales revenue and cost of the Company.
- (3) In 2023, the Company indirectly purchased inventories from TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., of which NT\$87,194 and NT\$106,311 were sold by the Company to TAIPAQ Electronic Components (Si-Hong) Co., Ltd. and TAI-TECH Advanced Electronics (Kun Shan) Co., Ltd., respectively. But these parts are not included in the sales revenue and cost of the Company.

3. Other costs

	2024	2023
Subsidiary	\$ 67	-
Other related party	-	1,075
	<u>\$ 67</u>	<u>\$ 1,075</u>

4. Lease transactions - lessee

- (1) The Company leases buildings from close relatives of key management personnel. The lease contract period is 2023 to 2028. The rent is paid on a monthly basis.

(2) Lease liabilities

Balance at the end of the period:

	December 31, 2024	December 31, 2023
Jui-hsia Tai	\$ 4,133	\$ 5,444
Chang-i Hsieh	2,791	3,676
	<u><u>\$ 6,924</u></u>	<u><u>\$ 9,120</u></u>

5. Accounts receivables due from related party

	December 31, 2024	December 31, 2023
Accounts receivable:		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 181,588	\$ 156,844
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	16,028	26,276
Subsidiary	8	-
Associate	129,446	-
Other related party	-	94,778
Sub-total	<u><u>327,070</u></u>	<u><u>277,898</u></u>
Other receivables:		
Subsidiary	3,264	-
Total	<u><u>\$ 330,334</u></u>	<u><u>\$ 277,898</u></u>

6. Accounts payables due to related party

	December 31, 2024	December 31, 2023
Accounts payable:		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 768,883	\$ 491,585
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	90,308	96,587
Other related party	1	-
Sub-total	<u><u>859,192</u></u>	<u><u>588,172</u></u>
Other payables:		
Subsidiary	520	-
Associate	593	-
Other related party	-	100
Sub-total	<u><u>1,113</u></u>	<u><u>100</u></u>
Total	<u><u>\$ 860,305</u></u>	<u><u>\$ 588,272</u></u>

7. Asset transactions

(1) Disposal of real estate, plant, and equipment:

	2024		2023	
	Disposal proceeds	Disposal gain (loss)	Disposal proceeds	Disposal gain (loss)
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 87,217	(\$ 77)	\$ 107,785	(\$ 2,530)
Subsidiary	2,665	16	-	-
Total	<u><u>\$ 89,882</u></u>	<u><u>(\$ 61)</u></u>	<u><u>\$ 107,785</u></u>	<u><u>(\$ 2,530)</u></u>

(2) Acquisition of property, plant, and equipment:

	2024	2023
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ 1,538	\$ 15,222
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	-	11,046
Total	\$ 1,538	\$ 26,268

(3) Acquisition of financial assets (no such transaction in 2023)

		2024	
Accounting items	Number of share transactions	Transaction targets	Acquisition prices
APAQ Technology Co., Ltd.	700 thousand shares	JDX Technology Co., Ltd.	\$ 2,202

8. Loaning of funds to others

Borrowings from related parties

(1) Ending balance

	December 31, 2024	December 31, 2023
NORTH STAR TINTERNATIONAL LIMITED	\$ 96,716	\$ -

(2) Interest expenses

	2024	2023
NORTH STAR TINTERNATIONAL LIMITED	\$ 516	\$ -

The conditions for borrowings from subsidiaries are to pay interest quarterly within three years after a borrowing is granted and repay the principal in one lump sum upon maturity. The interest for 2024 is calculated at an annual interest rate of 1.68%.

9. Status of endorsement guarantee for related parties

	December 31, 2024	December 31, 2023
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	\$ -	\$ 153,525
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	-	61,410
Total	\$ -	\$ 214,935

(III) Remuneration to Major Management

	2024	2023
Short-term employee benefits	\$ 75,450	\$ 64,640
Post-retirement benefits	1,769	1,575
Total	\$ 77,219	\$ 66,215

VIII. Pledged Assets

Assets pledged as collaterals were as follows:

Type of asset	December 31, 2024	December 31, 2023	Purpose of collateral
Property, plant and equipment			
Land	\$ 766,893	\$ 766,893	Short and long-term borrowings
- Buildings and structures	40,716	59,571	Short and long-term borrowings
- Machinery	349,638	401,327	Long-term borrowings

IX. Significant Commitments or Contingencies

(I) Contingency

None.

(II) Commitments

Capital expenditures committed but not yet incurred

	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ 44,632	\$ 59,465
Computer software	\$ 8,040	\$ 1,327

X. Significant Disaster Losses

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The purposes of the Company's capital management are to ensure that the Company continues as a going concern, to maintain an optimal capital structure to lower financing costs, and to provide returns of investment to shareholders. For the purpose of maintaining an optimal capital structure, the Company may adjust the amount of dividends paid to shareholders, or may issue new shares.

(II) Financial Instrument

1. Type of financial instrument

	December 31, 2024	December 31, 2023
Financial Assets		
Financial assets at fair value through profit or loss		
Financial assets compulsorily measured at fair value through profit or loss - current increase	\$ 770	\$ 880
Financial assets at fair value through other comprehensive income		
Financial assets in equity instruments investment of which the fair value is designated to be recognized in other comprehensive income	<u>\$ 486,361</u>	<u>\$ 234,936</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 368,403	\$ 901,740
Notes receivable, net	10,540	15,894
Accounts receivable, net (including those due from related party)	1,327,409	1,004,440
Other receivables (including those due from related party)	35,923	9,363
Refundable deposits (recognized under other noncurrent assets)	5,841	2,341
	<u>\$ 1,748,116</u>	<u>\$ 1,933,778</u>

Financial Liabilities

Financial liabilities measured at amortized cost			
Short-term borrowings	\$ 330,000	\$ 100,000	
Notes payable	16,011	17,459	
Accounts payable (including related party)	959,846	662,669	
Other payables (including those due to related party)	388,614	286,151	
Corporate bonds payable (including those due within one year or one operating cycle)	1,066,426	1,048,695	
Long-term borrowings (including the portion with maturity in one year)	1,504,712	1,542,445	
Guarantee deposits (recognized under other non-current liabilities)	600	1,640	
	<u>\$ 4,266,209</u>	<u>\$ 3,659,059</u>	
Lease liabilities	<u>\$ 7,687</u>	<u>\$ 11,233</u>	

2. Risk management policy

- (1) The Company's daily operations are subject to several financial risks, including market risks (including exchange rate, interest rate, and price risks), credit risks, and liquidity risks. The Company's risk management policy focuses on the unpredictable market events in order to minimize their potentially adverse impacts on the Company's financial position and financial performance.
- (2) The Board of Directors shall review important financial activities of the Company according to the relevant norms and internal control systems. The Company strictly abides by relevant financial operating procedures during the implementation of

financial plans.

3. Nature and degree of significant financial risks

(1) Market risk

Foreign exchange risks

- A. The Company operates internationally and so is subject to the exchange rate risk of different currencies, particularly the USD and RMB. Relevant exchange rate risk arises from future business transactions and the recognized assets and liabilities.
- B. The management level of the Company has established policies to regulate each company's exchange rate risk concerning its functional currency. Foreign exchange risk arises when future business transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.
- C. The Company's business involves a number of non-functional currencies (the Company's functional currency is NTD, and the functional currency of some subsidiaries is either RMB or USD). So the information on foreign currency assets and liabilities affected by major exchange rate fluctuations due to the exchange rate fluctuation is as follows:

	December 31, 2024		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
Monetary items			
USD:NTD	\$ 39,680	32.79	\$ 1,301,107
RMB : NTD	45,713	4.56	208,451
Non-monetary items			
USD:NTD	157,403	32.79	5,161,254
<u>Financial Liabilities</u>			
Monetary items			
USD:NTD	\$ 30,047	32.79	\$ 985,241
RMB : NTD	4,037	4.56	18,409

	December 31, 2023							
	Foreign currency (in thousands)	Exchange rate	Carrying amount (New Taiwan Dollars)					
(Foreign currency: functional currency)								
<u>Financial Assets</u>								
<u>Monetary items</u>								
USD:NTD	\$ 30,482	30.71	\$ 936,102					
RMB : NTD	84,651	4.34	367,385					
<u>Non-monetary items</u>								
USD:NTD	138,190	30.71	4,243,822					
<u>Financial Liabilities</u>								
<u>Monetary items</u>								
USD:NTD	\$ 19,764	30.71	\$ 606,952					
RMB : NTD	706	4.34	3,064					

D. The aggregate amount of all exchange gains and losses (including realized and unrealized) recognized as of January 1 to December 31, 2024 and 2023 for monetary items of the Company that are materially affected by exchange rate fluctuations was NT\$52,319 and gain on exchange amounted to NT\$1,780. Since the Company's transactions involve multiple currencies that have significant foreign exchange impacts, they are disclosed as a whole.

E. The Company's analysis of the foreign currency market affected by significant exchange rate fluctuations is as follows:

	2024		
	Sensitivity Analysis		
	Fluctuation	Effects on P/L	Effects on other comprehensive income (OCI)
(Foreign currency: functional currency)			
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 13,011	\$ -
RMB : NTD	1%	2,085	-
<u>Non-monetary items</u>			
USD:NTD	1%	-	51,613
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	9,852	-
USD : RMB	1%	184	-

2023					
Sensitivity Analysis					
	Fluctuation		Effects on P/L	Effects on other comprehensive income (OCI)	
(Foreign currency: functional currency)					
<u>Financial Assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	9,361	\$	-
RMB : NTD	1%		3,674		-
<u>Non-monetary items</u>					
USD:NTD	1%		-		42,438
<u>Financial Liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%		6,070		-
USD : RMB	1%		31		-

Price risk

- A. Since the investments held by the Company are classified as financial assets measured at fair value through other comprehensive income in the balance sheet, the Company is exposed to equity instrument price risks.
- B. The Company mainly invests in equity instruments issued by domestic and foreign companies. The prices of these equity instruments will be affected by future investment target value uncertainties. If the price of such equity instrument goes up or down by 1%, held other variables constant, the post-tax profit or loss for January 1 through December 31, 2024 and 2023 will increase or decrease by NT\$4,864 and NT\$2,349 due to the increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The company's interest rate risk mainly comes from short-term and long-term loans issued at floating rates. It exposes the Company to cash flow interest rate risks, part of which is offset by cash held at floating rates. For January 1 to December 31, 2024 and 2023, the Company's borrowings at floating interest rates were mainly denominated in NTD.
- B. When the interest rate of NT\$borrowings increased or decreased by 1%, and all other factors remained unchanged, the net after tax for January 1 to December 31, 2024 and 2023 would decrease or increase by NT\$14,678 and NT\$13,140, respectively. This was mainly due to the changes in interest expense resulting from variable-rate borrowings.

(2) Credit risk

- A. The Company's credit risk refers to the risk of financial losses due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations. It mainly comes from the inability of counterparties to pay off accounts receivable in accordance with the collection terms of the collection agreements.
- B. The Company has established credit risk management from the Company's perspective. As the internal credit approval policy stipulates, an operating entity

within the Company shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records and other factors. The limit on individual risk is set by the management by referring to internal or external ratings. The status of utilization of credit lines is regularly monitored.

- C. The Company adopts IFRS 9 to provide prerequisite assumptions. When the contract payment is more than 30 days overdue according to the agreed payment terms, the financial asset credit risk is deemed to have increased significantly since the original recognition.
- D. When the counterparty has a significant delay in repayment, it is deemed to have breached the contract according to the Company's credit risk management procedures.
- E. The Company shall write off the amount of financial assets that cannot be reasonably expected to be recovered after the recourse procedure. The Company shall continue to execute legal recourse procedures to preserve the creditors' rights. The Company's written-off claims with recourses still active as of December 31, 2024 and 2023 were both NT\$0.
- F. The Company shall divide the clients' accounts receivable into groups based on rating features. The simplified method is to prepare a matrix to estimate the expected credit losses.
- G. The Company takes into account the future outlook and adjusts the loss rate based on historical and current information in a specific period to estimate the allowance for losses of accounts receivable. The allowance matrix as of December 31, 2024 and 2023 is as follows:

	Individua l disclosur e	Not yet due	Within 30 days past due	31-90 days past due	91-180 days past due	Total
<u>December 31, 2024</u>						
Expected loss (%)	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	
Total carrying amount	\$ 1,252	\$ 1,323,631	\$ 13,336	\$ 1,865	\$ -	\$ 1,340,084
Loss allowance	\$ 1,252	\$ 737	\$ 138	\$ 8	\$ -	\$ 2,135
<u>December 31, 2023</u>						
Expected loss (%)	100.00 %	0.07 %	5.44 %	0.00 %	100.00 %	
Total carrying amount	\$ 1,252	\$ 989,128	\$ 32,081	\$ -	\$ 8	\$ 1,022,469
Loss allowance	\$ 1,252	\$ 737	\$ 138	\$ -	\$ 8	\$ 2,135

H. The table of changes in the allowance for losses of accounts receivable adopted by the Company's simplified approach is as follows:

	2024			
	Notes receivable	Accounts Receivable	Uncollectible overdue receivables	Total
January 1	\$ -	\$ 883	\$ 1,252	\$ 2,135
Impairment loss reversed	-	-	-	-
December 31	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 1,252</u>	<u>\$ 2,135</u>

	2023			
	Notes receivable	Accounts Receivable	Uncollectible overdue receivables	Total
January 1	\$ -	\$ 883	\$ 1,252	\$ 2,135
Impairment loss reversed	-	-	-	-
December 31	<u>\$ -</u>	<u>\$ 883</u>	<u>\$ 1,252</u>	<u>\$ 2,135</u>

(3) Liquidity risk

A. Cash flow forecasting is performed by individual operating entities within the Company and is aggregated by the Company's management department. Administration Department of the Company monitors the forecast of the Company's liquidity needs, so as to ensure that it has sufficient fund to meet operating needs and maintains sufficient unused loan commitments so that it won't default on any borrowing limits or terms. Such a forecast takes into account the Company's debt financing plan, compliance with provisions of debt instruments, fulfillment of the financial ratio targets on the balance sheet, and conformity with external regulatory requirements, such as foreign exchange control.

B. The table below shows the Company's non-derivative financial liabilities groups according to the relevant maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 330,000	\$ -	\$ -	\$ -
Notes payable	16,011	-	-	-
Accounts payable	100,654	-	-	-
Accounts payables to related parties	859,192	-	-	-
Other payables (including those due to related party)	388,614	-	-	-
Lease liabilities (including the portion with maturity in one year)	2,311	2,205	3,171	-
Corporate bonds payable	-	1,099,900	-	-
Long-term borrowings (including the portion with maturity in one year)	262,839	369,273	672,243	275,787

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1~2 years	2~5 years	Over than 5 years
Short-term borrowings	\$ 100,000	\$ -	\$ -	\$ -
Notes payable	17,459	-	-	-
Accounts payable	74,497	-	-	-
Accounts payables to related parties	588,172	-	-	-
Other payables (including those due to related party)	286,151	-	-	-
Lease liabilities (including the portion with maturity in one year)	4,051	2,199	4,983	-
Corporate bonds payable	-	-	1,100,000	-
Long-term borrowings (including the portion with maturity in one year)	57,227	261,065	902,117	410,727

C. The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at a significantly different amount.

(III) Fair Value Information

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

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

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability. The fair value of the Company's investment in non-active markets is included.

2. Financial instruments not measured at fair values

(1) Including cash and cash equivalents, notes receivable, accounts receivables, other receivables, short-term borrowings, notes payable, accounts payable, other payable, lease liability and long-term borrowings (including the portion with maturity in one year), is the reasonable approximation of their fair value, except for those listed in the table below.

Financial liabilities:	December 31, 2024			
	Fair value per unit			
	Carrying amount	Level 1	Level 2	Level 3
Corporate bonds payable	\$ 1,066,426	\$ -	\$ 1,289,633	\$ -

	December 31, 2023			
	Carrying amount	Fair value per unit		
		Level 1	Level 2	Level 3
Financial liabilities:				
Corporate bonds payable	\$ 1,048,695	\$ -	\$ 1,274,900	\$ -

(2) The methods and assumptions used by the Company to measure fair value are as follows: Corporate bonds payable are the corporate bonds issued by the Company. As their coupon rates are approximately equivalent to market rates, the most recent transaction prices and quotation data are used as the basis for assessing their fair value.

3. The Company classifies the financial and non-financial instruments measured at fair value based on the assets and liabilities' nature, characteristics, risks, and fair value levels. The relevant information is as follows:

(1) The Company is classified according to the nature of its assets and liabilities. The relevant information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 289,397	\$ -	\$ 196,964	\$ 486,361
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 770	\$ -	\$ 770

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through other comprehensive income				
Equity-based securities	\$ 116,876	\$ -	\$ 118,060	\$ 234,936
Derivatives				
Right of redemption of convertible bonds	\$ -	\$ 880	\$ -	\$ 880

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

A. The company uses the market price as the fair value input value (i.e., Level 1) according to the features of the tool as follows:

	Listed shares
Market quotation	Closing price
B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, or by using other valuation technique, e.g. the one that applies market information available on the balance	

sheet date to a pricing model for calculation. The redemption right of convertible bonds is typically evaluated using a binomial tree convertible bond valuation model.

C. Outputs from the valuation models are estimates, and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, when needed, estimates from the valuation model would be adjusted for additional parameters, e.g. model risk or liquidity risk.

4. There has been no transfer between the Level 1 and the Level 2 in 2024 and 2023.
5. The following table reflects Level 3 changes in 2024 and 2023.

	2024		2023	
	Equity-based securities		Equity-based securities	
	\$	118,060	\$	58,280
January 1				
Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income recognized in the profit or loss of other comprehensive income		59		18,695
Purchase of current period		78,845		41,085
December 31	\$	196,964	\$	118,060

6. There was no transfer in or out from Level 3 in 2024 and 2023.
7. The management department is responsible for the independent fair value verification of the Company's financial instruments to evaluate the fair value classified as Level 3. Independent source materials allow the evaluation results to closely reflect the market status. The source of the verification data must be independent, reliable, consistent with other resources, and implement any other necessary fair value adjustments to ensure that the valuation results are reasonable.
8. The quantitative information on, changes in, and sensitivity analysis of significant unobservable inputs used in Level 3 fair value measurement are stated as follows:

Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:				
Unlisted shares \$ 172,244	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
TWSE/TPEx-listed companies' privately placed shares \$ 24,720	Market approach	Discount for lack of marketability	N/A	The higher the discount for lack of marketability, the lower the fair value
Fair value at December 31, 2023	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:				
Unlisted shares \$ 118,060	Public company comparables	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

9. The Company has carefully evaluated and selected the evaluation model and evaluation parameters. However, using different evaluation models or parameters may result in different evaluation results. If valuation parameters change, financial assets classified as Level 3 will have effects on other comprehensive income, stated as follows:

	December 31, 2024					
	Inputs	Changes	Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets						
Equity instruments	\$ 221,928	±1%	\$ -	\$ -	\$ 1,224	(\$ 1,224)

	December 31, 2023					
	Inputs	Changes	Recognized in P/L		Recognized in other comprehensive income (OCI)	
			Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial Assets						
Equity instruments	\$ 143,786	±1%	\$ -	\$ -	\$ 1,280	(\$ 1,280)

(IV) As of December 31, 2024 and 2023, there were no open-ended financial derivatives for trading purposes. In 2024 and 2023, the Company's net gains from financial derivatives generated were NT\$0 and NT\$1,672, respectively.

XIII. Additional Disclosures

(I) Information on Significant Transactions

1. Loaning Funds to Others: Refer to Table 1.
2. Provision of Endorsements and Guarantees: Refer to Table 2.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates, and the Control Portion in a Joint Venture): Refer to Table 3.
4. Accumulative Purchase or Disposal of the Same Marketable Securities that Reaches NT\$300 Million or 20% or More of Paid-in Capital: Refer to Table 4.
5. Acquisition of Real Property That Reaches NT\$300 Million or 20% or More of Paid-in Capital: Refer to Table 5.
6. Disposal of Real Property That Reaches NT\$300 Million or 20% or More of Paid-in Capital: None.
7. Transaction with Related Party That Reaches NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 6.
8. Receivables Due from Related Party That Reach NT\$100 Million or 20% or More of Paid-in Capital: Refer to Table 7.
9. Engagement in derivative transactions: See Note 12 (3).

10. Significant Inter-company Transactions during the Reporting Period. Refer to Table 8.

(II) Information on Indirect Investment

Names and Location of Investees (Excluding Those in Mainland China): Refer to Table 9.

(III) Investment in Mainland China

1. Basic Information: Refer to Table 10.

2. Significant transactions that occurred directly or indirectly through third-region enterprises and investee companies and were reinvested in mainland China: refer to Table 8.

(IV) Major Shareholder Information

Major Shareholder Information: Refer to Table 11.

XIV. Segment Information

Not applicable.

Tai-Tech Advanced Electronics Co., Ltd.

Loans of funds to others

January 1 to December 31, 2024

Table 1

Unit: NT\$ thousand

(unless otherwise specified)

No.	Lending company	Borrowing party	Transaction item	Whether or not a related party	Maximum balance amount	Ending balance	Amount actually drawn	Interest rate range	Nature of loaned funds	Business dealing amount	Reason for necessary short-term financing	Allowance for Impairment Loss	Collaterals		Limit of loans to individual borrowers (Note)	Total limit of loans (Note)	Remarks
													Name	Value			
1	FIXED ROCK HOLDING LTD.	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 49,178	\$ 49,178	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,984,804	\$ 5,984,804	
1	FIXED ROCK HOLDING LTD.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Other receivables	Yes	\$ 197,010	\$ 98,355	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,984,804	\$ 5,984,804	
2	NORTH STAR INTERNATIONAL LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 98,355	\$ 98,355	\$ 96,716	1.68%	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,984,804	\$ 5,984,804	
2	NORTH STAR INTERNATIONAL LIMITED	FIXED ROCK HOLDING LTD.	Other receivables	Yes	\$ 97,635	\$ -	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,984,804	\$ 5,984,804	
3	BEST BLISS INVESTMENTS LIMITED	Tai-Tech Advanced Electronics Co., Ltd.	Other receivables	Yes	\$ 98,355	\$ 98,355	\$ -	-	Short-term financing fund	\$ -	Business revolving fund	\$ -	-	\$ -	\$ 5,984,804	\$ 5,984,804	

Note: The total amount of loaning of funds to others of the Company shall not exceed 40% of the net worth of the Company, and the amount of loaning of fund to an individual company or firm shall not exceed 20% of the net worth of the Company.

Loaning of funds between subsidiaries wholly owned, directly and indirectly, by the Company, or between overseas companies wholly owned, directly and indirectly, by the Group's parent company and the Group's parent company, shall be limited to an aggregate and individual amount not exceeding 80% of the Group's parent company's net worth, over a term not exceeding three years.

Tai-Tech Advanced Electronics Co., Ltd.

Endorsements/guarantees

January 1 to December 31, 2024

Table 2

Unit: NT\$ thousand
(unless otherwise specified)

Endorsed/guaranteed party name											Ratio of the accumulated endorsement/guarantee amount to the net worth in the most recent financial reporting period	Maximum amount of endorsement/guarantee allowance (Note)	Endorsement/guarantee provided by parent company to subsidiary	Endorsement/guarantee provided by subsidiary to parent company	Endorsement/guarantee provided to Mainland China	Remarks
No.	Endorsements/guarantees company name	Provider	Relationship	Limits on endorsement/guarantee amount provided (Note)	Balance of maximum amount of endorsement/guarantee of the period	Ending balance of endorsement/guarantee	Amount actually drawn	Amount endorsement/guarantee collateralized by properties								
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Subsidiary	\$ 2,992,402	\$ 262,680	-	\$ -	\$ -	0.00%	\$ 3,740,503	Yes	No	No	Yes		
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Subsidiary	\$ 2,992,402	\$ 65,670	-	\$ -	\$ -	0.00%	\$ 3,740,503	Yes	No	No	Yes		

Note: The total amount of endorsements/guarantees shall not exceed 50% of the net worth of the Company. The amount of endorsements/guarantees made for one single enterprise shall not exceed 40% of the net worth of the Company.

Tai-Tech Advanced Electronics Co., Ltd.

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies and the Control Portion in a Joint Venture)
December 31, 2024

Table 3

Unit: NT\$ thousand
(unless otherwise specified)

Holding company name	Marketable securities types and name	Relationship with issuer	Financial statement account	End of period					Remarks
				Number of shares (in thousands)	Carrying amount	Shareholdings Percentage	Fair value per unit		
Stock:									
Tai-Tech Advanced Electronics Co., Ltd.	All Ring Tech Co., Ltd.	None	Financial assets at fair value through other comprehensive income acquired - non-current	615	\$ 247,230	0.63%	\$ 247,230		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Ample Electronic Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	300	\$ 31,200	1.00%	\$ 31,200		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AMIDA Technology	None	Financial assets at fair value through other comprehensive income acquired - non-current	187	\$ 10,967	0.43%	\$ 10,967		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	Enermax Technology Corporation	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 24,720	2.46%	\$ 24,720		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	SFI Electronics Technology Inc.	Other related party	Financial assets at fair value through other comprehensive income acquired - non-current	5,320	\$ 99,969	11.64%	\$ 99,969		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	AZ Venture Investment II Limited	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 16,455	12.50%	\$ 16,455		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	I-See Vision Technology Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	2,000	\$ 8,060	4.47%	\$ 8,060		Unpledged
Tai-Tech Advanced Electronics Co., Ltd.	e-Formula Technologies Inc.	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,500	\$ 47,760	5.61%	\$ 47,760		Unpledged
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Xiamen Eisend Electronics Co., Ltd	None	Financial assets at fair value through other comprehensive income acquired - non-current	-	\$ 81,273	17%	\$ 81,273		Unpledged

Tai-Tech Advanced Electronics Co., Ltd.

Accumulative Purchase or disposal of the same marketable securities that reaches NT\$300 million or 20% or more of paid-in capital
January 1 to December 31, 2024

Table 4

Unit: NT\$ thousand
(unless otherwise specified)

Buyer/Seller	Marketable securities types and name	Financial statement account	Transaction counterparty	Relationship	Beginning of period		Purchase			Disposal			End of period (Notes 2 and 3)	
					Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Selling price	Book cost	Disposal gains or losses	Number of shares (In Thousands of Shares)	Amount
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Note 1	Phua Teo Chye, Cycle Technologies Company Limited	Non-related party	-	\$ -	2,700	\$ 261,360	-	\$ -	\$ -	\$ -	2,700	\$ 269,451

Note 1: Presented under “Investments accounted for using the equity method”.

Note 2: The ending balance includes not only the gains and losses from investments accounted for using the equity method but also relevant adjustment items.

Note 3: It excludes the portion originally held by Best Bliss Investments Limited.

Tai-Tech Advanced Electronics Co., Ltd.
 Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
 January 1 to December 31, 2024

Table 5

Unit: NT\$ thousand
 (unless otherwise specified)

Company acquiring real property	Property name	Date of occurrence (Note 2)	Transaction amount	Payment status	Transaction counterparty	Relationship	Where the transaction counterparty is a related party, information on the previous transfer is as follows:				Reference for price determination (Note 1)	Purpose of acquisition and state of use	Other agreements
							Owner	Relationship with the issuer	Date of transfer	Amount			
Tai-Tech Advanced Electronics Co., Ltd.	Industrial land and plant	113.7.10	\$ 245,000	\$ 245,000	Excellence Electronic Co., Ltd.	Non-related party	N/A	N/A	N/A	N/A	Appraisal amount of professional an appraisal institution and market price, etc.	For use by the R&D Center, it integrates the business, management, and logistics departments. It is still under renovation.	

Note 1: For assets acquired requiring appraisal, it is necessary to indicate the appraisal results in the "Reference basis for price determination."

Note 2: The date of occurrence refers to the any one of the following dates of transaction contract signing date, payment day, commissioning date, transfer date, board resolution date or other dates where the transaction counterparty and transaction amount are confirmed.

Tai-Tech Advanced Electronics Co., Ltd.
 Transaction with related party that reaches NT\$100 million or 20% or more of paid-in capital
 January 1 to December 31, 2024

Table 6

Unit: NT\$ thousand
 (unless otherwise specified)

Purchaser/Seller	Transaction party name	Relationship	Transaction Details			Abnormal Transaction and Reason		Notes/Accounts receivable (payable)		
			Purchase (sale)	Amount	Percentage of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance	Percentage of total notes/accounts receivable (payable)
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Sales	(401,620)	11%	Note 1	Note 1	-	181,588	14%
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Electronics (S) Pte Ltd.	(Note 3)	Sales	(291,109)	8%	Note 2	Note 2	-	88,675	7%
Tai-Tech Advanced Electronics Co., Ltd.	Tai-tech Advanced Electronics (S) Pte . Ltd.	(Note 3)	Sales	(104,162)	3%	Note 2	Note 2	-	39,993	3%
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(264,319)	39%	Note 1	Note 1	-	90,308	34%
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Sales	(2,051,606)	52%	Note 1	Note 1	-	768,883	46%
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Associate	Sales	(109,200)	3%	Note 1	Note 1	-	38,352	2%

Note 1: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 2: Transaction price and the payment receipt period adopts the general rules.

Note 3: Since October 2024, the Company's relations with the Group have been changed from the category of other related parties to that of associates.

Tai-Tech Advanced Electronics Co., Ltd.
 Receivables due from related party that reach NT\$100 million or 20% or more of paid-in capital
 December 31, 2024

Table 7

Unit: NT\$ thousand
 (unless otherwise specified)

Company of accounts receivable recognized	Transaction party name	Relationship	Balance of accounts receivables due from related party			Turnover rate	Amount	Treatment method	Overdue amount of accounts receivable from related party	Amounts received from related parties in subsequent period	Allowance for Impairment Loss
			Accounts Receivable	\$	181,588						
Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Parent-subsidiary	Accounts Receivable	\$	181,588	2.88	-	-	\$	25,986	\$
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Tai-Tech Advanced Electronics Co., Ltd.	Parent-subsidiary	Accounts Receivable		768,883	3.26	-	-		364,250	-

Tai-Tech Advanced Electronics Co., Ltd.

The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent company and Subsidiaries or among Subsidiaries
January 1 to December 31, 2024

Table 8

Unit: NT\$ thousand
(unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction details			
				Item	Amount	Transaction terms	Percentage of consolidated total revenue or total assets
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sales revenue	401,620	Note 3	7%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts Receivable	181,588		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Sale of fixed Asset	87,217	Note 3	1%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Accounts payable	768,883		6%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	1	Purchase	2,051,606	Note 3	37%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Purchase	264,319	Note 3	5%
0	Tai-Tech Advanced Electronics Co., Ltd.	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	1	Accounts payable	90,308		1%
0	Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	1	Other payables	96,716		1%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Sales revenue	71,963	Note 3	1%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Purchase	109,200	Note 3	2%
2	TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	2	Accounts payable	38,352		0%

Note 1: The business dealing information between the parent company and subsidiary shall be, respectively, indicated in the numbering column and there are two types of number filling methods as follows:

(1) Fill in “0” for the parent company.

(2) Subsidiaries are listed in sequential order starting from Arabic number of “1”

Note 2: There are two types of relationship with the transaction party as follows:

(1) Parent company to subsidiary

(2) Subsidiary to parent company

Note 3: Transaction price adopts the general rules for the payment receipt period agreed by both parties.

Note 4: The disclosure standard of the business relationship and important transactions between the parent and subsidiary companies from January 1 to December 31, 2024 is NT\$30 million or more

Tai-Tech Advanced Electronics Co., Ltd.
Names and Location of Investees (Excluding those in Mainland China)
January 1 to December 31, 2024

Table 9

Unit: NT\$ thousand
(unless otherwise specified)

Name of Investor	Name of Investee	Location	Main business	Initial investment amount		End of term holding				Current profit/loss of investee	Current investment profit/loss recognized	Remarks
				End of current period	End of last year	Number of shares (In Thousands of Shares)	ratio	Carrying amount				
Tai-Tech Advanced Electronics Co., Ltd.	NORTH STAR INTERNATIONAL LIMITED	Samoa	Re-invested business	3,459	3,459	100	100%	97,591	1,589	1,589		
Tai-Tech Advanced Electronics Co., Ltd.	BEST BLISS INVESTMENTS LIMITED	Cayman Islands	Re-invested business	1,075,284	1,075,284	34,250	100%	4,605,982	416,115	414,491		
Tai-Tech Advanced Electronics Co., Ltd.	TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	Singapore	Reinvestment and trading business	191,931	96,045	6,000	60%	188,230	(2,870)	(1,722)		
Tai-Tech Advanced Electronics Co., Ltd.	APAQ Technology Co., Ltd.	Taiwan	Electronic components	1,450,000	1,450,000	25,000	28.10%	1,717,727	534,394	124,725	Note 1	
Tai-Tech Advanced Electronics Co., Ltd.	JDX Technology Co., Ltd.	Taiwan	Electronic components	13,347	8,000	2,500	83.33%	7,258	(7,309)	(2,360)		
Tai-Tech Advanced Electronics Co., Ltd.	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	261,360	-	2,700	13.50%	269,451	226,125	8,091		
BEST BLISS INVESTMENTS LIMITED	FIXED ROCK HOLDING LTD.	Seychelles	Re-invested business	890,624	890,624	26,450	100%	2,687,347	221,597	221,597		
BEST BLISS INVESTMENTS LIMITED	Superworld Holdings (S) Pte. Ltd.	Singapore	Re-invested business	21,156	21,156	2,000	10%	191,355	226,125	5,994		
TECHWORLD ELECTRONICS SINGAPORE PTE. LTD.	TECHWORLD ELECTRONICS (M) SDN. BHD.	Malaysia	Electronic components	292,462	19,632	43,000	100%	299,210	(1,802)	(1,802)		

Note 1: Based on the audit reports issued by other CPAs during the same period.

Tai-Tech Advanced Electronics Co., Ltd.
Information on Investments in Mainland China - Basic Information
January 1 to December 31, 2024

Table 10

Unit: NT\$ thousand
(unless otherwise specified)

Name of investee in Mainland China	Main business	Paid-in capital	Investment method	Outward remittance or repatriation for investment		Cumulative outward remittance of the investment amount from Taiwan in the period end (Note 8)	Current profit/loss of investee	Ownership percentage of direct or indirect investment	Current Investment profit/loss recognized (Note 4)	Carrying amount at end of the period (Note 4)	Accumulated repatriation of investment income as of end of current period	Remarks
				Accumulated outward remittance for investment from Taiwan at beginning of the current period	Outward remittance							
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	Production, processing and sale of electronic components	384,904	Investment in Mainland China companies through a company invested and established in a third region (Note 1)	\$ 352,249	\$ -	\$ -	\$ 352,249	87,636	100%	\$ 87,636	\$ 775,333	-
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	Production, processing and sale of electronic components	1,343,832	Investment in Mainland China companies through a company invested and established in a third region (Note 2)	600,232	-	-	600,232	299,308	100%	299,308	3,589,158	-
TAI-TECH Advanced Electronics (Shenzhen) Co., Ltd.	Sales of electronic components	-	Investment through companies in mainland China (Note 3)	-	-	-	-	-	-	-	-	Note 3
Provider	Accumulated outward remittance for investment in China region at end of the period (Notes 5, 6, and 9)	Investment amount approved by Investment Commission, MOEA (Notes 7 and 9)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA									
Tai-Tech Advanced Electronics Co., Ltd.	\$ 1,412,662	\$ 1,453,785	4,564,630									

Note 1: 100% invested by Best Bliss Investments Limited 100%.

Note 2: Best Bliss Investments Limited and Fixed Rock Holding Ltd. hold 26.60% and 73.40%, respectively.

Note 3: The company is 100% invested by TAIPAQ Electronic Components (Si-Hong) Co., Ltd, but there was no capital injection as of December 31, 2024.

Note 4: The parent company's CPA in Taiwan audited the financial report.

Note 5: The Company liquidated TAI-TECH Advanced Electronics (Dongguan) in 2015 and the accumulated investment loss amount is USD 1,513 thousand.

Note 6: NTD is calculated based on the historical exchange rate.

Note 7: NTD is calculated based on rate of the balance sheet date.

Note 8: The amount invested with a third place's self-owned funds is not included.

Note 9: At the end of the period, the accumulated investment amount remitted from Taiwan to mainland China was US\$44,343 thousand, and the investment amount approved by the Investment Commission, MOEA, was US\$44,343 thousand.

Tai-Tech Advanced Electronics Co., Ltd.

Major Shareholder Information

December 31, 2024

Table 11

Major shareholders	Shares	
	Number of shares held	Shareholdings Percentage
Superworld Holdings (S) Pte. Ltd. investment account under custody of First Commercial Bank	10,207,649	10.00%
Hengyang Investment Co., Ltd.	6,540,995	6.41%
Northwest Investment Co., Ltd.	6,121,718	5.99%

Explanation: The Company obtains the information of this table from the Taiwan Depository and Clearing Corporation:

(1) This table is based on the information provided by the Taiwan Depository and Clearing Corporation for shareholders holding greater than 5% of the shares completed the process of registration and book-entry delivery in dematerialized form (including treasury stocks) of the Company at the last business date of each quarter.
There may be a discrepancy in the number of shares recorded on the Company's financial statements and its dematerialized securities arising from the difference in basis of preparation.

(2) For the table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than 10% of the shares, including their own shares and their delivery to the trust and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website. Information on equity is available on the MOPS of TWSE website.

Tai-Tech Advanced Electronics Co., Ltd.

Cash and cash equivalents

December 31, 2024

Schedule 1

Unit: NT\$ thousand

Item	Summary	Amount	Remarks
Petty cash		\$ 217	
Cash		149	
Bank deposits			
Time deposits - NTD		90,460	
Time deposits - Foreign currency	USD NT\$7,482 Exchang thousand e rate 32.79	245,300	
	RMB NT\$6,823 Exchang thousand e rate 4.56	31,119	
Other s		1,158	
Total		<u>\$ 368,403</u>	

Tai-Tech Advanced Electronics Co., Ltd.

Accounts Receivable

December 31, 2024

Schedule 2

Unit: NT\$ thousand

Name of Clients	Amount	Remarks
<u>Accounts Receivable</u>		
B.I.	\$ 226,266	
G.T.	75,446	
Others	<u>699,422</u>	The balance pertaining to each individual client did not exceed 5% of this account's value.
	1,001,134	
Less: Allowance for bad debt	(<u>795</u>)	
	<u>1,000,339</u>	
<u>Accounts receivable due from related parties</u>		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	181,588	
Superworld Electronics (S) Pte Ltd.	88,732	
Others	<u>56,838</u>	The balance pertaining to each individual client did not exceed 5% of this account's value.
	327,158	
Less: Allowance for bad debt	(<u>88</u>)	
	<u>327,070</u>	
	<u><u>\$ 1,327,409</u></u>	

Tai-Tech Advanced Electronics Co., Ltd.

Inventory

December 31, 2024

Schedule 3

Unit: NT\$ thousand

Item	Amount		Remarks
	Cost	Market price	
Raw materials	\$ 50,532	\$ 48,238	
Supplies	4,253	4,067	
Work in process	76,475	123,402	
Finished products	34,463	49,593	
Goods	202,372	274,725	
Sub-total	368,095	\$ 500,025	
Less: allowance for loss for market price decline and obsolete and slow-moving inventories	(19,243)		Valued at the lower of costs and net realizable value using an item-by-item approach.
Total	\$ 348,852		

Tai-Tech Advanced Electronics Co., Ltd.
Investment accounted for using the equity method
January 1 to December 31, 2024

Schedule 4

Unit: NT\$ thousand

Name	Beginning balance		Increase		Decrease		Ending balance			Market price or net value	
	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Amount	Number of shares (In Thousands of Shares)	Shareholders Percentage	Amount	Unit price (NT\$)	Total price
BEST BLISS INVESTMENTS LIMITED	34,250	\$ 4,062,920	-	\$ 543,062	-	\$ -	34,250	100%	\$ 4,605,982	134	\$ 4,605,982
NORTH STAR INTERNATIONAL LIMITED	100	89,880	-	7,711	-	-	100	100%	97,591	976	97,591
TECHWORLD ELECTRONICS SINGAPORE PTE.LTD.	3,000	91,022	3,000	97,208	-	-	6,000	60%	188,230	31	188,230
JDX Technology Co., Ltd.	800	7,256	1,700	7,863	- (	7,861)	2,500	83.33%	7,258	3	7,258
APAQ Technology Co., Ltd.	25,000	1,463,347	-	254,380	-	-	25,000	28.1%	1,717,727	148.5	3,712,500
Superworld Holdings (S) Pte. Ltd.	-	-	2,700	269,451	-	-	2,700	13.50%	269,451	100	269,451
		<u>\$ 5,714,425</u>		<u>\$ 1,179,675</u>		<u>(\$ 7,861)</u>			<u>\$ 6,886,239</u>		

Tai-Tech Advanced Electronics Co., Ltd.

Accounts payable

December 31, 2024

Schedule 5

Unit: NT\$ thousand

Supplier name	Amount	Remarks
<u>Accounts payable</u>		
Others	\$ 100,654	The balance pertaining to each individual vendor did not exceed 5% of this account's value.
<u>Accounts payables to related parties</u>		
TAIPAQ Electronic Components (Si-Hong) Co., Ltd.	768,883	
TAI-TECH Advanced Electronics (Kunshan) Co., Ltd.	90,308	
Others	1	
	859,192	
	\$ 959,846	

Tai-Tech Advanced Electronics Co., Ltd.

Corporate bonds payable

December 31, 2024

Schedule 6

Unit: NT\$ thousand

Bond name	Trustee	Date of issue	Interest payment date	Interest rate	Amount					Method of repayment	Guarantee status	Remarks
					Total issuance amount	Amount already repaid	Ending balance	Unamortized premium (discount)	Carrying amount			
1st unsecured convertible corporate bonds in 2023	E.SUN COMMERCIAL BANK,LTD.	112/10/31	None	0%	\$ 1,100,000	\$ 100	\$ 1,099,900	(\$ 33,474)	\$ 1,066,426	Repayable in cash at maturity in one lump sum based on the bond face value	None	

Tai-Tech Advanced Electronics Co., Ltd.

Operating revenue

January 1 to December 31, 2024

Schedule 7

Unit: NT\$ thousand

Item	Quantity	Amount	Remarks
Revenue from wire-wound products	2,851,725 thousand pieces	\$ 3,086,604	
Revenue from multilayer products	7,392,314 thousand pieces	519,009	
Revenue from LAN transformer	116,405 thousand pieces	90,692	
Others		<u>128,275</u>	
		3,824,580	
Less: returned goods		(14,729)	
Sales discount		<u>(33,582)</u>	
Total		<u>\$ 3,776,269</u>	

Tai-Tech Advanced Electronics Co., Ltd.

Operating costs

January 1 to December 31, 2024

Schedule 8

Unit: NT\$ thousand

Item	Amount
Goods at the beginning of the period	\$ 163,203
Plus: Current period cargo entry	2,328,235
Goods transferred in	7,132
Processing cost of goods	6,748
Less: Closing commodity	(202,372)
Transferred to expense	(1,071)
Inventory retired	(842)
Others	6
Cost of purchase	<u>2,301,039</u>
Raw materials at the beginning of the period	20,770
Plus: Current feed	252,336
Less: Transfer to expense	(27,301)
Costs to sale of raw materials	(14,167)
Goods transferred in	(6,607)
Inventory retired	(9)
Raw materials at the end of the period	<u>50,532</u>
Raw materials consumed	<u>174,490</u>
Supplies at the beginning of the period	3,672
Plus: Current feed	43,724
Less: Transfer to expense	(35,299)
Costs to sale of supplies	(7,319)
Goods transferred in	(525)
Supplies at the end of the period	<u>4,253</u>
Supplies consumed	-
Direct labor	<u>166,682</u>
Manufacturing overhead	<u>473,155</u>
manufacturing cost	<u>814,327</u>
Plus: Initial work in progress	121,273
Purchase of raw materials	-
Less: Transfer to expense	(11,311)
Costs to sale of work in progress	(52,460)
Inventory retired	(223)
Others	(114,438)
Work in progress at the end of the period	<u>76,475</u>
Cost of finished products	<u>680,693</u>

Tai-Tech Advanced Electronics Co., Ltd.

Operating costs (continued)

January 1 to December 31, 2024

Schedule 8

Unit: NT\$ thousand

Finished products at the beginning of the period		31,478
Less: Transfer to expense		354
Inventory retired	(	970)
Others	(	39,170)
Finished products at the end of the period	(	34,463)
Cost of goods sold		<u>637,922</u>
Other operating costs		
Plus: Raw material sales costs	\$	14,167
Costs to sale of supplies		7,319
Costs to sale of work in progress		52,460
Inventory obsolescence and valuation loss	(	2,562)
Scrapping		2,044
Others		80,177
Less: Scrap income	(	1,271)
Other operating costs		<u>152,334</u>
Operating costs	\$	<u>3,091,295</u>

Tai-Tech Advanced Electronics Co., Ltd.

Operating expenses

January 1 to December 31, 2024

Schedule 9

Unit: NT\$ thousand

Item	Summary	Amount	Remarks
Selling and marketing expenses			
Salary and wages expense		\$ 111,003	
Lease expenses		15,031	
Freight expense		13,527	
Other expenses		91,010	
		<u>230,571</u>	
General and administrative expenses			
Salary and wages expense		84,919	
Professional service fees		12,024	
Depreciation		9,660	
Other expenses		36,204	
		<u>142,807</u>	
Research and development expenses			
Salary and wages expense		35,735	
Research and development expenses		32,082	
Depreciation		21,009	
Repair and maintenance expense		6,540	
Other expenses		17,281	
		<u>112,647</u>	
Expected credit impairment gain		-	
Total operating expenses		\$ 486,025	

Tai-Tech Advanced Electronics Co., Ltd.

Summary table by function of the occurred employee benefits, depreciation, depletion, and amortization

January 1 to December 31, 2024

Schedule 10

Unit: NT\$ thousand

Nature	Function	2024			2023		
		Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense							
Salary and wages		\$ 212,741	\$ 205,635	\$ 418,376	\$ 196,808	\$ 175,955	\$ 372,763
Labor and health insurance expense		21,396	16,535	37,931	23,033	16,096	39,129
Pension expense		5,657	8,796	14,453	6,154	7,356	13,510
Directors' remuneration		-	26,773	26,773	-	22,545	22,545
Other employee benefits expenses		11,253	9,607	20,860	11,997	8,834	20,831
Depreciation (including right-of-use assets)		164,596	39,097	203,693	171,254	28,028	199,282
Amortization expenses		4,165	3,364	7,529	3,297	2,531	5,828

Note: 1. The Company has 509 and 523 employees, respectively for the current year and previous year, of which 9 and 9 employees, respectively, concurrently serve as a director.

2. A company whose shares are traded on Taiwan Stock Exchange or Taipei Exchange shall disclose the following information:

- (1) The average employee benefit expense for this year was \$983, calculated as: ("Total employee benefits expense this year - Total directors' remuneration") / "Number of employees this year - Number of employees not concurrently serving as a director"). The average employee benefit expense last year was NT\$868, calculated as: ("Total employee benefits expense last year - Total directors' remuneration") / "Number of employees last year - Number of employees not concurrently serving as a director").
- (2) The average employee salary expense for this year was \$837, calculated as: ("Total salary expenses this year" / "Number of employees this year - Number of employees not concurrently serving as a director") The average employee salary cost in the previous year was NT\$725 (total salary cost in the previous year / "number of employees in the previous year - number of directors who did not serve as employees concurrently").
- (3) The average employee salary cost adjustment change was 15% ("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) The Company establishes the Audit Commit to replace the role of supervisors according to law. Supervisors' remuneration for this year and last year was both \$0.
- (5) Please describe the company's remuneration policy (for directors, supervisors, managers, and employees).
 - A. Directors' and supervisors' remuneration include compensation, transportation fee, allowance for performing their duties, and remuneration from earnings appropriation. Remuneration from earnings appropriation is specified in the Company's Articles of Incorporation.
 - B. Remuneration for the president and vice presidents includes salary, bonus, and employee compensation, which are determined by referring to their post, the responsibilities they assume, the contribution they make to the Company, and the general industry standards among industry peers.
 - C. Tai-Tech's salary and remuneration policy for employees is subject to individual ability, contribution to the Company, performance, and the consideration for the Company's future operational risks. The Company abides by the Company Act and its Articles of Incorporation to appropriate a certain percentage of pre-tax income as employee compensation, which is distributed in the middle of the following year. The Company also appropriates a fixed percentage of post-tax earnings as employee bonuses, which are distributed before the Chinese New Year's Eve, and is reflective of the Company's business performance and outcomes.

附錄二

溫室氣體盤查第三方查證聲明書 2023 年母公司有限確信報告



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溫室氣體聲明之執業人員有限確信報告

西北臺慶科技股份有限公司 公鑒：

本執業人員接受西北臺慶科技股份有限公司（以下簡稱西北臺慶公司）之委任，對其民國 112 年 1 月 1 日至 12 月 31 日溫室氣體盤查報告書（以下簡稱「溫室氣體聲明」）之類別 1 直接溫室氣體排放、類別 2 間接溫室氣體排放—能源及類別 4 間接溫室氣體排放—組織使用產品之有限確信案件（以下簡稱「類別 1、類別 2 及類別 4」）詳列於附件一。

西北臺慶公司對溫室氣體聲明之責任

西北臺慶公司之責任係依照國際標準組織（International Organization for Standardization, ISO）發布之「ISO 14064-1:2018 組織層級溫室氣體排放及移除量化及報告指引之規範」（以下簡稱「ISO 14064-1」）編製溫室氣體聲明，且設計、付諸實行及維持其溫室氣體聲明編製相關之內部控制，以確保溫室氣體聲明未存有導因於舞弊或錯誤之重大不實表達。如西北臺慶公司溫室氣體聲明所述，溫室氣體之量化受先天不確定性之影響，主要係因用以決定排放係數之科學知識並不完整，以及報導之數值須彙總不同溫室氣體之排放。

執業人員之獨立性及品質管理

本執業人員已遵循會計師職業道德規範及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密與專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸執行及執行品質管理制度，包含遵循職業道德規範、專業準則及所適用法令規範有關之政策或程序。

執業人員之責任

類別 1、類別 2 及類別 4—有限確信

本執業人員之責任係依據確信準則第 3410 號「溫室氣體聲明之確信案件」規劃及執行類別 1、類別 2 及類別 4 有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述西北臺慶公司溫室氣體聲明是否存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則第 3410 號之規定，本有限確信案件工作包括評估西北臺慶公司採用「ISO 14064-1:2018 組織層級溫室氣體排放及移除量化及報告指引之規範」編製溫室氣體聲明之妥適性、評估溫室氣體聲明導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估溫室氣體聲明之整體表達。有關風險評估程序（包含對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本執業人員對第一段所述西北臺慶公司溫室氣體聲明所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查、分析性程序、量化方法與報導政策是否適當之評估，以及相關記錄之核對或調節。

基於本案件情況，本執業人員於執行上述程序時：

1. 已透過查詢，取得對西北臺慶公司與排放量化及報導攸關之控制環境及資訊系統之瞭解。但並未評估特定控制作業之設計，取得該等控制作業付諸實行之評估或測試其有效性。
2. 已評估西北臺慶公司建立估計方法之適當性及一致性。然而，所執行程序並未包含測試估計所依據之資料或單獨建立於執業人員之估計，以評估西北臺慶公司所作之估計。
3. 已實地訪查 1 個據點，以評估排放源之完整性、資料蒐集方法、排放源資料及該等據點所適用之攸關假設。對於執行實地訪查據點之選擇，已考量該等據點之排放對總排放量之貢獻、排放源性質，以及前期所選擇之據點。所執行程序不包含測試該等據點用以蒐集及彙整設施資料之資訊系統或控制。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於

合理確信案件中所取得者。因此，本執業人員不對西北臺慶公司類別1、類別2及類別4在所有重大方面，是否依照「ISO 14064-1:2018組織層級溫室氣體排放及移除量化及報告附指引之規範」編製，表示合理確信之意見。

有限確信之結論

類別1、類別2及類別4—有限確信

依據所執行之程序與所獲取之證據，本執業人員並未發現第一段所述西北臺慶公司民國112年1月1日至12月31日溫室氣體聲明之類別1、類別2及類別4在所有重大方面未依照「ISO 14064-1:2018組織層級溫室氣體排放及移除量化及報告附指引之規範」編製之情事。

附件一

確信標的資訊彙總表

單位：公噸二氧化碳當量(公噸 CO₂e)

溫室氣體排放類別	排放量
類別1 直接溫室氣體排放與移除	401.2663
類別2 輸入能源之間接溫室氣體排放	11,082.2582
類別4 組織使用產品產生之間接溫室氣體排放	2,373.9414
類別1+類別2+類別4 合計	13,857.466

國富浩華聯合會計師事務所

會計師：林品硯



中華民國113年7月11日

2023 年子公司核查意見書



Greenhouse Gases Verification Opinion

is awarded to

TAIPAQ ELECTRONICS (SI-HONG) CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by TAIPAQ ELECTRONICS (SI-HONG) CO., LTD. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

Boundaries covered by the verification:

- Verification site name: TAIPAQ ELECTRONICS (SI-HONG) CO., LTD.
- Verification site address: THE SOUTH HANGZHOU ROAD AND THE EAST JIANSHE ROAD, ECONOMIC DEVELOPMENT ZONE, SIHONG COUNTY, JIANGSU PROVINCE, CHINA
- Reporting period covered: 01/01/2023 to 31/12/2023 (Base year: 2023)

Organizational boundaries: Activities and facilities of TAIPAQ ELECTRONICS (SI-HONG) CO., LTD. under operational control approach.

Reporting boundaries:

GHG emissions generated in [DESIGN AND MANUFACTURING OF POWER INDUCTOR, MULTILAYER CHIP BEAD INDUCTOR AND FILTER INDUCTOR] and related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions.

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 344.10 tCO₂e
- Category 2: Indirect GHG emissions from imported energy (location-based): 19045.91 tCO₂e
- Category 3: Indirect GHG emissions from transportation: 1494.93 tCO₂e
- Category 4: Indirect GHG emissions from products used by organization: 4020.00 tCO₂e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: Non-significant indirect emissions and not quantified
- Category 6: Indirect GHG emissions from other sources: Non-significant indirect emissions and not quantified

Total quantified emissions(location-based): 24004.94 tCO₂e

Limitations and exclusions: Excluding other non-significant indirect GHG emissions

GHG verification protocol used to conduct the verification:

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of assurance:

- Reasonable assurance

GHG verification methodology:

- Interview for relevant personnel;
- Review of the documentary evidence;
- Evaluation of the methodology and information systems for data collection, aggregation,

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59683663

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Bureau Veritas Certification

analysis and review;

- Audit of sampled sites and data to verify source.

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from TAIPAQ ELECTRONICS (SI-HONG) CO., LTD. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Statement of independence, impartiality and competence:

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with TAIPAQ ELECTRONICS (SI-HONG) CO., LTD. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Jason XU

No.: EM123048313

Version No.: No.1

Verification date: 2024-11-26

Issue date: 2024-12-04

Signed on behalf of

Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9/F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China, 100738
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2024 年母公司查證意見聲明書

OPINION STATEMENT



Greenhouse Gas Verification Opinion 2024 Greenhouse Gas Emissions Information

TAI-TECH ADVANCED ELECTRONICS CO., LTD.

No. 1, You 4th Rd., Yangmei Dist., Taoyuan City 326013, Taiwan

Has completed the verification according to ISO 14064-3:2019 and meets
the following standard requirements

ISO 14064-1 : 2018

Direct emissions
467.9592 tonnes of CO₂e
Indirect emissions
12,636.5795 tonnes of CO₂e
Direct emissions and indirect emissions
13,104.5387 tonnes of CO₂e

Opinion No.: ARES/TW/12504015G
Date: 2025-04-01
Version: 01

The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise
the opinion is invalid.



Authorized by :

A handwritten signature in black ink, appearing to read "Ji Lin".



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www.ares-registration.com

Tai-Tech Advanced Electronics Co., Ltd



Chairman : Northwest Investment Corporation



Representative : Ming-Yen Hsieh

