Allied Supreme Corp. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the years ended December 31, 2024, as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

ALLIED SUPREME CORP.

By

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March 7, 2025

勤業眾信

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Allied Supreme Corp.

Opinion

We have audited the accompanying consolidated financial statements of Allied Supreme Corp. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is described as follows:

<u>Occurrence of Operating Revenues from Specific Customers</u>

For the year ended December 31, 2024, revenue amounted to $6,457,399 thousand. Since revenue recognition is a presumed significant risk under auditing standards and the amount of sales revenue from specific customers increased significantly compared to the previous year, hence, we identified sales revenue from specific customers as the key audit matter for the year ended December 31, 2024.

For other relevant disclosures, refer to Notes 4, 21 and 32.

We performed the audit procedures regarding the key audit matter as follows:

1. We obtained an understanding of the design and implementation of the relevant internal controls for revenue recognition and evaluated the effectiveness of the relevant controls.

2. We sampled and examined the supporting documents for revenue recognition and the collected payments.

Other Matter

We have also audited the parent company only financial statements of Allied Supreme Corp. as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. 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. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Hsiang Chen and Shu-Lin Liu.

Wen-Hsiang Chen Shu Lin Liu

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2025

<u>Notice to Readers</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 27)	$ 3,529,854	33	$ 3,362,584	34
Financial assets at amortized cost - current (Notes 7 and 27)	302	-	-	-
Notes receivable (Notes 8, 21 and 27)	331,111	3	636,847	7
Trade receivables (Notes 8, 21 and 27)	2,723,762	26	1,334,739	13
Other receivables (Notes 8 and 27)	1,910	-	3,218	-
Current tax assets (Note 23)	3,763	-	3,732	-
Inventories (Note 9)	1,711,940	16	2,424,911	24
Other current financial assets (Notes 14, 27 and 29)	285,032	3	219,605	2
Other current assets (Note 14)	140,466	1	115,218	1
Total current assets	8,728,140	82	8,100,854	81
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 11 and 29)	1,713,020	16	1,724,604	17
Right-of-use assets (Note 12)	59,426	1	64,453	1
Intangible assets (Note 13)	9,020	-	7,368	-
Deferred tax assets (Note 23)	30,509	-	32,795	-
Net defined benefit assets (Note 19)	19,914	-	6,031	-
Other non-current financial assets (Notes 14, 27 and 29)	13,676	-	-	-
Other non-current assets (Note 14)	122,100	1	34,071	1
Total non-current assets	1,967,665	18	1,869,322	19
TOTAL	$ 10,695,805	100	$ 9,970,176	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables (Notes 16 and 27)	$ 482,960	5	$ 440,856	4
Other payables (Notes 17 and 27)	534,772	5	529,698	5
Current tax liabilities (Note 23)	226,059	2	142,783	2
Provisions - current (Note 18)	19,833	-	41,761	-
Lease liabilities - current (Note 12)	6,311	-	8,379	-
Contract liabilities (Note 21)	536,429	5	767,471	8
Current portion of long-term borrowings (Notes 15, 27 and 29)	114,588	1	72,132	1
Other current liabilities (Note 17)	19,847	-	3,548	-
Total current liabilities	1,940,799	18	2,006,628	20
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15, 27 and 29)	313,523	3	428,111	4
Non-current tax liabilities (Note 23)	94,433	1	87,049	1
Lease liabilities - non-current (Note 12)	1,247	-	5,624	-
Other non-current liabilities (Notes 17 and 27)	450	-	69	-
Total non-current liabilities	409,653	4	520,853	5
Total liabilities	2,350,452	22	2,527,481	25
EQUITY (Note 20)				
Share capital				
Ordinary shares	799,760	8	797,630	8
Capital surplus	2,045,485	19	2,040,362	21
Retained earnings				
Legal reserve	918,118	8	749,168	8
Special reserve	75,379	1	21,134	-
Unappropriated earnings	4,469,951	42	3,909,780	39
Other equity				
Exchange differences on translating foreign operations	36,660	-	(75,379)	(1)
Total equity	8,345,353	78	7,442,695	75
TOTAL	$ 10,695,805	100	$ 9,970,176	100

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Note 21)	$ 6,457,399	100	$ 5,692,353	100
OPERATING COSTS (Notes 9 and 22)	3,827,467	59	3,048,357	54
GROSS PROFIT	2,629,932	41	2,643,996	46
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	264,946	4	251,938	4
General and administrative expenses	253,241	4	222,131	4
Research and development expenses	129,416	2	154,382	3
Expected credit (gain) loss	(21,769)	-	12,598	-
Total operating expenses	625,834	10	641,049	11
PROFIT FROM OPERATIONS	2,004,098	31	2,002,947	35
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	44,892	1	55,665	1
Other income	36,830	-	31,538	1
Other gains and losses	54,782	1	(3,098)	-
Finance costs	(6,217)	-	(5,928)	-
Total non-operating income and expenses	130,287	2	78,177	2
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,134,385	33	2,081,124	37
INCOME TAX EXPENSE (Note 23)	(401,621)	(6)	(397,871)	(7)
NET PROFIT FOR THE YEAR	1,732,764	27	1,683,253	30
OTHER COMPREHENSIVE INCOME (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	12,892	-	7,815	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,578)	-	(1,563)	-
	10,314	-	6,252	-

(Continued)

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ 112,039	2	$ (54,245)	(1)
Other comprehensive income (loss) for the year, net of income tax	122,353	2	(47,993)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,855,117	29	$ 1,635,260	29
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	$ 21.68		$ 21.22	
Diluted	$ 21.55		$ 21.04	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity	
	Ordinary Shares (In Thousands of Shares)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2023	79,028	$ 790,280	$ 2,022,050	$ 571,635	$ 45,229	$ 3,322,157	$ (21,134)	$ 6,730,217
Appropriation of 2022 earnings								
Legal reserve	-	-	-	177,533	-	(177,533)	-	-
Special reserve	-	-	-	-	(24,095)	24,095	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(948,444)	-	(948,444)
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,683,253	-	1,683,253
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	6,252	(54,245)	(47,993)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,689,505	(54,245)	1,635,260
Exercise of disgorgement	-	-	1,876	-	-	-	-	1,876
Share-based payment transactions (Note 25)	-	-	378	-	-	-	-	378
Issuance of ordinary shares under employee share options	735	7,350	16,058	-	-	-	-	23,408
BALANCE AT DECEMBER 31, 2023	79,763	797,630	2,040,362	749,168	21,134	3,909,780	(75,379)	7,442,695
Appropriation of 2023 earnings								
Legal reserve	-	-	-	168,950	-	(168,950)	-	-
Special reserve	-	-	-	-	54,245	(54,245)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(959,712)	-	(959,712)
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,732,764	-	1,732,764
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	10,314	112,039	122,353
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	1,743,078	112,039	1,855,117
Exercise of disgorgement	-	-	504	-	-	-	-	504
Issuance of ordinary shares under employee share options	213	2,130	4,619	-	-	-	-	6,749
BALANCE AT DECEMBER 31, 2024	79,976	$ 799,760	$ 2,045,485	$ 918,118	$ 75,379	$ 4,469,951	$ 36,660	$ 8,345,353

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

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,134,385	$ 2,081,124
Adjustments for:		
Depreciation expenses	180,621	163,021
Amortization expenses	5,543	4,542
Expected credit (reversed) loss recognized on trade receivables	(21,769)	12,598
Net gain on fair value changes of financial assets at fair value through profit or loss	-	(189)
Finance costs	6,217	5,928
Interest income	(44,892)	(55,665)
Compensation costs of employees share-based payments	-	378
Loss on disposal of property, plant and equipment	657	1,343
Property, plant and equipment transferred to expenses	72	2,733
Gain on lease modification	-	(1)
Write-down of inventories	27,961	313
Loss (gain) on foreign currency exchange	43,212	(74,832)
(Reversal) recognition of provisions	(22,019)	5,313
Changes in operating assets and liabilities		
Notes receivable	305,412	(368,448)
Trade receivables	(1,386,204)	131,859
Other receivables	378	(290)
Inventories	681,126	(385,719)
Other current assets	(25,248)	8,937
Other non-current assets	28,516	(11,181)
Trade payables	41,045	(106,005)
Other payables	5,092	(13,187)
Contract liabilities	(231,042)	(81,870)
Other current liabilities	16,299	(288)
Net defined benefit assets/liabilities	(991)	(918)
Cash generated from operations	1,744,371	1,319,496
Interest received	45,822	55,790
Interest paid	(6,235)	(5,872)
Income tax paid	(311,284)	(540,853)
Net cash generated from operating activities	1,472,674	828,561
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(302)	-
Proceeds from sale of financial assets at fair value through profit or loss	-	4,904
Payments for property, plant and equipment	(143,993)	(185,499)
Proceeds from disposal of property, plant and equipment	1,066	2,721
Decrease in refundable deposits	345	251

(Continued)

ALLIED SUPREME CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	**2023**
Payments for intangible assets	$ (6,998)	$ (4,913)
Increase in other financial assets	(79,103)	-
Decrease in other financial assets	-	183,632
Increase in prepayments for equipment and premises	(88,374)	(6,713)
Net cash used in investing activities	(317,359)	(5,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	129,204
Repayments of long-term borrowings	(72,132)	(41,666)
Proceeds from guarantee deposits received	381	-
Repayments of the principal portion of lease liabilities	(10,686)	(10,106)
Dividends paid to owners of the Company	(959,712)	(948,444)
Employee share options exercised	6,749	23,408
Exercise of disgorgement	504	1,876
Net cash used in financing activities	(1,034,896)	(845,728)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	46,851	20,218
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	167,270	(2,566)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,362,584	3,365,150
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,529,854	$ 3,362,584

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Allied Supreme Corp. (the "Company") was established in the Republic of China (ROC) in 1981. The Company mainly manufactures and sells surface coating treatment of various metals and non-metals, special surface treatment of various machinery and parts, as well as finished and semi-finished products such as fluorinated resin raw material round bars and flat plates.

In September 2020, the Company's shares were listed on the Emerging Stock Board of the Taipei Exchange. In September 2021, the Company's application for listing on the Taiwan Stock Exchange was approved by the Taiwan Stock Exchange Review Committee and submitted to the Financial Supervisory Commission for approval. As of December 2021, the Company's shares have been officially listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar. The Company and its subsidiaries are collectively referred to as the "Group".

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 7, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	**Effective Date Announced by IASB (Note)**
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation's shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation's shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Corporation's as a whole, the Corporation's shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is still assessing the possible impacts of the above amended standards and interpretations on its financial position and financial performance and will disclose the relevant impact once the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets (liabilities) which are measured at the fair value of plan assets less the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

<u>Principles for preparing the consolidated financial statements</u>

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates, joint ventures and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, supplies, semi-finished goods, finished goods and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, and financial assets at amortized cost.

<u>Financial assets at amortized cost</u>

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, other receivables and other financial assets, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 720 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranty

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Advance receipts from sales of products are recognized as contract liabilities before the products arrive.

2) Revenue from the rendering of services

Revenue from product design and construction services is recognized when the performance obligations of services are fulfilled. Advance receipts from rendering of services are recognized as contract liabilities before the rendering of services are completed.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government grants

Government grants are recognized only when there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received.

Government grants intended to compensate for related costs are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes the related costs as expenses. Specifically, government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments granted to employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - share-based payment. The share-based payment is recognized as an expense in full at the grant date if vested immediately. The grant date of the Group issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

At the end of each reporting period, the Group revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, management is required to make judgments, estimates, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations, inflation and interest rate fluctuations and volatility in energy markets when making its critical estimates on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ 1,157	$ 919
Checking accounts and demand deposits	1,550,348	1,294,098
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	1,978,349	2,067,567
	$ 3,529,854	$ 3,362,584

As of December 31, 2024 and 2023, the market rate intervals of time deposits with original maturities of 3 months or less were 0.65%-5.25% and 0.675%-6.2%, respectively.

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 302	$ -

The interest rate for time deposits with an original maturity of more than 3 months as of December 31, 2024, is 1.7%.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable		
At amortized cost		
Gross carrying amount	$ 331,435	$ 636,847
Less: Allowance for impairment loss	(324)	-
	$ 331,111	$ 636,847
Trade receivables		
At amortized cost		
Gross carrying amount	$ 2,734,471	$ 1,338,060
Less: Allowance for impairment loss	(10,709)	(3,321)
	$ 2,723,762	$ 1,334,739

(Continued)

	December 31	
	2024	2023
Overdue receivables		
Gross carrying amount	$ 136	$ 28,652
Less: Allowance for impairment loss	(136)	(28,652)
	$ -	$ -
Other receivables		
Interest receivable	$ 1,106	$ 2,036
Others	804	1,182
	$ 1,910	$ 3,218

(Concluded)

Credit periods are typically provided in the Group's sales agreements. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit limits and scores attributed to customers are reviewed regularly.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables and overdue receivables based on the Group's provision matrix:

December 31, 2024

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Day or More	Total
Expected credit loss rate	0%-0.1%	0%-0.8%	0%-9%	0%-14%	0%-100%	
Gross carrying amount	$ 2,401,923	$ 188,834	$ 26,347	$ 20,298	$ 97,205	$ 2,734,607
Loss allowance (Lifetime ECLs)	(1,275)	(1,346)	(2,003)	(2,082)	(4,139)	(10,845)
Amortized cost	$ 2,400,648	$ 187,488	$ 24,344	$ 18,216	$ 93,066	$ 2,723,762

December 31, 2023

	Invoice Date 1 to 180 Days	Invoice Date 181 to 270 Days	Invoice Date 271 to 360 Days	Invoice Date 361 to 450 Days	Invoice Date 450 Day or More	Total
Expected credit loss rate	0%-0.05%	0%-1%	0%-4.5%	0%-50%	0%-100%	
Gross carrying amount	$ 999,191	$ 148,039	$ 46,404	$ 30,912	$ 142,166	$ 1,366,712
Loss allowance (Lifetime ECLs)	(113)	(688)	(388)	(2,132)	(28,652)	(31,973)
Amortized cost	$ 999,078	$ 147,351	$ 46,016	$ 28,780	$ 113,514	$ 1,334,739

The movements of the loss allowance were as follows:

	For the Year Ended December 31, 2024			
	Notes Receivable	Trade Receivables	Overdue Receivables	Total
Balance at January 1	$ -	$ 3,321	$ 28,652	$ 31,973
Expected credit loss recognized (reversed)	323	7,262	(29,354)	(21,769)
Foreign exchange translation gains and losses	1	126	838	965
Balance at December 31	$ 324	$ 10,709	$ 136	$ 11,169

	For the Year Ended December 31, 2023			
	Notes Receivable	Trade Receivables	Overdue Receivables	Total
Balance at January 1	$ -	$ 2,443	$ 17,471	$ 19,914
Expected credit loss recognized	-	923	11,675	12,598
Foreign exchange translation gains and losses	-	(45)	(494)	(539)
Balance at December 31	$ -	$ 3,321	$ 28,652	$ 31,973

Overdue receivables were classified under other assets and provided with allowance for expected credit loss.

9. INVENTORIES

	December 31	
	2024	2023
Raw materials	$ 506,452	$ 665,058
Semi-finished goods	183,335	86,173
Work in process	261,336	510,963
Finished goods	760,817	1,162,717
	$ 1,711,940	$ 2,424,911

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	$ 3,799,506	$ 3,048,044
Inventory loss of write-downs	27,961	313
	$ 3,827,467	$ 3,048,357

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Percentage of Ownership December 31 2024	2023
Allied Supreme Corp. (“ASC”)	Allied Supreme (Samoa) Corp. (“ASC (Samoa)”)	Investment	100.00	100.00
Allied Supreme (Samoa) Corp.	Allied Supreme (China) Corp. (“ASC (China)”)	Investment	100.00	100.00
Allied Supreme (China) Corp.	Allied Supreme (Jia Xing) Corp. (“ASC (Jia Xing)”)	Production of special functional composite materials and products and sales of self-produced products	100.00	100.00
ASC	Aston Fluorotech Corp. (“AFTC”)	Sales of special functional composite materials and products	100.00	100.00

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction-in-progress and Equipment Ready for Inspection	Total
Cost						
Balance at January 1, 2023	$ 259,857	$ 975,951	$ 711,436	$ 96,085	$ 401,853	$ 2,445,182
Additions	-	2,597	35,490	35,783	111,629	185,499
Disposals	-	(4,706)	(14,276)	(4,500)	-	(23,482)
Reclassifications	-	253,282	191,770	25,516	(473,301)	(2,733)
Effect of exchange rate differences	-	(7,770)	(5,428)	(931)	(625)	(14,754)
Balance at December 31, 2023	$ 259,857	$ 1,219,354	$ 918,992	$ 151,953	$ 39,556	$ 2,589,712
Accumulated depreciation						
Balance at January 1, 2023	$ -	$ 248,930	$ 448,409	$ 42,163	$ -	$ 739,502
Depreciation expense	-	51,230	78,746	21,409	-	151,385
Disposals	-	(1,860)	(13,418)	(4,140)	-	(19,418)
Effect of exchange rate differences	-	(2,687)	(3,279)	(395)	-	(6,361)
Balance at December 31, 2023	$ -	$ 295,613	$ 510,458	$ 59,037	$ -	$ 865,108
Carrying amount at December 31, 2023	$ 259,857	$ 923,741	$ 408,534	$ 92,916	$ 39,556	$ 1,724,604

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction-in-progress and Equipment Ready for Inspection	Total
Cost						
Balance at January 1, 2024	$ 259,857	$ 1,219,354	$ 918,992	$ 151,953	$ 39,556	$ 2,589,712
Additions	-	2,142	49,982	26,251	65,618	143,993
Disposals	-	(162)	(18,248)	(6,167)	-	(24,577)
Reclassifications	-	8,689	52,489	13,952	(75,202)	(72)
Effect of exchange rate differences	-	15,232	10,707	2,101	123	28,163
Balance at December 31, 2024	$ 259,857	$ 1,245,255	$ 1,013,922	$ 188,090	$ 30,095	$ 2,737,219
Accumulated depreciation						
Balance at January 1, 2024	$ -	$ 295,613	$ 510,458	$ 59,037	$ -	$ 865,108
Depreciation expense	-	56,800	86,732	26,061	-	169,593
Disposals	-	(7)	(16,768)	(6,079)	-	(22,854)
Effect of exchange rate differences	-	5,210	6,236	906	-	12,352
Balance at December 31, 2024	$ -	$ 357,616	$ 586,658	$ 79,925	$ -	$ 1,024,199
Carrying amount at December 31, 2024	$ 259,857	$ 887,639	$ 427,264	$ 108,165	$ 30,095	$ 1,713,020

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	30-56 years
Building accessory equipment	3-11 years
Machinery equipment	3-11 years
Other equipment	3-11 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 29.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land	$ 56,300	$ 63,262
Buildings	471	848
Transportation equipment	2,655	343
	$ 59,426	$ 64,453

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 4,232	$ 2,566
Depreciation charge for right-of-use assets		
Land	$ 10,145	$ 10,505
Buildings	377	371
Transportation equipment	506	760
	$ 11,028	$ 11,636

Except for the above recognized depreciation expenses, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount		
Current	$ 6,311	$ 8,379
Non-current	$ 1,247	$ 5,624

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	1%-1.375%	1%-1.25%
Buildings	1.25%	1.25%
Transportation equipment	1%-4.23%	1%-4.23%

c. Material leasing activities and terms

The Group leases a number of buildings, as factories, offices, dormitories and office cars with lease terms of 2 to 5 years. Prepayments for land use rights in China are recognized as right-of-use assets - land. The Group does not have bargain purchase options to acquire the leasehold land, buildings and transport equipment at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 2,214	$ 4,233
Total cash outflow for leases	$ (13,037)	$ (14,517)

The Group's leases of certain office equipment under leases which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INTANGIBLE ASSETS

	Computer Software	Patent	Total
Cost			
Balance at January 1, 2023	$ 38,216	$ 2,000	$ 40,216
Additions	4,913	-	4,913
Effect of foreign currency exchange differences	(520)	-	(520)
Balance at December 31, 2023	$ 42,609	$ 2,000	$ 44,609
Accumulated amortization and impairment			
Balance at January 1, 2023	$ 31,360	$ 1,755	$ 33,115
Amortization expense	4,297	245	4,542
Effect of foreign currency exchange differences	(416)	-	(416)
Balance at December 31, 2023	$ 35,241	$ 2,000	$ 37,241
Carrying amount at December 31, 2023	$ 7,368	$ -	$ 7,368
Cost			
Balance at January 1, 2024	$ 42,609	$ 2,000	$ 44,609
Additions	6,998	-	6,998
Disposals	(1,235)	-	(1,235)
Effect of foreign currency exchange differences	989	-	989
Balance at December 31, 2024	$ 49,361	$ 2,000	$ 51,361
Accumulated amortization and impairment			
Balance at January 1, 2024	$ 35,241	$ 2,000	$ 37,241
Amortization expense	5,543	-	5,543
Disposals	(1,235)	-	(1,235)
Effect of foreign currency exchange differences	792	-	792
Balance at December 31, 2024	$ 40,341	$ 2,000	$ 42,341
Carrying amount at December 31, 2024	$ 9,020	$ -	$ 9,020

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Software	1-5 years
Patent	3-5 years

14. OTHER ASSETS

	December 31	
	2024	2023
Current		
Other financial assets (Note 29)		
Guarantee deposits (Note)	$ 285,032	$ 219,605
Other current assets		
Prepayments	$ 137,735	$ 106,298
Tax credit	-	6,058
Others	2,731	2,862
	$ 140,466	$ 115,218
Non-current		
Other financial assets (Note 29)		
Guarantee deposits (Note)	$ 13,676	$ -
Other non-current assets		
Refundable deposits	$ 19,705	$ 20,050
Prepayments for equipment	11,004	14,021
Prepayments for buildings and land	91,391	-
Overdue receivables	136	28,652
Allowance for impairment loss - overdue receivables	(136)	(28,652)
	$ 122,100	$ 34,071

Note: Guarantee deposits are for financing loans and L/C. The ranges of weighted average effective interest rates on guarantee deposits were 0.675%-5.28% and 0.045%-5.56% at December 31, 2024 and 2023, respectively.

15. BORROWINGS

Long-term Borrowings

	December 31	
	2024	2023
Secured borrowings (Note 29)		
Mega Bank (a)	$ 257,240	$ 287,705
Fubon Bank (b)	129,204	129,204
	386,444	416,909
Unsecured borrowings		
Fubon Bank (c)	41,667	83,334
Less: Current portion of long-term borrowings	(114,588)	(72,132)
	$ 313,523	$ 428,111

a. As of December 31, 2024 and 2023, the weighted average effective interest rate of the bank borrowings secured by the Group's freehold land and buildings (see Note 29) were 1.375% and 1.25% per annum, respectively.

b. As of December 31, 2024, the weighted average effective interest rate of the bank borrowings secured by the Group's owned plant and equipment (see Note 29) were 1.263% and 1.131% per annum.

c. As of December 31, 2024 and 2023, the weighted average effective interest rate of the bank borrowings unsecured were 1.263% and 1.131% per annum, respectively.

Repayment and interest payment methods:

Name	Period	Repayment and Interest Payment Methods
Mega Bank (a)	2021.05-2031.05	Interest is paid monthly. Principal is payable in equal monthly amounts from the 37th month from the date of the loan.
Fubon Bank (b)	2023.03-2028.03	Interest is paid monthly. Principal is payable in equal monthly amounts from the 25th month from the date of the loan.
Fubon Bank (c)	2020.12-2025.12	Interest is paid monthly. Principal is payable in equal monthly amounts from the 25th month from the date of the loan.

16. TRADE PAYABLES

	December 31	
	2024	2023
Trade payables		
Operating	$ 482,960	$ 440,856

17. OTHER LIABILITIES

	December 31	
	2024	2023
Current		
Other payables		
Payables for salaries	$ 261,691	$ 249,458
Business taxes payable	84,039	87,605
Payables for equipment	20,075	48,737
Others	168,967	143,898
	$ 534,772	$ 529,698
Other liabilities		
Others	$ 19,847	$ 3,548
Non-current		
Guarantee deposits received	$ 450	$ 69

18. PROVISIONS

	December 31	
	2024	2023
Current		
Warranties	$ 19,833	$ 41,761

	Warranties
Balance at January 1, 2023	$ 36,497
Additions	5,313
Effect of foreign currency exchange differences	(49)
Balance at December 31, 2023	$ 41,761
Balance at January 1, 2024	$ 41,761
Reversal of unused balance	(22,019)
Effect of foreign currency exchange differences	91
Balance at December 31, 2024	$ 19,833

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under the legislation on the local sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the subsidiary Allied Supreme (Jia Xing) Corp. are members of a state-managed retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

As Aston Fluorotech Corp. is not required to contribute to retirement benefit plan for employees, no related retirement benefit plan liabilities were recognized.

The amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plans were as follows:

	For the Year Ended December 31	
	2024	2023
Contributions	$ 48,750	$ 45,822

b. Defined benefit plan

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plan were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	$ 84,224	$ 87,530
Fair value of plan assets	(104,138)	(93,561)
Net defined benefit assets	$ (19,914)	$ (6,031)

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	$ 94,726	$ (92,024)	$ 2,702
Service cost			
Current service cost	185	-	185
Interest expense (income)	1,124	(1,099)	25
Recognized in profit or loss	1,309	(1,099)	210
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(843)	(843)
Actuarial gain - experience adjustments	(6,972)	-	(6,972)
Recognized in other comprehensive income	(6,972)	(843)	(7,815)
Contributions from the employer	-	(1,128)	(1,128)
Benefits paid	(1,533)	1,533	-
Balance at December 31, 2023	87,530	(93,561)	(6,031)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Current service cost	$ 196	$ -	$ 196
Interest expense (income)	1,041	(1,120)	(79)
Recognized in profit or loss	1,237	(1,120)	117
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,349)	(8,349)
Actuarial gain - changes in financial assumptions	(1,590)	-	(1,590)
Actuarial gain - experience adjustments	(2,953)	-	(2,953)
Recognized in other comprehensive income	(4,543)	(8,349)	(12,892)
Contributions from the employer	-	(1,108)	(1,108)
Balance at December 31, 2024	$ 84,224	$ (104,138)	$ (19,914)

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate(s)	1.6%	1.2%
Expected rate(s) of salary increase	4.0%	4.0%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate		
0.1% increase	$ (387)	$ (87)
0.1% decrease	$ 393	$ 88
Expected rate of salary increase		
0.1% increase	$ 318	$ 88
0.1% decrease	$ (315)	$ (87)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plan for the next year	$ 1,200	$ 1,200
Average duration of the defined benefit obligation	4.6 years	5.2 years

20. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	168,000	168,000
Shares authorized, par value of $10	$ 1,680,000	$ 1,680,000
Shares issued and fully paid (in thousands of shares)	79,976	79,763
Shares issued and fully paid	$ 799,760	$ 797,630

As of December 31, 2024 and 2023, the Company's share capital increased by 213 thousand shares and 735 thousand shares, respectively, due to employees exercising their share options to convert into ordinary shares.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 2,042,900	$ 2,038,281
May only be used to offset deficits		
Exercise of disgorgement	2,380	1,876
May not be used for any purpose		
Employee share options	205	205
	$ 2,045,485	$ 2,040,362

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders. The aforementioned distribution of dividends and bonuses from the legal reserve or capital surplus shall be authorized by the board of directors in their meeting attended by at least two-thirds of all directors and resolved by more than half of the directors present and reported to the shareholders in their meeting.

The Company’s dividend policy is based on the consideration of the industrial environment, investment environment, capital needs, profit situation, capital structure and future operating needs, taking into account the interests of shareholders, balancing dividends and the Company's long-term financial planning, and setting aside the distributable surplus every year. No less than 10% of dividends shall be distributed to shareholders. If the share price is less than $0.1, dividends may not be distributed; when distributed to shareholders, dividends shall be distributed in cash or shares, of which cash dividends shall not be less than 30% of the total dividends.

For the rules on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 22-g.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company shall set aside from or reverse to unappropriated earnings amounts of special reserve for the net amount of other equity deductions accumulated in prior periods.

The appropriations of earnings and dividends per share for 2023 and 2022 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2023	2022
Legal reserve	$ 168,950	$ 177,533
Provision (reversal) of special reserve	$ 54,245	$ (24,095)
Cash dividends	$ 959,712	$ 948,444
Dividends per share (NT$)	$ 12	$ 12

The above 2023 and 2022 appropriations for cash dividends for 2023 were resolved by the Company's board of directors on March 8, 2024 and March 8, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meetings to be held on May 30, 2024 and May 26, 2023.

The appropriations of earnings for 2024, which were proposed by the Company's board of directors on March 7, 2025, were as follows:

	For the Year Ended December 31
Provision of legal reserve	$ 174,308
Reversal of special reserve	$ (75,379)
Cash dividends	$ 959,712
Dividends per share (NT$)	$ 12

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 29, 2025.

d. Other equity

Exchange differences on the translating of the financial statements of foreign operations

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ (75,379)	$ (21,134)
Recognized for the year:		
Exchange differences on the translation of the financial statement of the foreign operations	112,039	(54,245)
Balance at December 31	$ 36,660	$ (75,379)

21. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	$ 6,104,472	$ 5,438,443
Revenue from the rendering of services	352,927	253,910
	$ 6,457,399	$ 5,692,353

a. Contract information

For contract information, refer to Note 4(l) for summary of material accounting policy information.

b. Contract balances

	December 31	
	2024	2023
Trade receivables (Note 8)	$ 3,054,873	$ 1,971,586
Contract liabilities - current		
Revenue from the sale of goods and rendering of services	$ 536,429	$ 767,471

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	$ 44,892	$ 55,663
Others	-	2
	$ 44,892	$ 55,665

b. Other income

	For the Year Ended December 31	
	2024	2023
Others	$ 36,830	$ 31,538

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net foreign exchange gains (losses)	$ 57,240	$ (767)
Loss on disposal of property, plant and equipment	(657)	(1,343)
Gain on lease modification	-	1
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	-	189
Others	(1,801)	(1,178)
	$ 54,782	$ (3,098)

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	$ 6,080	$ 5,750
Interest on lease liabilities	137	178
	$ 6,217	$ 5,928

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	$ 169,593	$ 151,385
Right-of-use assets	11,028	11,636
Intangible assets	5,543	4,542
	$ 186,164	$ 167,563
An analysis of depreciation by function		
Operating cost	$ 146,766	$ 133,364
Operating expenses	33,855	29,657
	$ 180,621	$ 163,021
An analysis of amortization by function		
Operating cost	$ 581	$ 295
Operating expenses	4,962	4,247
	$ 5,543	$ 4,542

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 19)		
Defined contribution plans	$ 48,750	$ 45,822
Defined benefit plans	117	210
	48,867	46,032
Share-based payment		
Equity-settled	-	378
Other employee benefit	912,714	896,585
Total employee benefits expense	$ 961,581	$ 942,995
An analysis of employee benefits expense by function		
Operating costs	$ 568,403	$ 539,543
Operating expenses	393,178	403,452
	$ 961,581	$ 942,995

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of 5%-10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Company's board of directors on March 7, 2025 and March 8, 2024, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	6.00%	5.92%
Remuneration of directors	1.55%	1.53%

Amount

	For the Year Ended December 31			
	2024		2023	
	Cash	Share	Cash	Share
Compensation of employees	$ 131,005	$ -	$ 123,437	$ -
Remuneration of directors	33,843	-	31,888	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	$ 97,367	$ 59,214
Foreign exchange losses	(40,127)	(59,981)
	$ 57,240	$ (767)

23. INCOME TAXES RELATED TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 386,811	$ 361,668
Income tax on unappropriated earnings	25,330	33,672
Adjustments for prior year	(17,612)	(4,663)
Deferred tax		
In respect of the current year	7,092	7,194
Income tax expense recognized in profit or loss	$ 401,621	$ 397,871

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 2,134,385	$ 2,081,124
Income tax expense calculated at the statutory rate	$ 522,159	$ 528,190
Nondeductible expenses in determining taxable income	6,045	13,247
Income tax on appropriated earnings	25,330	33,672
Tax-exempt income	(3,807)	(2,632)
Deferred tax effect of earnings of subsidiaries	(130,164)	(167,595)
Adjustments for prior years' tax	(17,612)	(4,663)
Effect of different tax rates of entities operating in other jurisdictions	(330)	(2,348)
Income tax expense recognized in profit or loss	$ 401,621	$ 397,871

Since the subsidiaries in China have extend the high-tech enterprise certificate in 2023, the applicable tax rate has been remained 15%, and the effective period is three years.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	**2023**
Deferred tax		
In respect of the current period		
Remeasurement of defined benefit plans	$ 2,578	$ 1,563

c. Current tax assets and liabilities

	December 31	
	2024	**2023**
Current tax assets		
Tax refund receivable	$ 3,763	$ 3,732
Current tax liabilities		
Income tax payable	$ 226,059	$ 142,783

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Compre-hensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Unrealized profit from subsidiaries	$ 11,139	$ (991)	$ -	$ 10,148
Defined benefit obligation	148	-	(148)	-
Unrealized loss on write-down of inventories	12,071	4,481	-	16,552
Unrealized exchange losses	720	(720)	-	-
Others	8,717	(4,908)	-	3,809
	$ 32,795	$ (2,138)	$ (148)	$ 30,509
Deferred tax liabilities				
Temporary differences				
Investment gain by equity method	$ 87,049	$ -	$ -	$ 87,049
Unrealized exchange gain	-	4,954	-	4,954
Defined benefit obligation	-	-	2,430	2,430
	$ 87,049	$ 4,954	$ 2,430	$ 94,433

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized profit from subsidiaries	$ 18,184	$ (7,045)	$ -	$ 11,139
Defined benefit obligation	1,711	-	(1,563)	148
Unrealized loss on write-down of inventories	13,817	(1,746)	-	12,071
Unrealized foreign exchange losses	-	720	-	720
Others	8,498	219	-	8,717
	$ 42,210	$ (7,852)	$ (1,563)	$ 32,795
Deferred tax liabilities				
Temporary differences				
Investment gain by equity method	$ 87,049	$ -	$ -	$ 87,049
Unrealized exchange gain	405	(405)	-	-
Others	253	(253)	-	-
	$ 87,707	$ (658)	$ -	$ 87,049

e. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2024 and 2023, the aggregate deductible temporary differences associated with investments for which no deferred income tax liabilities have been recognized amounted to $2,946,323 thousand and $2,295,506 thousand, respectively.

f. Income tax assessments

Except for the 2021 fiscal year, the Company's income tax filings for fiscal years up to and including 2022 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Basic earnings per share	$ 21.68	$ 21.22
Diluted earnings per share	$ 21.55	$ 21.04

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2024	**2023**
Net profits attributable to the owners of the Company	$ 1,732,764	$ 1,683,253

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	79,924	79,329
Effect of potentially dilutive ordinary shares:		
Employee share options	-	191
Compensation of employees issued in the form of shares	482	464
Weighted average number of ordinary shares used in the computation of diluted earnings per share	80,406	79,984

The Group may settle compensation of employees by cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company were granted 2,000 thousand options in May 2020. Each option entitles the holder to subscribe for 1,000 ordinary shares of the Company. The options granted are valid for 4 years and exercisable at certain percentages after the first anniversary from the grant date.

Information on employee share options was as follows:

	Employee Share Option Plan Granted in May 2020			
	For the Year Ended December 31			
	2024		2023	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Balance at January 1	214	$ 31.7	953	$ 43.7
Options granted	-	-	-	-
Options forfeited	(1)	-	(4)	-
Options exercised	(213)	31.7	(9)	43.7
Options exercised	-	-	(726)	31.7
Options expired	-	-	-	-
Balance at December 31	-	-	214	31.7
Options exercisable, end of the year	-		214	
Weighted-average fair value of options granted ($)	$ -		$ -	

Information on outstanding options was as follows:

	December 31	
	2024	2023
Range of exercise price ($)	$ -	$ 31.70
Weighted-average remaining contractual life (in years)	-	0.42

Options granted in May 2020 is priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	Employee Share Option Plan Granted in May 2020
Grant-date share price	$40.75
Exercise price	$60
Expected volatility	29.86%
Expected life (in years)	4
Risk-free interest rate	0.50%

The expected volatility is based on the average annualized standard deviation calculated from the daily rate of return on share prices of the comparable listed companies in the past year. The Company assumes that employees will exercise stock options when the stock price after the expiry of the vested period is higher than the exercise price.

Compensation costs recognized were $0 thousand and $378 thousand for the years ended December 31, 2024 and 2023, respectively.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except the financial instruments measured at fair value, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value approximate their fair values.

b. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
FVTPL		
Financial assets at amortized cost (1)	$ 6,885,647	$ 5,556,993
Financial liabilities		
Amortized cost (2)	1,446,293	1,470,866

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, financial assets at amortized cost, and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise notes and trade payables, other payables, the current portion of long-term debt, long-term loans, and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments included trade receivables, trade payables and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Group's exposure to market risk or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar and the Chinese yuan.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. A positive (negative) number indicates an increase (decrease) in pre-tax profit associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant foreign currencies. Conversely, there would be an equal and opposite impact on pre-tax profit for a 5% strengthening (weakening) of the New Taiwan dollar against the relevant foreign currencies.

	USD Impact		**RMB Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2024	**2023**	**2024**	**2023**
Profit or loss	$ 29,723	$ 38,751	$ 7,010	$ 20,327

Note: This was mainly attributable to the exposure on outstanding USD and RMB bank deposits and receivables which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group based on management's knowledge and insight obtained from the financial markets to maintain an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	2023
Cash flow interest rate risk	$ 428,111	$ 500,243

The Group was also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings.

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased/increased by $4,281 thousand and $5,002 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk (without consideration of the collaterals held as security or other credit enhancements, and irrevocable maximum exposure amounts), which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance are made for irrecoverable amounts.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables. Credit insurance will be purchased if necessary.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 1,018,182	$ -	$ -	$ -	$ 1,018,182
Variable interest rate liabilities	114,588	83,688	175,695	54,140	428,111
	$ 1,132,770	$ 83,688	$ 175,695	$ 54,140	$ 1,446,293

December 31, 2023

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 970,623	$ -	$ -	$ -	$ 970,623
Variable interest rate liabilities	72,132	114,588	218,763	94,760	500,243
	$ 1,042,755	$ 114,588	$ 218,763	$ 94,760	$ 1,470,866

The amounts of floating rate instruments for the above non-derivative financial assets and liabilities will vary due to the difference between the floating rate and the rate estimated at the balance sheet date.

b) Financing facilities

	December 31	
	2024	2023
Unsecured bank loan facilities:		
Amount used	$ 41,667	$ 83,334
Letter of guarantee used	38,646	10,609
Amount unused	1,323,360	1,292,050
	$ 1,403,673	$ 1,385,993

(Continued)

	December 31	
	2024	2023
Secured bank loan facilities:		
Amount used	$ 386,444	$ 416,909
Letter of guarantee used	220,879	101,553
Amount unused	430,552	582,501
	$ 1,037,875	$ 1,100,963

(Concluded)

d. Transfers of financial assets

The Group entered into a non-recourse factoring agreement with its customers and Agricultural Bank of China. Under the agreement, the Group applied for the transfer of accounts receivable through the cooperative platform of the Agricultural Bank of China within the factoring facility provided by the bank. Within this facility, any losses arising from commercial disputes (such as sales returns or allowances) are borne by the Group, while losses arising from credit risk are borne by the bank. As such, the transfer of accounts receivable qualifies as a non-recourse transaction. Upon the transfer of accounts receivable, the Group receives the full amount of the transferred receivables. The transaction-related service fees and factoring financing interest are borne by the customers. Since the Group has transferred substantially all risks and rewards associated with the ownership of these accounts receivable and has no continuing involvement, the transfer meets the criteria for derecognition of financial assets. As of December 31, 2024 and 2023, the amounts of accounts receivable transferred were $23,746 thousand and $0 thousand, respectively. The transferred receivables has been fully collected.

December 31, 2024					
Purchaser	Receivables Factoring Proceeds	Assignment Facility (Received)	Advances Received - Unused	Amount Paid Out	Annual Interest Rates on Advances Received (Used) (%)
Agricultural Bank of China	$ 23,746	$ 23,746	$ -	$ 23,746	3.09 (Customer to bear)

The Group transferred a portion of its banker’s acceptance bills in mainland China to some of its suppliers in order to settle the trade payables with these suppliers. As the Group had transferred substantially all risks and rewards relating to these bills’ receivable, it derecognized the full carrying amount of the bill’s receivable and the associated trade payables. However, if the derecognized bills receivable is not paid at maturity, the suppliers have the right to request the Group to pay the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group’s continuing involvement in the derecognized bills receivable is equal to the face values of the transferred but unsettled bills receivable, and as of December 31, 2024 and 2023, the face values of these unsettled bills receivable were $66,193 thousand and $75,121 thousand, respectively. The unsettled bills receivable will be due in 6 months after December 31, 2024 and 2023, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement is not significant.

During 2024 and 2023, the Group did not recognize gains or losses upon the transfer of the banker’s acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period and cumulatively.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

Remuneration of Key Management Personnel

The amounts of the remuneration of directors and key management personnel for the years ended December 31, 2024 and 2023 and for the years ended December 31, 2024 and 2023 were as follows:

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 92,498	$ 82,492
Share-based payment	-	378
	$ 92,498	$ 82,870

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, and as guarantee deposits for usance letters of credit and quality guarantees:

	December 31		
	2024	2023	Object
Land	$ 61,436	$ 61,436	Bank borrowings
Property	280,750	286,362	Bank borrowings
Machinery and other equipment	84,289	105,254	Bank borrowings
Time deposit (other financial assets - current)	285,032	219,605	Bank borrowings, borrowings of usance L/C and quality guarantees
Time deposit (other financial assets - non-current)	13,676	-	Quality guarantees
	$ 725,183	$ 672,657	

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those items which have been disclosed in other notes, the significant contingent liabilities and unrecognized contract commitments of the Group as of December 31, 2024 were as follows:

a. The Group has outstanding notes payable for security deposits amounting to $26,040 thousand.

b. The Group has outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to US$23 thousand.

c. The Group has outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to $111,947 thousand.

d. The Group has outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to US$3,300 thousand.

e. The Group has outstanding notes payable to Taipei Fubon Bank for security deposits under various construction projects amounting to $632 thousand.

f. The Group has outstanding notes payable to Taishin Bank for security deposits under various construction projects amounting to $38,015 thousand.

g. The Group has outstanding notes payable to China Construction Bank (Asia) Corporation Limited for standby letter of credit under various construction projects amounting to RMB10,305 thousand.

h. On July 12, 2023, the board of directors of the Group approved the purchase of a pre-owned commercial office building, with a total transaction price of $107,650 thousand, to be paid in six installments. As of December 31, 2024, the company has paid the first four installments, and the prepayment for land and property was recorded at $91,391 thousand.

In addition to those items which have been disclosed in other notes, the significant contingent liabilities and unrecognized contract commitments of the Group as of December 31, 2023 were as follows:

a. The Group has outstanding notes payable for security deposits amounting to $30,225 thousand.

b. The Group has outstanding notes payable to Mega International Commercial Bank for security deposits under various construction projects amounting to $112,162 thousand.

c. The Group has outstanding notes payable to China Construction Bank (Asia) Corporation Limited for standby letter of credit under various construction projects amounting to RMB4,111 thousand.

d. On July 12, 2023, the Group's board of directors approved the purchase of a pre-sale commercial office building for a total amount of $107,650 thousand, which will be paid in six installments. As of December 31, 2023, the first installment has not yet been paid.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies (aggregated by the foreign currencies) other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 21,174	32.785	$ 694,190
RMB	31,309	4.478	140,201
Financial liabilities			
Monetary items			
USD	3,042	32.785	99,732

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 29,303	30.705	$ 899,749
RMB	93,593	4.327	406,535
Financial liabilities			
Monetary items			
USD	4,062	30.705	124,724

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were $57,240 thousand and $(767) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

32. SEGMENT INFORMATION

a. Segment Revenue and Results

The following was an analysis of the Group's revenue, profits and assets from continuing operations by reportable segments:

	For the Year Ended December 31, 2024				
	China	America	Taiwan	Adjustment and Reversal	Total
Revenue from external customers	$ 2,531,231	$ 93,193	$ 3,832,975	$ -	$ 6,457,399
Inter-segment revenue	7,909	-	383,306	(391,215)	-
	$ 2,539,140	$ 93,193	$ 4,216,281	$ (391,215)	$ 6,457,399
Segment profit (loss)	$ 729,558	$ 35,042	$ 2,019,916	$ (650,131)	$ 2,134,385
Segment assets	$ 4,391,388	$ 302,235	$ 9,947,758	$ (3,945,576)	$ 10,695,805

	For the Year Ended December 31, 2023				
	China	America	Taiwan	Adjustment and Reversal	Total
Revenue from external customers	$ 2,658,265	$ 89,972	$ 2,944,116	$ -	$ 5,692,353
Inter-segment revenue	4,247	-	401,160	(405,407)	-
	$ 2,662,512	$ 89,972	$ 3,345,276	$ (405,407)	$ 5,692,353
Segment profit (loss)	$ 947,065	$ 31,222	$ 1,930,714	$ (827,877)	$ 2,081,124
Segment assets	$ 3,883,072	$ 134,909	$ 9,166,437	$ (3,214,242)	$ 9,970,176

Note: The Group operates in three principal geographical areas - China, America and Taiwan.

b. Product-specific Information: Teflon products account for more than 90% of the Group's total revenue.

c. Geographical Information: The main operating areas of the Group are the basis for the operating divisions.

d. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2024	2023
Customer A (Note 4)	$ 743,513	$ (Note 1)
Customer B (Note 3)	(Note 1)	599,330
Customer C (Note 2)	(Note 1)	572,491
	$ 743,513	$ 1,171,821

Note 1: The amount of revenue did not reach 10% of the total revenue of the Group.

Note 2: Revenue from Taiwan.

Note 3: Revenue from China.

Note 4: Revenue from Taiwan and United States.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: Table 1 (attached).

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): None.

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2 (attached).

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3 (attached).

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions: Table 4 (attached).

11) Information on investees: Tables 5 to 6 (attached).

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7 (attached).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8 and Table 1 (attached).

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

c. Information of major shareholders:

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9 (attached).

TABLE 1

ALLIED SUPREME CORP. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	Subsidiaries	The limit is 20% of the net value of the financing company based on the latest audited financial statements.	$ 90,120 (RMB 20,000)	$ 67,170 (RMB 15,000) (Note B)	$ -	$ -	0.8	Note A	Y	N	Y	
		Aston Fluorotech Corp.	Subsidiaries	The limit is 20% of the net value of the financing company based on the latest audited financial statements.	123,671 (US$ 3,800)	108,191 (US$ 3,300) (Note B)	108,191 (US$ 3,300)	108,191 (US$ 3,300)	1.3	Note A	Y	N	N	

Note A: Aggregate endorsement/guarantee limit is 40% of the net value of the financing company = $8,345,353 x 40% = $3,338,141.

Note B: The calculation of the outstanding endorsement/guarantee at the end of the period was based on the average buy/sell closing exchange rate for the year ended December 31, 2024.

ALLIED SUPREME CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	Second-tier subsidiary	Sale	$ (350,744)	(8)	Note	Note	Note	Accounts receivable $ 116,644	7	

Note: The transactions as follows:

Sale of goods

Allied Supreme (Jia Xing) Corp.: The terms of the transaction are determined based on bargaining, while the collection period is 90 days.

TABLE 3

ALLIED SUPREME CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	Second-tier subsidiary	Accounts receivable	$ 116,644	2.67	$ -	-	$ 82,675	$ -

TABLE 4

ALLIED SUPREME CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transactions Details			% of Total Sales or Assets (Note C)
				Financial Statement Account	Amount	Payment Terms	
	For the year ended December 31, 2024						
0	Allied Supreme Corp.	Allied Supreme (Jia Xing) Corp.	1	Accounts receivable	$ 116,644	Note D	1
		Allied Supreme (Jia Xing) Corp.	1	Accounts payable	4,807	Note D	-
		Allied Supreme (Jia Xing) Corp.	1	Sales	350,744	Note D	5
		Allied Supreme (Jia Xing) Corp.	1	Cost of goods sold	7,909	Note D	-
		Aston Fluorotech Corp.	1	Accounts receivable	13,489	Note D	-
		Aston Fluorotech Corp.	1	Sales	32,562	Note D	1

Note A: The intercompany transactions between each company are identified and numbered as follows:

1. Parent company: 0.
2. Subsidiaries are numbered starting from 1.

Note B: The types of transactions between related parties are as follows:

1. From parent company to subsidiary.
2. From subsidiary to parent company.
3. Between subsidiaries.

Note C: The percentage to total assets or sales is the ratio of the ending balance to consolidated assets or the cumulative income amount to consolidated revenue.

Note D: The transactions between parent company and subsidiary.

1. Purchase of goods

   Allied Supreme (Jia Xing) Corp.: The terms of the transaction are determined based on bargaining, while the payment term is 75 days after shipment.

2. Sale of goods

   Allied Supreme (Jia Xing) Corp.: The terms of the transaction are determined based on bargaining, while the collection period is 90 days.

   Aston Fluorotech Corp.: The terms of the transaction are determined based on bargaining, while the collection period is 115 days.

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Allied Supreme Corp.	Allied Supreme (Samoa) Corp.	Samoa.	Investment	$ 373,284	$ 373,284	11,750,000	100	$ 3,668,304	$ 624,879	$ 625,564	Subsidiary
	Aston Fluorotech Corp.	U.S.A.	Trading of special functional composite materials and products	18,537	18,537	600,000	100	74,091	25,252	25,252	Subsidiary
Allied Supreme (Samoa) Corp.	Allied Supreme (China) Corp.	Samoa.	Investment	373,284	373,284	11,750,000	100	3,667,843	624,892	-	Second-tier subsidiary

ALLIED SUPREME CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total	
Allied Supreme (Jia Xing) Corp.	Allied Supreme Corp.	Ultimate parent company	Purchase	$ 350,744	26	Note	Note	Note	Accounts payable	$ (116,644)	(51)	

Note: Refer to Table 2.

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, In Thousands of Foreign Currencies)

Investee Company	Manufacture of Special Functional Composite Materials and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outflow	Inflow							
Allied Supreme (Jia Xing) Corp.	Manufacturing of special functional composite materials and products	$ 604,005 (US$ 20,000)	Note	$ 373,284 (US$ 11,750)	$ -	$ -	$ 373,284 (US$ 11,750)	$ 624,757	100	$ 625,442	$ 3,663,935	$ -	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$373,284(US$ 11,750)	$604,005(US$ 20,000)	$5,007,212

Note: Parent company: Allied Supreme Corp.; subsidiary: Allied Supreme (Samoa) Corp.; second-tier subsidiary: Allied Supreme (China) Corp.; third-tier subsidiary: Allied Supreme (Jia Xing) Corp.

TABLE 8

ALLIED SUPREME CORP. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company in Mainland China	Transaction Type	Amount	Transaction Details			Notes/Accounts Receivable (Payable)			Unrealized (Gain) Loss
			Price	Payment Terms	Comparison with Normal Transactions	Ending Balance		%	
Allied Supreme (Jia Xing) Corp.	Sales of goods	$ 7,909	Note	Note	Note	Accounts receivable	$ 4,807	-	$ 589
	Purchases of goods	350,744	Note	Note	Note	Accounts payable	(116,644)	(51)	58,752

Note: The payment term is 90 days and the collection term is 75 days after shipment, according to the specifications set by both parties.

TABLE 9

ALLIED SUPREME CORP. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Yung Ching Investment Co., Ltd.	6,811,732	8.51
Ying Sheng Investment Co., Ltd.	5,163,485	6.45
Hsieh, Sheng Kuo	4,594,464	5.74
Shang He Investment Co., Ltd.	4,520,825	5.65

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.