

Stock Code: 1583

Goodway Machine Corporation

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

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Independent Auditors' Report

The Board of Directors and Shareholders

Goodway Machine Corporation:

Audit Opinion

We have audited the financial statements of Goodway Machine Corporation. (the "Company"), which comprise the balance sheets as of December 31, 2024, and the statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of 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 financial statements for the year ended December 31, 2024 Goodway Machine Corporation. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matters identified in the Company's financial statements for the year ended December 31, 2024 are stated as follows:

Evaluation of receivables

Net receivables of Goodway Machine Corporation on December 31, 2024 was NTD 547,419 thousand (with deduction of the allowance for loss at NTD 11,424 thousand). Since the provision of amounts of receivables that cannot be recovered involves judgment by the management, therefore, we focus on individual accounts where the balance of receivables is significant and the collection is delayed, to evaluate the reasonableness of their provision for losses. Our audit procedures for this include:

1. Carefully assess the assumptions used by the management to calculate the allowance for loss, and confirm that the calculations are sufficient to support the provision for allowance for loss, including testing the correctness of the aging report used as the basis for the calculation of the allowance for loss. In order to evaluate reasonableness of the balance of allowance for loss, we analyzed and compared with aging classification and provision proportion of receivables in 2024 to prior years, and reviewed the writing-off condition of bad debts in 2024 compared with the prior years, so as to verify the reasonableness of provision for expected credit impairment loss, and then confirmed the possibility of recovery of outstanding funds through collection after the inspection period.
2. Test the effectiveness of the operation of internal controls related to receivables, including approval of credit limits for customer transactions and detailed review of receivables' ledgers.

Evaluation of allowance for valuation loss of inventories

Accounting inventories of Goodway Machine Corporation are evaluated in accordance with the inaction evaluation policy formulated by the Group. Since this policy is applicable to extensive scope of products, and various products are of different elimination rates of old ones, and there shall be inaction ratio of different categories if evaluating the products by category, therefore, evaluation test of the allowance for valuation loss of inventories is one of the important evaluation items by us in auditing the financial statements of Goodway Machine Corporation.



Our main audit procedures for the above key matters included examining the inventory age statement and analyzing the inventory age changes of each period; evaluating whether the evaluation of inventories has been carried out in accordance with the established accounting policies of Goodway Machine Corporation, so as to audit the reasonableness of the provision for sluggish losses.

Revenue from sales of goods:

The main revenue of Goodway Machine Corporation comes from sales of CNC lathes, and the sales revenue of which in 2024 was recognized as NTD 1,460,471 thousand, accounting for about 90% of overall operating income. Since the recognition time point and amount have a significant impact on the financial statements, therefore, the revenue recognition test is an important evaluation item by us in auditing the financial statements.

By testing the effectiveness of the design and implementation of the internal control system for revenue, we reviewed the significant new contracts and understood the contract terms and sample sales transactions during the period before and after the end of the test year, so as to evaluate correctness of the revenue recognition period. In addition, we made trend analysis of the top ten sales customers and revenues from products by category, so as to evaluate whether there was significant abnormality or not.

Other Matters

The parent company only financial statements for the year ended December 31, 2023 of Goodway Machine Corporation were audited by other CPAs, and an audit report with unqualified opinion conclusion for the Other Matters section was issued on March 6, 2024.

In the above parent company only financial statements for 2024, the financial statements of YAMA SEIKI USA, INC., which are investments accounted for using the equity method, were not audited by us, but were audited by other CPAs entrusted by the Company. As of December 31, 2024, the balance of investments accounted for using the equity method was NTD 326,220 thousand, which accounted for 3% of the Company's total assets. For the year ended December 31, 2024, the share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method was NTD 19,102 thousand, which accounted for 1% of the Company's total comprehensive income.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.



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

EnWise CPAs & Co.

CPA Guei-Duan Chen

CPA Chang-Yun Yi

Approval number of the Securities and
Futures Management Committee,
Ministry of Finance
(1990) Tai-Cai-Zheng (I) No. 27495

Approval number of the Securities and
Futures Management Committee,
Ministry of Finance
(2003) Tai-Cai-Zheng (VI) No. 121986

February 27, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

Goodway Machine Corporation
Balance Sheets
December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code	Items	Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	Notes 4 and 6 (1)	\$ 482,169	5	\$ 675,276	8
1110	Financial assets at FVTPL - current	Notes 4 and 6 (2)	2,130,473	22	1,227,280	14
1120	Financial assets at FVOCI - current	Notes 4 and 6 (3)	24,863	-	115,046	1
1150	Notes receivable, net	Notes 4 and 6 (4)	11,681	-	11,426	-
1160	Notes receivable due from related parties, net	Note 7	330	-	300	-
1170	Accounts receivable, net	Notes 4 and 6 (4)	535,738	5	469,862	5
1180	Account receivables due from related parties, net	Note 7	62,439	1	41,172	1
1200	Other receivables		7,470	-	8,260	-
1210	Other receivables - related parties	Note 7	2,132	-	1,042	-
1220	Current income tax assets	Notes 4 and 6 (29)	417	-	-	-
130X	Inventories	Notes 4 and 6 (5)	1,310,327	13	1,366,797	16
1410	Prepayments		18,104	-	9,112	-
1476	Other financial assets - current	Note 6 (6)	273,035	3	244,408	3
1479	Other current assets - others		4,484	-	4,662	-
11XX	Total current assets		4,863,662	49	4,174,643	48
	Non-current assets					
1550	Investments accounted for using equity method	Notes 4 and 6 (7)	2,974,724	30	2,810,314	33
1600	Property, plant and equipment	Notes 4, 6 (8) and 8	1,471,862	15	1,322,365	15
1755	Right-of-use assets	Notes 4 and 6 (9)	178,429	2	187	-
1760	Investment property	Notes 4 and 6 (10)	284,646	3	285,274	3
1780	Intangible assets	Notes 4 and 6 (11)	16,256	-	7,809	-
1840	Deferred income tax assets	Notes 4 and 6 (29)	39,046	1	38,754	1
1915	Prepayments for equipment		29,437	-	2,105	-
1920	Refundable deposits		532	-	2,069	-
15XX	Total non-current assets		4,994,932	51	4,468,877	52
1XXX	Total assets		\$ 9,858,594	100	\$ 8,643,520	100

Please refer to the accompanying notes to the financial statements.

Goodway Machine Corporation
Balance Sheets
December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code	Items	Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	Note 6 (12)	\$ 1,350,000	14	\$ 1,160,000	13
2110	Short-term notes and bills payable	Note 6 (13)	-	-	199,872	2
2130	Current contract liabilities	Note 6 (14)	10,282	-	14,755	-
2150	Notes payable		194,731	2	232,958	3
2160	Notes payable - related parties	Note 7	14,351	-	2,977	-
2170	Accounts payable		41,480	-	68,531	1
2180	Accounts payable - related parties	Note 7	1,022	-	2,064	-
2200	Other payables	Note 6 (15)	180,310	2	147,817	2
2220	Other payables - related parties	Note 7	3,311	-	409	-
2230	Current tax liabilities		52,815	1	147,235	2
2250	Current provisions	Notes 4 and 6 (16)	10,969	-	10,658	-
2280	Current lease liabilities	Notes 4 and 6 (9)	9,097	-	190	-
2320	Long-term liabilities due within one year or one business cycle	Note 6 (17)	77,450	1	664,950	8
2399	Other current liabilities - others		46	-	32	-
21XX	Total current liabilities		1,945,864	20	2,652,448	31
	Non-current liabilities					
2540	Long-term borrowings	Note 6 (17)	996,063	10	273,513	3
2570	Deferred income tax liabilities	Notes 4 and 6 (29)	156,503	2	165,861	2
2580	Non-current lease liabilities	Notes 4 and 6 (9)	170,759	2	-	-
2640	Net defined benefit liability - non-current	Notes 4 and 6 (18)	9,526	-	16,289	-
2645	Guarantee deposits received		2,373	-	2,373	-
25XX	Total non-current liabilities		1,335,224	14	458,036	5
2XXX	Total Liabilities		3,281,088	34	3,110,484	36
	Equity					
3100	Share capital					
3110	Common stock	Notes 4 and 6 (19)	1,104,004	11	1,104,004	13
3200	Capital surplus	Notes 4 and 6 (20)				
3210	Capital surplus - additional paid-in capital arising from ordinary share		258,462	3	258,462	3
3240	Capital surplus - gains from disposal of assets		1,260	-	1,260	-
3260	Capital surplus - changes in net equity value of associates and joint ventures recognized by equity method		467	-	467	-
3271	Capital surplus - employee stock option		202	-	202	-
3280	Capital surplus - others		63,285	-	63,285	-
3300	Retained earnings	Note 6 (21)				
3310	Legal reserve		912,730	9	843,366	10
3320	Special reserve		188,846	2	188,846	2
3350	Unappropriated earnings		4,045,982	41	3,176,876	37
3400	Other equity	Note 6 (22)				
3410	Exchange difference on translation of financial statements of foreign operations		(10,067)	-	(72,033)	(1)
3420	Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income		12,335	-	(31,699)	-
3XXX	Total equity		6,577,506	66	5,533,036	64
	Total liability and equity		\$ 9,858,594	100	\$ 8,643,520	100

Please refer to the accompanying notes to the financial statements.

Goodway Machine Corporation
Statements of Comprehensive Income
December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	Notes 4 and 6 (23)	\$ 1,618,568	100	\$ 1,800,649	100
5000	Operating costs	Note 6 (5)	(1,315,443)	(81)	(1,405,905)	(78)
5900	Gross profit		303,125	19	394,744	22
5910	Unrealized gain from sale		(61,295)	(4)	(72,231)	(4)
5920	Realized gain from sale		72,231	4	91,823	5
5950	Gross profit, net		314,061	19	414,336	23
	Operating expenses					
6100	Selling and marketing expenses		(116,916)	(7)	(129,496)	(7)
6200	General and administrative expenses		(115,918)	(7)	(96,595)	(5)
6300	Research and development expenses		(71,431)	(4)	(54,509)	(3)
6450	Expected credit impairment gains (losses)		(2,833)	-	66,856	3
6000	Total operating expenses		(307,098)	(18)	(213,744)	(12)
6900	Operating profit		6,963	1	200,592	11
	Non-operating income and expenses					
7100	Interest income		16,973	1	26,674	1
7010	Other income	Note 6 (26)	114,925	7	101,355	6
7020	Other gains and losses	Note 6 (27)	936,074	58	282,220	16
7050	Finance costs	Note 6 (28)	(44,321)	(3)	(45,502)	(3)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		262,143	16	238,092	13
7000	Total non-operating income and expenses		1,285,794	79	602,839	33
7900	Net profit before tax		1,292,757	80	803,431	44
7950	Income tax expense	Notes 4 and 6 (29)	(37,265)	(2)	(90,129)	(5)
8200	Profit for the year		1,255,492	78	713,302	39
	Other comprehensive income	Note 6 (30)				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plan	Note 6 (18)	6,364	-	3,634	-
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income		161,314	10	(44,332)	(2)
8331	Re-measurement of defined benefit plans of subsidiaries, associates and joint ventures		822	-	(174)	-
8336	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures		1,550	-	(738)	-
8349	Income taxes related to the items not reclassified	Note 6 (29)	(1,437)	-	(692)	-
			168,613	10	(42,302)	(2)
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange difference on translation of financial statements of foreign operations		66,189	4	(22,295)	(1)
8399	Income tax related to items that may be reclassified	Note 6 (29)	(4,223)	-	1,971	-
			61,966	4	(20,324)	(1)
8300	Other comprehensive (loss) income for the year		230,579	14	(62,626)	(3)
8500	Total comprehensive income		\$ 1,486,071	92	\$ 650,676	36
	Earnings per share					
9750	Basic earnings per share	Note 6 (31)	\$ 11.37		\$ 6.46	
9850	Diluted earnings per share	Note 6 (31)	\$ 11.31		\$ 6.44	

Please refer to the accompanying notes to the financial statements.

Goodway Machine Corporation
Statement 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 items		
						Exchange difference on translation of financial statements of foreign operations	Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	
Items	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings			Total equity
Balance at January 1, 2023	\$ 1,104,004	\$ 323,529	\$ 765,046	\$ 188,846	\$ 2,892,760	\$ (51,709)	\$ (9,062)	\$ 5,213,414
Appropriation and distribution of retained earnings:								
Legal capital reserve	-	-	78,320	-	(78,320)	-	-	-
Cash dividends of common stock	-	-	-	-	(331,201)	-	-	(331,201)
2023 Net profit	-	-	-	-	713,302	-	-	713,302
Other comprehensive income for 2023	-	-	-	-	2,768	(20,324)	(45,070)	(62,626)
Total comprehensive income of 2023	-	-	-	-	716,070	(20,324)	(45,070)	650,676
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	147	-	-	-	-	-	147
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(22,433)	-	22,433	-
Balance at December 31, 2023	1,104,004	323,676	843,366	188,846	3,176,876	(72,033)	(31,699)	5,533,036
Appropriation and distribution of retained earnings:								
Legal capital reserve	-	-	69,364	-	(69,364)	-	-	-
Cash dividends of common stock	-	-	-	-	(441,601)	-	-	(441,601)
2024 Net profit	-	-	-	-	1,255,492	-	-	1,255,492
Other comprehensive income for 2024	-	-	-	-	5,749	61,966	162,864	230,579
Total comprehensive income of 2024	-	-	-	-	1,261,241	61,966	162,864	1,486,071
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	118,881	-	(118,881)	-
Disposal of equity instruments at fair value through other comprehensive income by subsidiaries	-	-	-	-	(51)	-	51	-
Balance at December 31, 2024	\$ 1,104,004	\$ 323,676	\$ 912,730	\$ 188,846	\$ 4,045,982	\$ (10,067)	\$ 12,335	\$ 6,577,506

Please refer to the accompanying notes to the financial statements.

Goodway Machine Corporation
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	(In Thousands of New Taiwan Dollars)	
	2024	2023
<u>Cash flows from operating activities</u>		
Net profit before tax	\$ 1,292,757	\$ 803,431
Adjustments		
Income/expenses items not influencing cash flow		
Depreciation	62,914	64,260
Amortisation	2,908	3,311
Expected credit impairment losses (gains)	2,833	(66,856)
Net gain on financial assets at FVTPL	(872,265)	(300,281)
Interest expense	44,321	45,502
Interest income	(16,973)	(26,674)
Dividend revenue	(52,190)	(53,622)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	(262,143)	(238,092)
Gains on disposal and discard of property, plant and equipment	(468)	(680)
Losses (Gains) on disposals of investments	(7,901)	19,807
Unrealized (Realized) gain from sale with subsidiaries and associates	(10,936)	(19,592)
Allowance for provisions	858	-
Changes in operating assets and liabilities		
Decrease (Increase) in notes receivable	(272)	5,975
Decrease (Increase) in notes receivable - related parties	(30)	4,414
Decrease (Increase) in accounts receivable	(68,692)	605,808
Decrease (increase) in accounts receivables - related parties	(21,267)	43,322
Decrease in other receivables	814	3,694
Decrease (Increase) in other receivables - related parties	(1,090)	235
Decrease (Increase) in inventories	56,470	(72,068)
Decrease (Increase) in prepayments	(8,992)	4,250
Decrease in other current assets	177	380
Decrease in contract liabilities	(4,473)	(42,317)
Decrease in notes payable	(38,227)	(159,373)
Increase (Decrease) in notes payable - related parties	11,374	(301)
Decrease in accounts payable	(27,051)	(21,275)
Increase (Decrease) in accounts payable - related parties	(1,042)	1,033
Increase (Decrease) in other payables	11,805	(17,424)
Increase in other payables - related parties	2,902	298
Decrease in provisions	(547)	(4,727)
Increase (Decrease) in advance receipts	12	-
Increase (Decrease) in other current liabilities	2	(13)
Decrease in net defined benefit liability	(400)	(3,152)
Cash generated from operations	95,188	579,273
Interest received	16,949	31,043
Income tax paid	(143,024)	(33,639)
Net cash inflow (outflow) from operating activities	(30,887)	576,677
(Continued)		

Goodway Machine Corporation
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
(Continued from previous page)		
<u>Cash flows from investing activities</u>		
Acquisitions of financial assets at fair value through other comprehensive income	\$ (13,095)	\$ (248)
Disposal of financial assets at fair value through other comprehensive income	264,592	57,609
Acquisitions of financial assets at fair value through profit or loss	(77,033)	(95,704)
Disposal of financial assets at fair value through profit or loss	52,691	77,946
Acquisitions of investments accounted for using equity method	(10,350)	(1,537)
Acquisition of property, plant and equipment	(179,512)	(39,145)
Disposal of property, plant and equipment	1,405	680
Acquisitions of Investment property	(467)	-
Decrease in refundable deposits	1,537	99
Acquisitions of intangible assets	(11,355)	(730)
Increase in other financial assets	(28,626)	(10,386)
Increase in prepayments for equipment	(29,437)	(5,417)
Dividends received	236,698	246,724
Net cash inflow from investing activities	<u>207,048</u>	<u>229,891</u>
<u>Cash flows from financing activities</u>		
Increase (Decrease) in short-term borrowings	190,000	(540,000)
Decrease in short-term notes and bills payable	(199,872)	(568,629)
Increase (Decrease) in long-term borrowings	135,050	(35,455)
Decrease in guarantee deposits received	-	(567)
Repayment of principal of lease liabilities	(8,954)	(11,934)
Cash dividends paid	(441,601)	(331,201)
Interest paid	(43,891)	(45,467)
Net cash outflow from financing activities	<u>(369,268)</u>	<u>(1,533,253)</u>
Net decrease in cash and cash equivalents	(193,107)	(726,685)
Cash and cash equivalents at the beginning of year	675,276	1,401,961
Cash and cash equivalents at the end of year	<u>\$ 482,169</u>	<u>\$ 675,276</u>

Please refer to the accompanying notes to the financial statements.

Goodway Machine Corporation

Notes to Financial Statements

For the Years Ended December 31, 2024 and 2023

(Amounts are in thousands of NTD, unless stated otherwise)

1. History and Organization

Goodway Machine Corporation (hereinafter referred to as “the Company”) was established in September 1975 upon approval of the Ministry of Economic Affairs. Its registered address is No. 13, Gongyequ 5th Rd., Xitun Dist., Taichung City, and its operating business includes manufacturing, processing and sales of various machine tools, automatic mechanical hardware, woodworking machines, and woodworking lathes, etc. The Company started to manufacture CNC lathes since the end of 1987.

The Company was approved as a public offering company by Document Jin-Guan-Zheng-Yi-Zi No. 0950147150 of the Financial Supervisory Commission, Executive Yuan on October 20, 2006, and an application was made to the Taipei Exchange (TPEX) on December 15, 2006 for over-the-counter (OTC) stock trading, and such application was approved by Document Zheng-Gui-Shen-Zi No. 0950033757 of the Taipei Exchange (TPEX), and OTC trading started since December 27, 2006. In addition, the Company was approved of listing by Document Tai-Zheng-Shang-Zi No. 0961700606 on October 29, 2007, and began to be listed for trading on TWSE Stock Exchange Market since January 24, 2008.

2. Approval Date and Procedures of the Financial Statements

The financial statements were approved by the Board of Directors and authorized for issue on February 27, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

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

Except as stated below, the application of the amendments to the IFRS endorsed and issued into effect by the FSC does not have a significant effect on the Company’s accounting policies:

(2) IFRSs endorsed by the FSC for application in 2025:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: This amendment applies for annual reporting periods beginning after January 1, 2025. When initially applying the amendment, the comparative period shall not be recompiled. Instead, the impact amount shall be recognized in the exchange difference (as appropriate) of the foreign operating institution under retained earnings or equity on the initial application date, along with the related affected assets and liabilities.

(3) IFRSs issued by the International Accounting Standards Board (IASB) that have been endorsed by the FSC and will come into effect in 2024:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts for 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
Amendment to IFRS 17, “Initial application of IFRS 17 and IFRS 9 comparative information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above new/revised/amended standards or interpretations are effective for annual reporting periods beginning on their respective effective dates.

In addition to the above effects, as of the date the financial statements were authorized, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

The summary of significant accounting policies applied in the preparation of these financial statements are set out below. The following accounting policies have been consistently applied to all periods presented in the financial statements, except as described in Notes 3 and 4 regarding accounting changes.

(1) Statement of compliance

These financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following significant items of balance sheet, these financial statements have been prepared at historical cost:

- (A) Financial assets measured at fair value through profit or loss;
- (B) Financial assets measured at fair value through other comprehensive income;
- (C) The net defined benefit liability is the fair value of pension fund assets less the present value of defined benefit obligations.

B. The preparation of financial statements in conformity with IFRSs recognized by the Financial Supervisory Commission requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

C. In preparing the financial statements, the equity method is adopted to the investments in subsidiaries and associates. For the purpose of making the current profit and loss, other comprehensive income and equity in the financial statement identical to those in the Company’s owner, several accounting treatment differences under individual and consolidated basis are adjusted into “Investments Accounted for Using Equity Method”, “Share of the Profit or Loss of Subsidiaries, associates and Joint Ventures Accounted for Using the Equity Method”, and “Share of Other Comprehensive Income of Subsidiaries, associates and Joint Ventures Accounted for Using Equity Method” and related items.

(3) Foreign currency translation difference

- A. The financial statements are presented in New Taiwan Dollar, which is the Company's functional currency.
- B. When preparing the financial statements of the Company, traders in currencies other than the Company's functional currency (foreign currency) are recognized by translation based on the exchange rate of the transaction day. On the ending date of the reporting period, the foreign currency items shall be retranslated by the spot rate of that day, and the exchange difference shall be recognized as the profit and loss of the current year. Foreign currency non-monetary items measured at fair value are translated at the exchange rate on the date the fair value is determined, and the exchange difference resulting from the fair value change is included in other comprehensive income for the year, except that the exchange difference resulting from the fair value change is included in other comprehensive income. Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.
- C. For purpose of preparing the financial statements, the assets and liabilities of foreign operations of the Company shall be translated to NTD at the spot exchange rate on ending date of the reporting period; the income and expense items shall be translated at the average exchange rate of the current period, and the resulting exchange difference shall be recognized as other comprehensive profit or loss and accumulated as the translation difference in the financial statements of foreign operations under equity (and appropriately allocated to non-controlling interests).

(4) Classification of current and non-current assets and liabilities

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (A) Assets that are expected to be realized, or are intended to be sold or consumed within the normal business cycle;
 - (B) Assets held mainly for trading purposes;
 - (C) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (D) The asset is cash and cash equivalents, excluding restricted assets and those that are to be exchanged or used to settle liabilities more than twelve months after the reporting period.

The Company classifies all assets that were not in alignment with the above conditions as non-current.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise, they are classified as non-current liabilities:

- (A) Liabilities that are expected to be settled within the normal business cycle;
- (B) Liabilities held mainly for trading activities.
- (C) Liabilities that must be settled within twelve months after the balance sheet date (they are also recognized as current liability even if long-term refinancing has been completed or payment agreements has been re-scheduled after the balance sheet date and before passing the publication of financial statements).

Liabilities for which the repayment date cannot be unconditionally extended to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments do not affect its classification.

The Company classifies all liabilities that were not in alignment with the above conditions as non-current.

(5) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term, highly liquid investments (including time deposits with original maturities within three months) that are readily convertible into fixed cash with little risk of change in value.

(6) Financial instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially recognized at fair value. At the time of initial recognition, the transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than those classified as measured at fair value through profit or loss), shall be added to or deducted from the fair value of such financial assets or financial liabilities. However, the transaction costs directly attributable to financial assets and financial liabilities measured at fair value through profit or loss shall be included in the initial measurement of such financial assets and financial liabilities.

A. Financial assets

(A) Classification of measurement

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

Financial assets held by the Company are classified to financial assets at fair value through profit or loss, financial assets at amortized cost and investments in equity instruments at fair value through other comprehensive income.

a. Financial assets at FVTPL

Financial assets at fair value through profit or loss include the financial assets that are mandated to be measured at fair value through profit or loss and designated as being measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated by the Company as being measured at fair value through other comprehensive income or loss and investments in debt instruments that do not qualify for classification as being measured at amortized cost or at fair value through other comprehensive income or loss.

Financial assets at fair value through profit or loss are measured at fair value, where, the dividends generated are recognized as other income, the interest income and profit or loss arising from re-measurement are recognized as other profit and loss. Please refer to Note 12 (3) for the method of determining the fair value.

b. Financial assets measured at amortized cost

When the financial assets invested by the Company satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

- (a) Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and
- (b) Where contract terms generated cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

For financial assets measured at amortized cost, after the initial recognition, they are measured by the total carrying amount determined by effective interest method less any amortized cost of impairment loss, and any exchange gains and losses are recognized as gains and losses.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset, except in the following two cases:

- (c) For purchased or originated credit-impaired financial asset, interest income is calculated by multiplying the credit-adjusted effective

interest rate by the amortized cost of the financial asset.

- (d) For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, interest income should be calculated by multiplying the effective interest rate by the amortized cost of the financial asset.

- c. Investments in equity instruments measured at fair value through other comprehensive income

At the original recognition, the Company can make an irrevocable choice to measure the investments in equity instruments that are not held for trading and not recognized as contingent consideration by a corporate acquirer at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value. Subsequently the changes in fair value are reported in other comprehensive income and accumulated in other equity. At the time of disposal of such investments, the accumulated gains and losses are directly reclassified to retained earnings and will not be reclassified to profit or loss.

The dividend from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss upon the Company's right to receive payment is established, except for apparently the dividend representing the recovery of the partial investment cost.

(B) Impairment of financial assets

- a. At the date of each balance sheet, the Company reviews expected credit losses to estimate the impairment loss of financial assets, including notes receivable, and contract assets measured at amortized cost.
- b. The loss allowances for accounts receivable and contract assets are measured at an amount equal to useful lives expected credit losses. Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs.
- c. The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month expected credit losses are expected credit losses that result from default events possible within 12 months after the reporting date. Lifetime expected credit losses result from all

possible default events over the expected life of the financial instruments.

- d. The carrying amount of the impairment loss on all financial assets was reduced by an allowance account, but the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amounts.

(C) Derecognition of financial assets

The Company will exclude financial assets if meeting any one of the following circumstances:

- a. The contractual rights to receive the cash flows from the financial asset expire.
- b. The contractual rights to receive the cash flows from the financial assets have been transferred, and substantially all the risks and rewards of ownership of the financial assets have been transferred.
- c. Substantially all the risks and rewards of ownership of the financial assets have neither been transferred nor retained, and control of the financial assets is not retained.

On derecognition of financial assets measured 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. When investments in debt instruments measured at fair value through other comprehensive income or loss are derecognized as a whole, the difference between their carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income or loss is recognized in profit or loss. On derecognition of investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

B. Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments. Equity instrument refers to any contract that recognizes the remaining interest of an enterprise after reducing all its liabilities from its assets. Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

C. Financial liabilities

(A) Follow-up measurement

All financial liabilities are measured at amortized cost using the effective interest method except for the following cases:

- a. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or originally recognized as financial liabilities measured at fair value through profit or loss. Financial liabilities classified as held for trading are those arising with the primary purpose of being repurchased in short term, and derivatives other than financial guarantee contracts or designated and effective hedging instruments. The Company designates financial liabilities as measured at fair value through profit or loss in their original recognition when they meet any one of the following circumstances:
 - (a) Being hybrid (combined) contract containing embedded derivatives, and the master contract is not an asset within the scope of IFRS 9; or
 - (b) Being able to eliminate or significantly reduce measurement or recognition inconsistency; or
 - (c) Being a tool to manage and evaluate its performance on a fair value basis in accordance with the written risk management policy.
- b. Financial liabilities measured at fair value through profit or loss are measured at fair value at the time of their original recognition, and related transaction costs are recognized as the current profit or loss. They shall subsequently be measured at fair value, and the changes in fair value are recognized in profit or loss for the period.
- c. For financial liabilities designated as measured at fair value through profit or loss, the amount of change in fair value arising from changes in credit risk is recognized in other comprehensive income, and is not subsequently reclassified to profit or loss, while change in fair value of the balance of such liabilities shall be recognized in profit and loss. However, if the above accounting treatment causes or exacerbates the accounting mismatch, the benefit or loss of the liability shall be fully reported in profit or loss.

(B) Derecognition of financial liabilities

The Company excludes financial liabilities only when the obligation is discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the total consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

D. Modification of financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified, if they do not result in the exclusion of the financial instrument, the Company will recalculate the total carrying amount of the financial asset or the amortized cost of the financial liability using the modified contractual cash flows discounted at the original effective interest rate, and will recognize the modified gain or loss in profit or loss; any cost or charge incurred is an adjustment to the carrying amount of the modified financial instrument and is amortized over the remaining period after the modification. If such re-negotiation or modification results in the exclusion of the financial instruments, the exclusion provisions shall apply.

(7) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method by perpetual inventory system. The cost of finished goods and work in progress comprises raw materials, direct labor cost, other direct costs and related production overheads (amortized by normal production capacity), but does not include borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(8) Investments accounted for using equity method - subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealized gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize the losses in proportion to the ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests)

are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognized in equity.

- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates refer to all individuals over whom the Company has a significant impact but does not control, holding more than 20% of the voting rights of the shares directly or indirectly in general. The Company handles treatment of associates by equity method, which is recognized when acquired.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. If the Company's share of losses in any associate is equal to or exceeds its equity in such associate (including the carrying amount of the investment in the associate determined by equity method and any long-term interest that substantially forms part of the Group's net investment in the associate), the Company does not recognize any further losses, unless the Company has legal obligations, constructive obligations to the associate or has made payment on behalf of the associate.
- H. Unrealized gains and losses arising from transactions between the Company and its associates have been eliminated in proportion to its interest in the associates; unrealized losses are also written off unless there is evidence that the assets transferred by the exchange have been impaired. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. When an associate issues additional new stocks, if the Company does not subscribe or acquire such new stocks in proportion, thus resulting in a change in the investment proportion of the Company in the associate but still having a significant

impact on the associate, then the increase or decrease of the change in the net equity value is to adjust the “Capital Surplus” and “Investments Accounted for Using the Equity Method”. In the event of decrease in the investment proportion, in addition to the above adjustments, the profit or loss related to the decrease in the ownership interest that was previously recognized in other comprehensive income and would have to be reclassified to profit or loss upon disposal of the related asset or liability, shall be reclassified to profit or loss in accordance with the decreased proportion.

- J. When the Company loses significant impact of an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between the fair value and the carrying amount is recognized in the current profit or loss.
- K. When the Company disposes an associate, in case of losing significant impact on the associate, then all amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses influence on an associate, all gains or losses previously recognized in other comprehensive income in relation to the associate should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. If the Company still has a significant impact on the associate, then only the amount previously recognized in other comprehensive income will be transferred out in proportion as described above.
- L. When the Company disposes of an associate, if the Company loses significant impact on such associate, then capital surplus related with the associate will be carried forward to profit or loss; if the Company still has significant impact on such associate, then capital surplus related with the associate will be carried forward to profit or loss according to the proportion of disposal.
- M. Pursuant to the “Rules Governing the Preparation of Financial Statements by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(9) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. Samples produced while the assets (properties, plants and equipment under construction) are being tested for

proper functioning before they reach their intended use are measured at the lower of cost or net realizable value, with the sales price and cost recognized in profit or loss.

- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other properties, plants and equipment apply cost model, and are depreciated using the straight-line method over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, on each financial year-end date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Property and building	2 - 55 years
Machinery equipment	3 - 15 years
Molding equipment	2 - 6 years
Transportation	3 - 16 years
Other equipment	2 - 15 years

- D. The property, plant and equipment are excluded at the time of disposal or when no future economic benefit is expected from use or disposal. The de-recognition amount of the interest or loss amount arising from property, plant and equipment, is the difference between the net disposal amount and the carrying amount of the asset, and is recognized in the current profit or loss.

(10) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. Where the contract contains a lease component and one or more additional lease or non-lease components, then on the basis of the relative separate price of each lease component and the aggregate separate price of the non-lease components, the Company apportions the consideration in the contract to such lease component.

A. The Company as lessee

Except for payments for low-value asset leases and short-term leases are recognized as expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, lease payments made before commencement date less lease incentives granted, initial direct costs as well as estimated costs to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

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. However, if title to the underlying asset will be acquired at the end of the lease term, or if the cost of the right to use the asset reflects the exercise of the purchase option, depreciation is included from the commencement date of the lease until the end of the life of the underlying asset.

Lease liabilities

Lease liabilities are originally measured by current value of lease payment (including fixed payment and substantial fixed payment). The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If there is a change in future lease payments as a result of changes in the lease term, the evaluation of the purchase option on the underlying asset, the expected payment under the residual value guarantee, or the index or rate used to determine the lease payments, the Company 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 re-measurement is recognized as profit or loss. For lease modifications that are not treated as a separate lease, re-measurement of the lease liabilities due to the reduced scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss of the partial or full termination of the lease; the re-measurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented on a separate-line items in the Balance Sheets.

B. The Company as lessor

Leases are classified as finance leases whenever they transfer substantially all the risks and rewards attached to ownership of the underlying asset; otherwise, they are classified as operating leases.

Under finance leases, lease payment includes fixed payment, substantial fixed payment, and variable lease payment depending on index or rate, etc. The net lease investment is the sum of the present value of the lease payment receivable and the un-guaranteed residual value, and is expressed as the finance lease payment receivable. The Company apportioned the financing proceeds over the lease period on a systematic and reasonable basis, to reflect the fixed rate of return available to the Company for each period on its net unexpired lease investment.

Under the operating lease, lease payments less lease incentives granted are recognized as lease revenue on a straight-line basis. The initial direct cost which occurs on granting operating leases is the carrying amount accumulated to the underlying assets, and is recognized as expense during the lease term on the same basis with that for recognition of lease revenue. Lease negotiations with the Lessee shall be treated as a new lease from the date when the modified lease takes effect.

(11) Investment property

Investment property refers to the property held for the purpose of earning rent or capital appreciation or both (including the property under construction for such purposes). Investment property also includes the land held for which the future use has not yet been determined. Investment property also includes tenure assets that meet the definition of investment property.

Self-owned investment property is initially measured at cost (including transaction cost), and subsequently at cost less accumulated depreciation and accumulated impairment losses.

All investment properties are depreciated on a straight-line basis.

Investment property under construction is recognized at cost less accumulated impairment losses, where, the cost includes professional service fees and borrowing costs eligible for capitalization. Such assets begin to be depreciated when they reach their intended state of use.

The de-recognition amount of the interest or loss amount arising from the investment property, is the difference between the net disposal amount and the carrying amount of the asset, and is recognized in profit or loss of the current year.

(12) Intangible assets

Separately acquired intangible assets with finite useful lives are shown at cost less accumulated amortization and accumulated impairment losses. Amortization amounts are calculated on a straight-line basis based on the following useful lives: trademark rights, based on the term of validity of the right to use the trademark or the contractual term; computer software design fee, depending on 3 to 10 years; patent rights and others, depending on economic benefits or statutory and contractual term. Estimated useful life and amortization method are reviewed at the end of the reporting period, and the impact of any changes in estimates is deferred.

Intangible assets are excluded at the time of disposal or when no future economic benefit is expected from use or disposal. The de-recognition amount of the interest or loss amount arising from an intangible asset, is the difference between the net disposal amount and the carrying amount of the asset, and is recognized in the current profit or loss.

(13) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When there is no impairment of assets recognized in the previous year, it shall be reversed to the extent of the loss amount specified in the previous year.

(14) Provisions

The provision for liabilities is a present legal or constructive obligation arising from past events, and it is likely that resources will be required to produce economic benefits to satisfy the obligation, and the amount of the obligation shall be recognized when it can be reliably estimated. The provision for liabilities is measured at the best estimated present value of the expenditure required to satisfy the obligation at the balance sheet date at a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the liabilities, and the amortization of the discount is recognized as interest expense. Future operating losses shall not be recognized as provision for liabilities.

(15) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

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

(B) Defined benefit plan

- a. The net obligation under the defined benefit plans is calculated by discounting the amount of future benefits earned by the employee for current or past service, and is presented as the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The net obligation of defined benefit plans is calculated annually by the actuary using the projected unit benefit method, while the discount rate is determined by reference to the market yield of high-quality corporate bonds consistent with the currency and duration of the determined benefit plan at the balance sheet date; in countries where there is no deep market for high-quality corporate bonds, the market yield of government bonds (on balance sheet date) is used.
- b. The re-measurement resulting from the defined benefit plans is recognized in other comprehensive income for the period in which it is incurred, and is expressed in retained earnings.
- c. Expenses related with previous service cost are recognized as profit or loss immediately.

C. Employees' and directors' remuneration

Employees' and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

D. Termination benefits

Termination benefits are benefits provided to an employee upon termination of his/her employment prior to his/her normal retirement date or when the employee decides to accept an offer of benefits from the Company in exchange for termination of employment. The Company recognizes them as expenses when it is no longer able to rescind the offer of termination benefits or before it recognizes the relevant restructuring costs (the earlier of which shall prevail). Benefits that are not expected to be fully liquidated 12 months after the balance sheet date should be discounted.

(16) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction from the proceeds.

(17) Income tax

- A. The income tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Income tax on undistributed earnings calculated in accordance with regulations of Income Tax in R.O.C. is levied in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, after the shareholders' meeting has approved the earnings distribution proposal, the income tax expense will be recognized based on the distribution of earnings.
- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax liabilities from goodwill arising from initial recognition are not recognized. If the deferred income tax is derived from initial recognition of the asset or liability in a transaction (excluding business combinations), and if the accounting profit or taxable income (tax losses) is not affected at the time of the transaction, and no equal taxable and deductible temporary differences arise at the time of the transaction, then the liabilities will not be recognized. In the event of temporary differences from investments in subsidiaries, such differences will not be recognized if the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax is recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax

losses and unused income tax deduction can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current income tax assets against current income tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. Tax benefits arising from the acquisition of equipment or technology, research and development expenditures, talent training expenditures and equity investments are accounted for with income tax credits.

(18) Revenue recognition

The Company's recognition of revenue from contracts with customers are based on the following steps:

- A. Identify the contracts with customers;
- B. Identify the performance obligation in the contracts;
- C. Determine the transaction price;
- D. Amortize the transaction price to the performance obligation in the contract; and
- E. Recognize the revenue when the performance obligation is satisfied.

The Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

No adjustment is made to the transaction price for significant financial components of contracts where the interval between the transfer of goods or services and the receipt of consideration is less than one year.

Sales revenue of products comes from sales of CNC lathes and their components. Sales revenue is recognized when control of the product is transferred to the customer. Since the clients are mainly eligible for pricing and using the products as well as responsible for reselling, and taking the risk of obsolescence of the products, the Company shall recognize the revenue and accounts receivable upon the sale.

(19) Borrowing costs

Borrowing costs requires that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial

period of time to get ready for its intended use or sale, are included in the cost of the asset.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Except for the above, all other borrowing costs at the period are recognized as profit or loss.

(20) Government grants

A government grant is always recognized by fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received.

Government grants are recognized in profit or loss on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Company. The grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, shall be recognized as profit or loss in the period in which it is receivable. Government grants relating to property, plant and equipment are recognized in profit or loss as a decrease from the carrying value of the assets through a reduction in depreciation expense over the useful life of the assets.

For government loan projects obtained by the Company at an interest rate below the market interest rate, the difference between the loan amount received and the fair value of the loan calculated at the prevailing market interest rate is recognized as a government grant.

(21) Business merger

A. The Company adopts the acquisition method for business merger. The merger consideration is calculated on the basis of the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued, and the transferred consideration includes the fair value of any assets and liabilities arising from the contingent consideration agreement. Cost related with acquisition is recognized as expense upon occurrence. Identifiable assets and liabilities acquired in a business merger are measured at their fair value at the date of acquisition. On the basis of individual acquisition transactions, if the non-controlling interest is a current ownership interest and its holder is entitled to net assets of the enterprise by proportion at the time of liquidation, then it shall be measured by fair value at the acquisition date or by the percentage of the non-controlling interest to the net assets of the acquiree; all other components of non-controlling interests are measured by fair value at the acquisition date.

- B. The total fair value of the transfer consideration, non-controlling interests of the acquiree, and previously held interests of the acquiree is recognized as goodwill at the acquisition date if it exceeds the fair value of the acquired identifiable assets and liabilities assumed; if the fair value of the identifiable assets acquired and liabilities assumed exceeds the total fair value of the transfer consideration, non-controlling interests of the acquiree, and previously held interests of the acquiree, then such difference is recognized in the current profit for loss at the acquisition date.

5. Significant Accounting Judgment, Estimates, and Assumptions and the Main Sources of Assumption Uncertainty

The Company takes into account the economic impact of the COVID-19 epidemic, Ukraine-Russia conflict and inflation in significant accounting estimates, and will continue to review underlying assumptions and estimates. Amendments to accounting estimates are recognized in the period when the estimates are revised if the amendments affect only that period. If revisions affect both current and future periods, the accounting estimates are recognized in the current and future periods.

In the preparation of these financial statements, the Company has adopted the following important judgments, important accounting estimates and assumptions in its accounting policies:

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

A. Investment property

Some of the properties held by the Company are for rental or capital appreciation purposes, while some of them are for self-use purpose. When the parts cannot be sold separately and cannot be leased separately by finance lease, the property is only classified under investment property if the part held for self-use purpose is not material to the individual properties.

B. Business model judgment of financial asset classification

The Company assesses the business model to which the financial assets belong on the basis of a hierarchy that reflects the common management of the group of financial assets to achieve a specific business purpose. This assessment shall take into account all relevant evidences, including how asset performance is measured, the risks affecting performance, and the manner in which compensation of relevant managers is determined, and requires the use of judgment. The Company continuously assesses the appropriateness of its business model judgment and, for this purpose, monitors financial assets that are excluded at amortized cost and investments in debt instruments that are measured at fair value through other comprehensive income before the maturity date, to understand the reasons for their

disposal, so as to assess whether the disposal is consistent with the objectives of the business model. If it is found that there is a change in the business model, the Company reclassifies the financial assets in accordance with the provisions of IFRS 9, and delays the application from the date of reclassification.

C. Revenue recognition

In accordance with IFRS 15, the Company determines whether it has or has not acquired control of particular goods or services prior to the transfer of such goods or services to the customer, and will be the principal or agent in the transaction, and if it is judged to be the agent in the transaction, the net transaction is recognized as revenue.

The Company is the principal in case of any of the following circumstances:

- (A) The Company obtains control of the products or other assets from the other party prior to the transfer of such products or other assets to the customer; or
- (B) The Company controls the right of the other party to provide services, so as to have the ability to direct that party to provide services for customers on behalf of the Company; or
- (C) The Company obtains control of products or services from another party, to combine with other products or services, so as to provide specific products or services for customers.

Indicators used to help determine whether the Company controls such products or services before transferring them to a customer include (but are not limited to):

- (A) The Company is primarily responsible for fulfilling its commitment to provide specific products or services.
- (B) The Company assumes the inventory risk before and after the transfer of specific products or services to customers.
- (C) The Company has the discretion to fix the price.

D. Lease term

In determining the lease term, the Company takes into account all relevant facts and circumstances that give rise to an economic incentive to exercise (or not exercise) the option, including anticipated changes in all facts and circumstances from the commencement date to the exercise date of the option. Factors taken into account include the terms and conditions of the contract for the period covered by the option, material improvements to the lease interest made (or expected to be made) during the term of the contract, and the importance of the underlying asset to the Company's operations, etc. In case of significant matters or significant changes in circumstances within control scope of the Company, the lease term shall be re-assessed.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

Sales revenue is recognized when control of products or services is transferred to the customer to satisfy performance obligations, and the estimated related sales returns, discounts and other similar allowances shall be deducted. Such sales returns and discounts are estimated based on historical experience and other known reasons, and the Company periodically reviews the reasonableness of such estimates.

B. Estimated impairment of financial assets

The estimated impairment of accounts receivable, investments in debt instruments and financial guarantee contracts is based on the Company's assumptions regarding default rate and expected loss rate. The Company takes into account historical experience, current market conditions and prospective information, to make assumptions and select inputs for impairment assessment. If the actual cash flow is less than the expected ones in the future, it is likely to generate significant impairment loss.

C. Measurement and assessment procedure at fair value

When the assets and liabilities measured by fair value are not quoted in active markets, the Company decides whether to outsource the valuation or not, and determines the appropriate fair value evaluation technique in accordance with relevant laws or in accordance with its judgment. If the level 1 input value is not available when estimating the fair value, the Company determines the input value with reference to its analysis of the investee's financial position and results of operations, recent transaction prices, quotations of identical equity instruments in non-active markets, quotations of similar instruments in active markets and comparable company valuation multipliers and other information. In case the actual change in future input value is different from expectation, there might be changes in fair value. The Company periodically updates various input values based on the market condition, so as to monitor whether it is appropriate to measure by fair value.

D. Impairment evaluation of tangible assets and intangible assets

During the asset impairment evaluation process, the Company relies on its subjective judgment, use mode of assets and characteristics of the industry, to determine the independent cash flows of a particular asset group, useful life of the assets and the likely future income and loss, and any change in estimates due to changes in economic conditions or the Company's strategy may cause significant impairment in the future.

E. Impairment evaluation of investments accounted for using equity method

When there is an indication that the carrying amount of an investment by equity method may not be recovered as a result of impairment, the Company will evaluate such impairment immediately. The Company evaluates the recoverable amount and analyzes the reasonableness of its assumptions based on the discounted value of the expected future cash flows of the investee company or the discounted value of the future cash flows from cash dividends expected to be received and from disposal of investments.

F. Realizability of deferred income tax assets

Deferred income tax assets are recognized only when it is probable that there will be sufficient taxable income for deductible temporary differences to be used in the future. Assessing the realizability of deferred income tax assets must involve significant accounting judgments and estimates by the management, including assumptions about expected future sales revenue growth and profit margins, tax holiday periods, available income tax credits, and tax planning, etc. Any changes in the global economic environment, industrial environment and laws may cause significant adjustments to deferred income tax assets.

G. Evaluation of inventories

As inventories are evaluated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates. The Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value.

H. Calculation of net defined benefit liabilities

When calculating the present value of the defined benefit obligation, the Company must use its judgments and estimates to determine the relevant actuarial assumptions at the balance sheet date, including discount rates and future wage growth rates, etc. Any change in actuarial assumptions may have significant impact on the amount of the Company's defined benefit obligation.

I. Incremental borrowing rate for lessee

The risk-free interest rate for the same currency and relevant period is used as the reference rate in determining the incremental borrowing rate for lessee used for the discount of lease payments, taking into account the estimated lessee's credit risk premium and lease-specific adjustments (e.g. asset-specific and guaranteed factors, etc.)

6. Summary of Significant Accounting Titles

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	\$ 1,146	\$ 1,363
Bank deposits	481,023	673,913
Total	<u>\$ 482,169</u>	<u>\$ 675,276</u>

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

B. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at FVTPL

Items	December 31, 2024	December 31, 2023
Mandatorily measured at FVTPL		
Non-derivative financial asset		
Domestic listed (OTC) stocks	\$ 2,130,400	\$ 1,227,227
Domestic unlisted stocks	73	53
Total	<u>\$ 2,130,473</u>	<u>\$ 1,227,280</u>

A. The Company has no financial assets at fair value through profit or loss pledged to others.

B. Please refer to Note 12 for management and evaluation modes of relevant credit risks in details.

(3) Financial assets at FVTOCI

Items	December 31, 2024	December 31, 2023
Current		
Equity instruments		
Domestic listed (OTC) stocks	\$ 9,143	\$ 141,764
Domestic unlisted stocks	3,276	3,270
Adjustments	12,444	(29,988)
Total	<u>\$ 24,863</u>	<u>\$ 115,046</u>

A. The above financial assets measured at fair value through other comprehensive income are the ordinary shares of Taichung International Entertainment Corporation, FitTech Co., Ltd., and WiAdvance Technology Corporation which the Company invests in for medium-and-long-term strategic purposes, and expects to earn profits through long-term investments. The management of the Company deems if the

short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

- B. The Company sold equity instruments of FitTech Co., Ltd. that are designated to be measured at fair value through other comprehensive income for investment and financial purpose in 2024 and 2023, and at the time of disposal, the fair value was NTD 264,593 thousand and NTD 58,406 thousand, respectively, and the accumulated disposal (loss) benefit was NTD 118,881 thousand and NTD (17,947) thousand, respectively. The above accumulated disposal interest has been transferred to the retained earnings from other equities.
- C. Please refer to Note 12 for management and evaluation modes of relevant credit risks in details.

(4) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 11,856	\$ 11,584
Less: Loss allowance	(175)	(158)
Notes receivable, net	<u>\$ 11,681</u>	<u>\$ 11,426</u>
	December 31, 2024	December 31, 2023
Account receivables	\$ 546,987	\$ 478,303
Less: Loss allowance	(11,249)	(8,441)
Accounts receivable, net	<u>\$ 535,738</u>	<u>\$ 469,862</u>

- A. The average payment term of the Company for accounts receivable arising from the sale of products is 30 to 180 days, depending on the payment standard formulated in accordance with the industry characteristics, business size and profitability of the counter-party.
- B. The Company has no notes and accounts receivable pledged to others.
- C. The Company has enhanced protection of such receivables with L/C issued by Mega International Commercial Bank and O/A insurance from Export-Import Bank of the Republic of China.
- D. The loss allowance for notes and accounts receivable of the Company is recognized by simplified method according to expected credit losses over the duration. The expected credit loss during the period of existence takes past breach records of the customer, the current financial condition and industrial economic trend, etc. into account. Since the Company's historical experience of credit losses shows that there is no significant difference in the pattern of losses among different customer groups,

therefore, the reserve matrix does not further distinguish between the customer groups, but only determines the expected credit loss rate based on the number of days overdue on notes and accounts receivable.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, the Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

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

Aging range	December 31, 2024	December 31, 2023
Not past due	\$ 504,239	\$ 420,697
1-30 days past due	18,869	42,212
31-180 days past due	26,190	18,858
181-365 days past due	679	1,899
Over 365 days past due	8,866	6,221
Total	<u>\$ 558,843</u>	<u>\$ 489,887</u>

Changes in allowance for losses

	2024	2023
Opening balance	\$ 8,599	\$ 74,449
Add: Presentation in the current period	2,833	-
Less: Reversal in current period	-	(65,833)
Less: Write-offs in the current period	(8)	(17)
Ending balance	<u>\$ 11,424</u>	<u>\$ 8,599</u>

(5) Inventories

	December 31, 2024	December 31, 2023
Raw materials	\$ 519,853	\$ 522,629
Work in process	743,545	740,298
Finished goods	-	56,901
Products	46,929	46,969
Total	<u>\$ 1,310,327</u>	<u>\$ 1,366,797</u>

A. Inventory-related gains (losses) recognized as operating costs for the current period are as follows:

	2024	2023
Cost of goods sold	\$ 1,280,312	\$ 1,371,492
Loss on market value decline and obsolete and slow-moving inventories	24,000	21,700
Inventory obsolescence	8,923	11,071
Inventory loss	1,617	1,305
Idle capacity related costs	2,534	2,534
Income from sale of scraps	(1,943)	(2,197)
Total	<u>\$ 1,315,443</u>	<u>\$ 1,405,905</u>

B. As of December 31, 2024 and 2023, there were no guarantees or pledges on inventories.

(6) Other financial assets - current

Items	December 31, 2024	December 31, 2023
Special funds for repatriation of overseas funds	<u>\$ 273,035</u>	<u>\$ 244,408</u>

Regarding the special funds to be repatriated upon approval of the National Taxation Bureau, Ministry of Finance in accordance with the “Regulations of Repatriated Offshore Funds”, the Company has submitted an investment plan to the Ministry of Economic Affairs in accordance with Article 8 of the Regulations and has been approved. According to the regulations, the above funds are limited to the approved plans and shall not be diverted for other purposes.

(7) Investments accounted for using equity method

	December 31, 2024	December 31,
Subsidiaries	\$ 2,974,724	\$ 2,802,036
Associates	-	8,278
Total	<u>\$ 2,974,724</u>	<u>\$ 2,810,314</u>

A. Invested subsidiaries

The Company's subsidiaries are listed below:

Investee company	Main business	Place of establishment and operation	Carrying amount		Percentage of ownership interest and voting rights held by the Company	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
TAITEC CAYMANS, INC.	International investment and international trade	Cayman Islands	\$ 921,705	\$ 942,657	100.00%	100.00%
	Design, manufacture and sales of special machines and automation equipment					
	Design, manufacture and sales of and computer-controlled tool machines, manufacture and sales of precision components					
AWEA Mechantronic Co., Ltd.	Import and export trade of the aforesaid products, components and raw materials	Taiwan	1,883,085	1,708,133	49.65%	49.65%
	Manufacturing of machinery and equipment, design of products, wholesale of machinery, and retail of mechanical appliances					
Yih Chuan Machinery Industry Co., Ltd.		Taiwan	132,708	136,399	40.00%	40.00%
	Manufacturing of machinery and equipment, and retail of mechanical appliances					
Allrich Cnc, Ltd.		Taiwan	18,979	14,847	100.00%	100.00%
	Lease of machinery and equipment					
Huahan Leasing Co., Ltd.		Taiwan	18,247	-	30.00%	-
			<u>\$ 2,974,724</u>	<u>\$ 2,802,036</u>		

B. Invested associates

Investee company	Main business	Place of establishment and operation	Carrying amount		Percentage of ownership interest and voting rights held by the Company	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Huahan Leasing Co., Ltd.	Lease of machinery and equipment	Taiwan	\$ -	\$ 8,278	-	13.33%

(A) Subsidiaries:

- a. The Company invested in TAITEC CAYMANS, INC., and then reinvested in YAMASEIKI CAYMANS, INC. It made indirect investment in the Mainland China to establish Goodway Machine Corporation, (Suzhou), to be engaged in design, manufacturing, sales and maintenance of CNC machine tools with more than three axes linkage, CNC systems, servo devices and related components. In 2003, the Company increased the investment by USD 1,000 thousand and made the export of machinery, equipment and spare parts at the amount of USD 100 thousand in the form of non-settlement of foreign exchange. Its accumulated investment amount was USD 1,100 thousand and the shareholding ratio was 100%, and as of December 31, 2024, its accumulated investment amount was USD 1,100 thousand and the shareholding ratio was 100%. This investment case was approved on record by the Investment Review Committee of the Ministry of Economic Affairs on September 26, 2003, with the approval Document Jing-Shen-Er-Zi No. 092030755.
- b. The Company invested in TAITEC CAYMANS, INC., and then reinvested in YAMASEIKI CAYMANS, INC. It made indirect investment in the Mainland China to establish Goodway Machine Corporation, (Wujiang), to be engaged in design, manufacturing, sales and maintenance of CNC machine tools with more than three axes linkage, CNC systems, servo devices and related components. The total investment of the investment case was USD 8,000 thousand, and the accumulated investment amount as of December 31, 2024 was USD 8,000 thousand. This investment case was approved on record by the Investment Review Committee of the Ministry of Economic Affairs on March 29, 2007, with the approval Document Jing-Shen-Er-Zi No. 09600077640.
- c. On March 5, 2007, the Board of Directors of the Company approved that in order to effectively control the American market, the Company would invest in Taitec Caymans, Inc. first, with an amount not exceeding 20% of the net value of YAMA SEIKI USA, INC. audited by CPAs on December 31, 2006. Then TAITEC CAYMANS, INC. shall acquire YAMA SEIKI USA, INC., an American distributor, and incorporate it in the Company's 100% re-invested company. On January 18, 2011, YAMA SEIKI USA, INC. increased capital by USD 1,700 thousand, which was fully subscribed by AWEA Mechantronic Co., Ltd. As of December 31, 2024, the shareholding ratio was 71.42%, and the accumulated investment amount was USD 3,690 thousand.

- d. Regarding the goodwill where the investment cost of the Company in AWEA Mechantronic Co., Ltd. exceeded the net value held on the investment date, the Company recognized NTD 169,640 thousand of impairment loss in 2008.
- e. The Company invested NTD 212,000 thousand in Yih Chuan Machinery Industry Co., Ltd. in May 2017, and acquired 3,943,200 common shares, with a shareholding ratio of 40%. This company is mainly engaged in the manufacturing and sales, etc. of various machine tools and mechanical parts.
- f. The Company acquired 100% equity of Allrich Cnc, Ltd. in February 2018.
- g. In June 2024, the Company acquired 16.67% of the shares of Huahan Leasing Co., Ltd., resulting in a shareholding ratio of 30.00%.

(B) Associates:

The shares of the Company's individual non-significant associates are summarized as follows:

	2024	2023
Shares enjoyed		
Profit for the year	\$ (187)	\$ 373
Other comprehensive loss and income (net amount after tax)	-	-
Total comprehensive income	\$ (187)	\$ 373

- (C) The Company's investment in AWEA Mechantronic Co., Ltd. had a public offer, and the fair value as of December 31, 2024 and 2023 was NTD 1,515,609 thousand and NTD 1,558,775 thousand, respectively.
- (D) In the investment by equity method as well as the Company's share of its profit or loss and other comprehensive income in 2023, the AWEA Mechantronic Co., Ltd., Yih Chuan Machinery Industry Co., Ltd. and Huahan Leasing Co., Ltd. were recognized in accordance with the financial statements audited by other CPAs over the same period.
- (E) The above investments accounted for using equity method were not guaranteed for others or pledged to others.

(8) Property, plant and equipment

	December 31, 2024		December 31, 2023	
Land	\$	448,767	\$	448,767
Property and building		1,144,090		1,143,497
Machinery equipment		363,132		339,967
Molding equipment		105,034		102,793
Transportation equipment		48,045		43,072
Other equipment		83,578		74,817
Unfinished construction and equipments pending acceptance		206,231		48,047
Total cost		2,398,877		2,200,960
Less: Accumulated depreciation		(927,015)		(878,595)
Accumulated impairment		-		-
	\$	1,471,862	\$	1,322,365

	January 1, 2024	Additions	Disposals	Reclassification	December 31, 2024
<u>Cost</u>					
Land	\$ 448,767	\$ -	\$ -	\$ -	\$ 448,767
Property and building	1,143,497	593	-	-	1,144,090
Machinery equipment	339,967	23,165	-	-	363,132
Molding equipment	102,793	2,241	-	-	105,034
Transportation equipment	43,072	7,290	(2,317)	-	48,045
Other equipment	74,817	10,402	(1,641)	-	83,578
Unfinished construction and equipments pending acceptance	48,047	158,184	-	-	206,231
	<u>\$ 2,200,960</u>	<u>\$ 201,875</u>	<u>\$ (3,958)</u>	<u>\$ -</u>	<u>\$ 2,398,877</u>

	January 1, 2024	Depreciation	Disposals	Reclassification	December 31, 2024
<u>Accumulated depreciation</u>					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Property and building	444,548	24,122	-	-	468,670
Machinery equipment	238,926	17,351	-	-	256,277
Molding equipment	100,030	1,421	-	-	101,451
Transportation equipment	32,328	3,516	(2,025)	-	33,819
Other equipment	62,763	5,031	(996)	-	66,798
Unfinished construction and equipments pending acceptance	-	-	-	-	-
	<u>\$ 878,595</u>	<u>\$ 51,441</u>	<u>\$ (3,021)</u>	<u>\$ -</u>	<u>\$ 927,015</u>
Net	<u>\$ 1,322,365</u>				<u>\$ 1,471,862</u>

	January 1, 2023	Additions	Disposals	Reclassification	December 31, 2023
<u>Cost</u>					
Land	\$ 448,767	\$ -	\$ -	\$ -	\$ 448,767
Property and building	1,143,412	85	-	-	1,143,497
Machinery equipment	335,137	4,700	(2,720)	2,850	339,967
Molding equipment	102,402	360	(860)	891	102,793
Transportation equipment	41,693	612	(550)	1,317	43,072
Other equipment	72,239	2,547	(505)	536	74,817
Unfinished construction and equipments pending acceptance	6,653	41,394	-	-	48,047
	<u>\$ 2,150,303</u>	<u>\$ 49,698</u>	<u>\$ (4,635)</u>	<u>\$ 5,594</u>	<u>\$ 2,200,960</u>
	January 1, 2023	Depreciation	Disposals	Reclassification	December 31, 2023
<u>Accumulated depreciation</u>					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Property and building	420,265	24,283	-	-	444,548
Machinery equipment	225,161	16,485	(2,720)	-	238,926
Molding equipment	98,088	2,802	(860)	-	100,030
Transportation equipment	29,878	3,000	(550)	-	32,328
Other equipment	58,304	4,964	(505)	-	62,763
Unfinished construction and equipments pending acceptance	-	-	-	-	-
	<u>\$ 831,696</u>	<u>\$ 51,534</u>	<u>\$ (4,635)</u>	<u>\$ -</u>	<u>\$ 878,595</u>
Net	<u>\$ 1,318,607</u>				<u>\$ 1,322,365</u>

A. The relevant information on interest capitalization is as follows:

	2024	2023
Capitalization amount	\$ 2,059	\$ 313
Capitalized interest rate range (monthly)	0.15%~0.16%	0.13%~0.15%

B. The Company's property, plant and equipment for years 2024 and 2023 were free of impairment losses and subsequent reversals.

C. Please refer to Note 8 for details of the property, plant and equipment provided as collateral.

(9) Lease arrangements

A. Right-of-use assets

Items	December 31, 2024	December 31, 2023
Land-use right	\$ 185,283	\$ -
Buildings	3,337	3,185
Total cost	188,620	3,185
Less: Accumulated depreciation	(10,191)	(2,998)
Accumulated impairment	-	-
Net	<u>\$ 178,429</u>	<u>\$ 187</u>

Items	December 31, 2024	December 31, 2023
Addition to right-of-use assets	<u>\$ 188,620</u>	<u>\$ -</u>

Items	December 31, 2024	December 31, 2023
Depreciation expense right-of-use assets		
Land-use right	\$ 9,264	\$ 10,544
Buildings	1,114	1,121
Total	<u>\$ 10,378</u>	<u>\$ 11,665</u>

B. Lease liabilities

Items	December 31, 2024	December 31, 2023
Current	\$ 9,097	\$ 190
Non-current	170,759	-
	<u>\$ 179,856</u>	<u>\$ 190</u>

Ranges of discount rates for lease liabilities are as follow:

Items	2024	2023
Land	1.69%	1.23%
Buildings	1.69%	1.23%

For maturity analysis of lease liabilities, please refer to Note 12 (2) for details.

C. Important renting activities and terms

- (A) The Company leases some lands, plants and offices for periods ranging from 3 to 20 years. Upon termination of the leases, the Company does not have a preemptive right to acquire the leased assets.

(B) As of December 31, 2024 and 2023, there was no sign of impairment of the right-of-use assets.

D. Other lease information

Information on lease-related expenses for the current period is as follows:

Items	2024	2023
Short-term lease and lease expenses of low-value assets	\$ 3,316	\$ 2,796
Total cash outflow from leases (Note)	\$ 12,270	\$ 14,730

Note: This includes the principal payment for current lease liabilities.

(10) Investment property

Items	December 31, 2024	December 31, 2023
Land	\$ 278,212	\$ 278,212
Property and building	38,578	38,111
Total cost	316,790	316,323
Less: Accumulated depreciation	(32,144)	(31,049)
Accumulated impairment	-	-
Net	\$ 284,646	\$ 285,274

Cost	January 1, 2024	Additions	Disposals	Reclassification	December 31, 2024
Land	\$ 278,212	\$ -	\$ -	\$ -	\$ 278,212
Property and building	38,111	467	-	-	38,578
	\$ 316,323	\$ 467	\$ -	\$ -	\$ 316,790

<u>Accumulated depreciation</u>	January 1, 2024	Depreciation	Disposals	Reclassification	December 31, 2024
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Property and building	31,049	1,095	-	-	32,144
	\$ 31,049	\$ 1,095	\$ -	\$ -	\$ 32,144
Net	\$ 285,274				\$ 284,646

Cost	January 1, 2023	Additions	Disposals	Reclassification	December 31, 2023
Land	\$ 278,212	\$ -	\$ -	\$ -	\$ 278,212
Property and building	38,111	-	-	-	38,111
	\$ 316,323	\$ -	\$ -	\$ -	\$ 316,323

<u>Accumulated depreciation</u>	January 1, 2023	Depreciation	Disposals	Reclassification	December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Property and building	29,988	1,061	-	-	31,049
	\$ 29,988	\$ 1,061	\$ -	\$ -	\$ 31,049
Net	\$ 286,335				\$ 285,274

A. Rental income from investment properties and direct operating expenses

	2024	2023
Rental income from investment properties	\$ 15,430	\$ 15,791
Direct operating expenses of the investment properties generating rental income for the current period	\$ 1,095	\$ 1,061
Direct operating expenses of the investment properties not generating rental income for the current period	\$ -	\$ -

B. Fair value of the investment properties held by the Company was both NTD 1,098,135 thousand as of December 31, 2024 and 2023.

C. The above fair value was evaluated based on the market transaction price of similar properties in the vicinity of the relevant assets.

D. The Company has no investment properties guaranteed for others.

(11) Intangible assets

Items	December 31, 2024	December 31, 2023
Trademark rights	\$ 1,604	\$ 1,579
Patent rights	402	402
Computer software	33,457	22,127
Total cost	35,463	24,108
Less: Accumulated amortization	(19,207)	(16,299)
Accumulated impairment	-	-
Net	\$ 16,256	\$ 7,809

<u>Cost</u>	<u>January 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassification</u>	<u>December 31, 2024</u>
Trademark rights	\$ 1,579	\$ 25	\$ -	\$ -	\$ 1,604
Patent rights	402	-	-	-	402
Computer software	22,127	11,330	-	-	33,457
	<u>\$ 24,108</u>	<u>\$ 11,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,463</u>

<u>Accumulated depreciation</u>	<u>January 1, 2024</u>	<u>Amortization in current period</u>	<u>Disposals</u>	<u>Reclassification</u>	<u>December 31, 2024</u>
Trademark rights	\$ 1,202	\$ 87	\$ -	\$ -	\$ 1,289
Patent rights	402	-	-	-	402
Computer software	14,695	2,821	-	-	17,516
	<u>\$ 16,299</u>	<u>\$ 2,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,207</u>
Net	<u>\$ 7,809</u>				<u>\$ 16,256</u>

<u>Cost</u>	<u>January 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassification</u>	<u>December 31, 2023</u>
Trademark rights	\$ 1,539	\$ 40	\$ -	\$ -	\$ 1,579
Patent rights	402	-	-	-	402
Computer software	21,437	690	-	-	22,127
	<u>\$ 23,378</u>	<u>\$ 730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,108</u>

<u>Accumulated depreciation</u>	<u>January 1, 2023</u>	<u>Amortization in current period</u>	<u>Disposals</u>	<u>Reclassification</u>	<u>December 31, 2023</u>
Trademark rights	\$ 1,116	\$ 86	\$ -	\$ -	\$ 1,202
Patent rights	402	-	-	-	402
Computer software	11,470	3,225	-	-	14,695
	<u>\$ 12,988</u>	<u>\$ 3,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,299</u>
Net	<u>\$ 10,390</u>				<u>\$ 7,809</u>

(12) Short-term borrowings

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Secured loans	\$ 250,000	\$ 250,000
Credit loans	1,100,000	910,000
	<u>\$ 1,350,000</u>	<u>\$ 1,160,000</u>
Interest rate	<u>1.85% - 1.92%</u>	<u>1.65% - 1.90%</u>

The Company provided some properties, plants and equipment as the guarantee for short-term borrowings, please refer to Note 8 for details.

(13) Short-term notes and bills payable

Items	December 31, 2024	December 31, 2023
Short-term notes and bills payable	\$ -	\$ 200,000
Less: Discount on short-term notes and bills payable	-	(128)
	<u>\$ -</u>	<u>\$ 199,872</u>
Interest rate	<u>-</u>	<u>1.39% - 1.45%</u>

(14) Current contract liabilities

Items	December 31, 2024	December 31, 2023
Advance sales receipts	<u>\$ 10,282</u>	<u>\$ 14,755</u>

(15) Other payables

Items	December 31, 2024	December 31, 2023
Other expenses payable	\$ 106,162	\$ 105,927
Remuneration payable to employee	40,000	28,000
Remuneration payable to directors and supervisors	2,500	2,500
Construction and equipment payable	31,648	11,390
	<u>\$ 180,310</u>	<u>\$ 147,817</u>

(16) Current provisions

Items	December 31, 2024	December 31, 2023
Warranty	\$ 3,823	\$ 4,494
Employee benefits	6,288	6,164
Provisions for litigation liabilities	858	-
	<u>\$ 10,969</u>	<u>\$ 10,658</u>

Items	January 1, 2024	Addition in current period	Reversal in current period	December 31, 2024
Warranty	\$ 4,494	\$ 7,302	\$ (7,973)	\$ 3,823
Employee benefits	6,164	6,288	(6,164)	6,288
Lawsuit compensation	-	858	-	858
	<u>\$ 10,658</u>	<u>\$ 14,448</u>	<u>\$ (14,137)</u>	<u>\$ 10,969</u>
Items	January 1, 2023	Addition in current period	Reversal in current period	December 31, 2023
Warranty	\$ 9,454	\$ 7,920	\$ (12,880)	\$ 4,494
Employee benefits	5,931	6,164	(5,931)	6,164
	<u>\$ 15,385</u>	<u>\$ 14,084</u>	<u>\$ (18,811)</u>	<u>\$ 10,658</u>

- A. Warranty provision for liabilities refers to that as agreed in the sales contract of products, the management of the Company makes optimal estimate based on historical experience of the products.
- B. Provisions for employee benefit liabilities are recognized as a liability if the Company has a present legal or constructive obligation to pay as a result of past service rendered by employees, and the obligation can be estimated reliably.
- C. The litigation liabilities pertain to case No. 41205 of the 2024 Annual Investigation of the Taiwan Taichung District Prosecutors Office. The Company does not involve relevant criminal liability. However, it has obtained illegal gains of approximately NTD 858,305, which may be confiscated by the court and require repayment.
- (17) Long-term borrowings and long-term liabilities due within one year or one business cycle

Items	December 31, 2024	December 31, 2023
Secured loans	\$ 373,513	\$ 238,463
Credit loans	700,000	700,000
Subtotal	1,073,513	938,463
Less: Long-term liabilities due within one year or one business cycle	(77,450)	(664,950)
Total	\$ 996,063	\$ 273,513
Interest rate	0.68%~1.94%	0.55%~1.77%

The Company provided some properties, plants and equipment as the guarantee for long-term borrowings, please refer to Note 8 for details.

(18) Post-employment benefit plans

A. Defined contribution plans

- (A) The Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”) covering all regular employees with R.O.C. nationality. For employees electing to apply the part of the labor pension system under the “Labor Pension Ordinance”, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (B) The pension costs recognized by the Company in accordance with the above pension measures for the years ended December 31, 2024 and 2023 were NTD 13,333 thousand and NTD 13,446 thousand, respectively.

B. Defined benefit plan

- (A) The pension system under the “Labor Standards Act” of R.O.C, which applies to the Company, is a defined benefit retirement plan administered by the government. The payment of the employee pension is made based on an employee’s length of service and average monthly salary for the six-month period prior to retirement approved. Such companies contribute an amount equal to 2% of their employees’ salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the balance in the Funds is assessed. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees qualified with retirement requirements in the next year, the Company is required to make up the difference all at once with one appropriation, which is required to be made before the end of March of next year. The Funds are operated and managed by the government’s designated authorities. Accordingly, the Company does not have any right to intervene in the investments of the Funds.
- (B) The Company’s obligation amount from defined benefit plans recognized in the Balance Sheets is as follows:

Items	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	\$ 42,670	\$ 50,066
Fair value of plan assets	(33,144)	(33,777)
Net defined benefit liability	<u>\$ 9,526</u>	<u>\$ 16,289</u>

(C) Changes in the net defined benefit liabilities are as follows:

Items	2024		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Opening balance	\$ 50,066	\$ (33,777)	\$ 16,289
Service cost			
Current service cost	-	-	-
Interest cost (income)	626	(425)	201
Recognized in profit or loss	626	(425)	201
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(3,049)	(3,049)
Actuarial (gains) losses			
Experience adjustments	(3,315)	-	(3,315)
Recognized in other comprehensive income	(3,315)	(3,049)	(6,364)
Contributions from employer	-	(600)	(600)
Benefits paid	(4,707)	4,707	-
Balance at December 31	\$ 42,670	\$ (33,144)	\$ 9,526

Items	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Opening balance	\$ 55,463	(32,388)	\$ 23,075
Service cost			
Current service cost	31	-	31
Interest cost (income)	693	\$ (408)	285
Recognized in profit or loss	724	(408)	316
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(293)	(293)
Actuarial (gains) losses			
Experience adjustments	(3,341)	-	(3,341)
Recognized in other comprehensive income	(3,341)	(293)	(3,634)
Contributions from employer	-	(3,468)	(3,468)
Benefits paid	(2,780)	2,780	-
Balance at December 31	\$ 50,066	\$ (33,777)	\$ 16,289

(D) Due to the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

a. Investment risk

The pension funds are invested in domestic and foreign equity securities, debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds' designated authorities or under the mandated management. However, the distributable amount of plan assets of the Company shall not be less than the return calculated by the average interest rate on a two-year time deposit published by the local banks.

b. Interest rate risk

A decrease in the interest rates on government bonds will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will increase as well. The two will be partially offset on net defined benefit liabilities.

c. 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 salary of the plan participants will increase the present value of the defined benefit obligation.

(E) The actuarial valuations of the present value of the defined benefit obligation of the Company are carried out by qualified actuaries. The principal assumptions are as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected salary increase rate	2.00%	2.00%
Average maturity of defined benefit obligation	8.4 years	9 years

a. Assumptions regarding future mortality are estimated according to the National Pension Insurance mortality table.

- b. If reasonably likely changes respectively occur in the principal assumptions and all other assumptions are held constant, the amount of present value of the defined benefit obligation is increased (decreased) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
Increase by 0.25%	\$ (478)	\$ (654)
Decrease by 0.25%	\$ 490	\$ 673
Expected salary increase rate		
Increase by 1.00%	\$ 2,039	\$ 2,784
Decrease by 1.00%	\$ (1,877)	\$ (2,541)

The sensitivity analysis presented above may not reflect the actual change in 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.

- (F) It is estimated that the Company will make a contribution of NTD 600 thousand to the retirement plan in 2025.

(19) Share capital

Items	December 31, 2024	December 31, 2023
Authorized shares (in thousands)	150,000	150,000
Authorized capital (in NTD thousand)	\$ 1,500,000	\$ 1,500,000
Issued and paid shares (in thousands)	110,400	110,400
Issued capital (in NTD thousand)	\$ 1,104,004	\$ 1,104,004

A holder of issued common shares with par value of NTD10 per share is entitled to vote and to receive dividends. The share capital reserved for the issuance of employee stock warrants out of the authorized capital is 4,000 thousand shares.

(20) Capital surplus

Items	December 31, 2024	December 31, 2023
Additional paid-in capital	\$ 258,462	\$ 258,462
Gains from disposal of assets	1,260	1,260
Changes in net equity value of associates and joint ventures recognized by equity method	467	467
Employee stock option	202	202
Others	63,285	63,285
Total	<u>\$ 323,676</u>	<u>\$ 323,676</u>

- A. Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. The capital surplus from investment accounted for using the equity method, shall not be used for any purpose.

(21) Retained earnings and dividend policy

- A. In accordance with the earnings distribution policy stipulated in the Articles of Incorporation of the Company, the earnings from each final account shall be distributed in accordance with the following principles:
- (A) If there is any surplus in the annual final accounts, after paying all taxes and making up accumulated deficits, 10% shall be set aside as legal reserve, but if the legal reserve has reached the amount of the Company's paid-in capital, no further provision shall be made, and the remainder shall be provided for by law or reversed to special reserve; if there is still a balance, together with the accumulated undistributed surplus of the prior years, the Board of Directors shall, after retaining some surplus in accordance with the business condition, prepare a proposal for the distribution of surplus to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

(B) The Company's dividend policy is in line with the expansion of business scale, taking into account the Company's capital expenditure and operating turnover requirements. Dividends to shareholders may be paid in cash or in stock, but at least 10% of the dividends distributed for the year shall be paid in cash.

B. In accordance with stipulations in the Company Act, except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. Special reserve

Items	December 31, 2024	December 31, 2023
Provision amount for first application of the International Financial Reporting Standards (IFRSs)	\$ 188,846	\$ 188,846

In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

When making first application of IFRSs, for the special reserve set aside in accordance with Document Jin-Guan-Zheng-Fa-Zi No. 1010012865 on April 6, 2012, it shall be reversed to distributable retained earnings in the proportion originally set aside in the special reserve in the case of subsequent use, disposal or reclassification of the related assets by the Company.

D. At the shareholders' meetings of the Company held on June 19, 2024 and June 9, 2023, respectively, the Company resolved to approve the earning distribution plan and the dividends per share for the years 2023 and 2022, respectively, as follows:

	Earning distribution plan		Dividends per share (NTD)	
	2023	2022	2023	2022
Legal reserve	\$ 69,364	\$ 78,320		
The distribution items are as follows:				
Cash dividends	\$ 441,601	\$ 331,201	\$ 4.0	\$ 3.0

- E. The distribution of earnings for 2024 had been approved by the Board of Directors on February 27, 2025 as follows:

	Earning distribution plan	Dividends per share (NTD)
	2024	2024
Legal reserve	\$ 138,007	
The distribution items are as follows:		
Cash dividends	\$ 331,201	\$ 3.0

The distribution of earnings for 2024 is to be resolved by the shareholders' meeting to be held on May 29, 2025.

- F. Information on the earning distribution condition proposed by the Board of Directors and resolved by the Shareholders' Meeting, is available on the "Market Observation Post System" website of the Taiwan Stock Exchange.

(22) Other equity items

	2024		
	Exchange difference on translation of financial statements of foreign operations	Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	Total
Opening balance	\$ (72,033)	\$ (31,699)	\$ (103,732)
Exchange difference on translation of financial statements of foreign operations	61,966	-	61,966
Share recognized of subsidiaries, associates and joint ventures accounted for using equity method	-	1,601	1,601
Unrealized gains (losses) on valuation measured at fair value through other comprehensive income	-	161,314	161,314
Disposal of investments in equity instruments at fair value through other comprehensive income	-	(118,881)	(118,881)
Ending balance	\$ (10,067)	\$ 12,335	\$ 2,268

	2023		
	Exchange difference on translation of financial statements of foreign operations	Unrealized gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	Total
Opening balance	\$ (51,709)	\$ (9,062)	\$ (60,711)
Exchange difference on translation of financial statements of foreign operations	(20,324)	-	(20,324)
Share recognized of subsidiaries, associates and joint ventures accounted for using equity method	-	3,748	3,748
Unrealized losses on valuation measured at fair value through other comprehensive income	-	(44,332)	(44,332)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	17,947	17,947
Ending balance	<u>\$ (72,033)</u>	<u>\$ (31,699)</u>	<u>\$ (103,732)</u>

The above other equity items include changes in other equities of the Company and its subsidiaries recognized according to their shareholding proportion.

(23) Operating revenue

	2024	2023
Total operating revenue	\$ 1,650,909	\$ 1,833,296
Less: Sales returns and discounts	(32,341)	(32,647)
	<u>\$ 1,618,568</u>	<u>\$ 1,800,649</u>

Revenue of the Company can be broken down into the following major product categories and the sales regions and markets:

A. Major product categories:

Items	2024	2023
Manufacturing of CNC lathes	\$ 1,460,471	\$ 1,584,077
Parts and others	158,097	216,572
	<u>\$ 1,618,568</u>	<u>\$ 1,800,649</u>

B. Major sales market by geography:

	2024	2023
Domestic sales	\$ 159,252	\$ 156,089
Export		
Asia	440,263	546,178
America	193,083	128,736
Europe	758,106	894,752
Other countries	67,864	74,894
	<u>\$ 1,618,568</u>	<u>\$ 1,800,649</u>

(24) Employee benefits, depreciation and amortization expense

	2024		
Classification	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense			
Salary expense	\$ 180,855	\$ 124,611	\$ 305,466
Labor and health insurance expense	19,361	11,715	31,076
Pension expense	8,015	5,518	13,533
Director's remuneration	-	2,720	2,720
Other employee benefit expenses	14,093	6,017	20,110
Depreciation	42,882	20,032	62,914
Amortization	209	2,699	2,908
	2023		
Classification	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense			
Salary expense	\$ 179,096	\$ 107,885	\$ 286,981
Labor and health insurance expense	20,079	11,571	31,650
Pension expense	8,429	5,333	13,762
Director's remuneration	-	2,755	2,755
Other employee benefit expenses	12,895	4,634	17,529
Depreciation	46,329	17,931	64,260
Amortization	188	3,123	3,311

A. The additional information on the number of employees and employee benefit expenses in 2024 and 2023 is as follows:

	2024	2023
Number of employees	404 people	400 people
Number of directors who are not employees	6 people	6 people
Average employee benefits expense	\$ 930	\$ 888
Average employee salary expenses	\$ 768	\$ 728
Adjustments to average employee salary expenses	5.5%	(0.4%)

B. The information on the Company's salary and remuneration policy (including directors, managerial officers and employees) is as follows:

(A) Remuneration to directors

The Company's general directors and independent directors' remuneration policy is determined according to their responsibilities, risks, invested time and other factors.

In accordance with the Articles of Incorporation of the Company, the remunerations to the Chairman, Vice-Chairman and directors of the Company shall be authorized to be determined by the Board of Directors according to the degree of their participation in the operation of the Company and the value of their contributions, taking into account both the domestic and foreign industry standards. The Articles of Incorporation also separately provide for a remuneration of the directors to be not more than 2% of the annual profit of the Company.

(B) Remuneration to the managerial officers

The remuneration of the managerial officers of the Company shall be considered by the Remuneration Committee and submitted to the Board of Directors for resolution based on their positions, contributions, the Company's operating performance for the year and taking into account the Company's future risks.

(C) Remuneration to employees

Remuneration to the employees includes monthly payment and unscheduled performance bonus, year-end bonus, and employee compensation based on the Company's profitability. As stipulated in the Articles of Incorporation, not less than 3% - 8% of the annual profit of the Company shall be used as the compensation to the employees.

(25) Employees' and directors' remuneration

- A. In accordance with the Articles of Incorporation, the compensation to the employees and remuneration of the directors of the Company is set aside at 3% - 8% and not more than 2% of the pre-tax profits before deducting the compensation to the employees and remuneration of the directors for the current year, respectively. The estimated remuneration to the employees for 2024 and 2023 was NTD 40,000 thousand and NTD 28,000 thousand, respectively, and the remuneration of the directors was NTD 2,500 thousand in both years, which were estimated by 3.00% and 3.36% as well as 0.19% and 0.30% of the above pre-tax profits, respectively. If the amount still changes after the release date of the annual financial statements, then the changes shall be treated as changes in accounting estimates, and shall be adjusted in the following year.
- B. At the Board of Directors' Meeting and the Shareholders' Meeting held on February 27, 2025 and June 19, 2024, the Company resolved to approve the remuneration to the employees and directors for the years 2024 and 2023, as well as relevant amount recognized in the financial statements, respectively, as follows:

Items	2024		2023	
	Remuneration of employees	Remuneration of directors	Remuneration of employees	Remuneration of directors
Resolved distribution amount	\$ 40,000	\$ 2,500	\$ 28,000	\$ 2,500
Amount recognized in annual financial statements	40,000	2,500	28,000	2,500
Difference amount	\$ -	\$ -	\$ -	\$ -

The above remuneration to the employees are distributed in cash.

- C. Information on remuneration to the employees and directors passed by the Board of Directors and resolved by the Shareholders' Meeting of the Company is available on the "Market Observation Post System" website of the Taiwan Stock Exchange.

(26) Other income

	2024	2023
Rental income	\$ 24,818	\$ 29,374
Dividend revenue	52,190	53,622
Other income	37,917	18,359
	<u>\$ 114,925</u>	<u>\$ 101,355</u>

(27) Other gains and losses

	2024	2023
Gains (losses) on disposals of investments	\$ 7,901	\$ (19,807)
Gains (losses) on financial valuation at fair value through profit or loss	872,265	300,281
Foreign currency exchange gain	57,392	2,127
Gain (loss) on disposal or retirement of property, plant and equipment	468	680
Litigation loss	(858)	-
Others	(1,094)	(1,061)
	<u>\$ 936,074</u>	<u>\$ 282,220</u>

(28) Finance costs

	2024	2023
Interest on bank loans	\$ 43,194	\$ 45,708
Interest on lease liabilities	3,095	70
Other interest expenses	91	37
Less: Eligible capitalization amount	(2,059)	(313)
Finance costs	<u>\$ 44,321</u>	<u>\$ 45,502</u>

(29) Income tax

A. Income tax expense

Income tax expenses for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Current income tax		
Income tax generated in current year	\$ 35,585	\$ 55,922
Tax levied on unappropriated earnings	6,574	18,067
Adjustment on income tax of prior years	6,028	5,317
Deferred income tax		
Deferred tax expense related to the generation and reversal of temporary differences	(10,922)	10,823
Income tax expense	<u>\$ 37,265</u>	<u>\$ 90,129</u>

B. Income tax expense (benefit) related with other comprehensive income

	2024	2023
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	\$ 1,437	\$ 692
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of financial statements of foreign operations	4,223	(1,971)
Total	\$ 5,660	\$ (1,279)

C. The adjustment between accounting income and income tax expenses recognized in profit or loss for the year is as follows:

	2024	2023
Net profit before tax	\$ 1,292,757	\$ 803,431
Tax amount calculated by applying statutory rate to net profit before tax	\$ 258,551	\$ 160,686
Influenced tax amount of adjusted items		
Investment income recognized using the equity method	(30,179)	(25,613)
(Gains) losses from evaluation of financial assets	(174,453)	(60,056)
Tax-free income	(12,018)	(6,762)
Other adjustments	(6,316)	(6,323)
Adjustment on income tax of prior years	6,028	5,317
Tax levied on unappropriated earnings	6,574	18,067
Investment tax credit	-	(6,010)
Net change in deferred income tax		
Temporary differences	(10,922)	10,823
Income tax expense recognized in profit or loss	\$ 37,265	\$ 90,129

The Company is at an income tax return rate of 20% and unappropriated earnings at a tax rate of 5%.

D. Deferred income tax assets or liabilities as a result of temporary differences:

2024	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Temporary differences				
Exceeding amount of allowance for uncollectible accounts	\$ 657	\$ 384	\$ -	\$ 1,041
Unrealized exchange losses	3,430	(3,430)	-	-
Unrealized loss on market value decline and obsolete and slow-moving inventories	29,278	4,800	-	34,078
Unrealized attendance bonus	1,233	24	-	1,257
Unrealized warranty expense	899	(134)	-	765
Exceeding amount of pension and actuarial loss	3,257	(80)	(1,272)	1,905
Subtotal	38,754	1,564	(1,272)	39,046
Deferred income tax liabilities				
Temporary differences				
Unrealized exchange income or loss	-	(5,918)	-	(5,918)
Income from foreign investments accounted for using equity method	(130,586)	15,276	-	(115,310)
Land value increment tax	(35,275)	\$ -	-	(35,275)
Subtotal	(165,861)	9,358	-	(156,503)
Total	\$ (127,107)	\$ 10,922	\$ (1,272)	\$ (117,457)
2023	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Temporary differences				
Exceeding amount of allowance for uncollectible accounts	\$ 12,508	\$ (11,851)	\$ -	\$ 657
Unrealized exchange losses	-	3,430	-	3,430
Unrealized loss on market value decline and obsolete and slow-moving inventories	24,938	4,340	-	29,278
Unrealized attendance bonus	1,186	47	-	1,233
Unrealized warranty expense	1,891	(992)	-	899
Exceeding amount of pension and actuarial loss	4,615	(631)	(727)	3,257
Subtotal	45,138	(5,657)	(727)	38,754
Deferred income tax liabilities				
Temporary differences				
Income from foreign investments accounted for using equity method	(122,035)	(8,551)	-	(130,586)
Unrealized exchange income or loss	(3,385)	3,385	-	-
Land value increment tax	(35,275)	-	-	(35,275)
Subtotal	(160,695)	(5,166)	-	(165,861)
Total	\$ (115,557)	\$ (10,823)	\$ (727)	\$ (127,107)

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

(30) Other comprehensive income

	2024		
	Amount before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	\$ 6,364	\$ (1,272)	\$ 5,092
Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	161,314	-	161,314
Re-measurements of defined benefit plans of the subsidiaries, associates and joint ventures accounted for using equity method	822	(165)	657
Unrealized gains (losses) from investment in equity instruments measured at fair value through other comprehensive income of the subsidiaries, associates and joint ventures accounted for using equity method	1,550	-	1,550
Subtotal	170,050	(1,437)	168,613
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of financial statements of foreign operations	45,075	-	45,075
Share of associates and joint ventures accounted for using equity method			
Exchange difference on translation of financial statements of foreign operations	21,114	(4,223)	16,891
Subtotal	66,189	(4,223)	61,966
Total	\$ 236,239	\$ (5,660)	\$ 230,579

	2023		
	Amount before tax	Income tax (expense) benefit	Net amount after tax
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	\$ 3,634	\$ (727)	\$ 2,907
Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	(44,332)	-	(44,332)
Re-measurements of defined benefit plans of the subsidiaries, associates and joint ventures accounted for using equity method	(174)	35	(139)
Unrealized gains (losses) from investment in equity instruments measured at fair value through other comprehensive income of the subsidiaries, associates and joint ventures accounted for using equity method	(738)	-	(738)
Subtotal	(41,610)	(692)	(42,302)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of financial statements of foreign operations	(12,441)	-	(12,441)
Share of associates and joint ventures accounted for using equity method			
Exchange difference on translation of financial statements of foreign operations	(9,854)	1,971	(7,883)
Subtotal	(22,295)	1,971	(20,324)
Total	\$ (63,905)	\$ 1,279	\$ (62,626)

(31) Earnings per share

	2024	2023
A. Basic earnings per share		
Profit for the year	\$ 1,255,492	\$ 713,302
Less: Preference dividend	-	-
Net profit attributable to common share equity holders	<u>\$ 1,255,492</u>	<u>\$ 713,302</u>
Weighted average number of shares outstanding for the current period (shares in thousands)	110,400	110,400
Basic earnings per share (after tax) (NTD)	<u>\$ 11.37</u>	<u>\$ 6.46</u>
B. Diluted earnings per share		
Net profit attributable to common share equity holders	\$ 1,255,492	\$ 713,302
Effect of potential dilutive common shares	-	-
Net income in the computation of diluted earnings per share for the current period	<u>\$ 1,255,492</u>	<u>\$ 713,302</u>
Weighted average number of shares after retroactive adjustment (shares in thousands)	110,400	110,400
Impacts of remuneration to the employees (shares in thousands)	<u>588</u>	<u>415</u>
Weighted average number of shares outstanding used in the computation of diluted earnings per share (shares in thousands)	<u>110,988</u>	<u>110,815</u>
Diluted earnings per share (after tax) (NTD)	<u>\$ 11.31</u>	<u>\$ 6.44</u>

(32) Transaction with non-controlling interests

Acquisition of additional interests in subsidiaries

For the year ended December 31, 2024, the Company purchased 833 thousand shares of Huahan Leasing Co., Ltd. for NTD 10,350 thousand in cash, increasing its shareholding ratio from 13.33% to 30%. Since the above transaction enabled the Group to have control over this subsidiary, it was listed as a consolidated individual from June 2024 onwards:

Items	December 31, 2024
Carrying amount of the acquired non-controlling interests	\$ 10,119
Consideration paid to non-controlling interests	10,350
Difference between the equity price and the carrying amount of the subsidiaries acquired or disposed	231

7. Related Party Transactions

(1) Parent Company and the ultimate controlling party

The Company is the ultimate controller of the Group.

(2) Names of related parties and relationship

Related party name	Relationship with the Company
AWEA Mechantronic Co., Ltd.	Subsidiaries
Goodway Machine Corporation (Wujiang)	Subsidiaries
YAMA SEIKI USA, INC.	Subsidiaries
Yih Chuan Machinery Industry Co., Ltd.	Subsidiaries
Allrich Cnc, Ltd.	Subsidiaries
Huahan Leasing Co., Ltd.	Associate (transferred as a subsidiary from June 2024)
FitTech Co., Ltd.	Other related parties (non-related parties since Q2 of 2023)
Hung Jiu Machine Co., Ltd.	Other related parties
Turvo International Co., Ltd.	Other related parties
JiaJin Investment Co., Ltd.	Other related parties
Hong Hua Investment Co., Ltd.	Other related parties
Zong Han Investment Ltd.	Other related parties
Jin Cheng Investment Co., Ltd.	Other related parties
Yu En Investment Co., Ltd.	Other related parties
Baldwin Bio Co., Ltd.	Other related parties
Yang Wenxu Charity Foundation	Other related parties

(3) Significant transactions with the related parties

Except that for the individual related parties listed in Note 7 (2), if the transaction amount or balance between them and the Company exceeds 10% of the total amount or balance of such transaction, they shall be separately listed, and all the remaining ones are listed in summary, and is hereby disclosed in summary as follows:

A. Sales

	2024	2023
Subsidiaries		
Goodway (Wujiang)	\$ 257,850	\$ 344,403
Others	159,349	79,028
Other related parties		
Others	18,078	(13,888)
	<u>\$ 435,277</u>	<u>\$ 409,543</u>

The pricing strategy and collection terms of the Company vary according to the market size and competition. Except for the parts and semi-finished products sold to the related party Goodway (Wujiang), which have no other customers for comparison, the remaining ones are handled according to transaction prices and conditions of payment of general customers, while the collection terms are subject to stipulations in contract.

B. Purchases

	2024	2023
Subsidiaries		
Others	\$ 18,738	\$ 27,276
Other related parties		
Others	1,289	1,382
	<u>\$ 20,027</u>	<u>\$ 28,658</u>

The Company's purchase of products from related parties is handled in accordance with general transaction conditions, roughly the same as that of other manufacturers, and the payment period for purchase of products is about 4 months

C. Contract liabilities

	December 31, 2024	December 31, 2023
Subsidiaries		
Goodway (Wujiang)	<u>\$ -</u>	<u>\$ 549</u>

D. Receivables from related parties (excluding loans to related parties)

Items	Related party name	December 31, 2024	December 31, 2023
Notes receivable	Subsidiaries		
	AWEA	\$ 251	\$ 252
	Other related parties		
	Turvo	79	48
	Total	330	300
	Less: Loss allowance	-	-
	Net	<u>\$ 330</u>	<u>\$ 300</u>
Account receivables	Subsidiaries		
	Wujiang	\$ 27,140	\$ 30,914
	YAMA SEIKI USA	24,014	10,082
	Others	227	144
	Other related parties		
	Turvo	11,058	32
	Total	62,439	41,172
	Less: Loss allowance	-	-
	Net	<u>\$ 62,439</u>	<u>\$ 41,172</u>
Other receivables	Subsidiaries		
	AWEA	\$ 971	\$ 1,042
	Wujiang	1,161	-
	Total	2,132	1,042
	Less: Loss allowance	-	-
	Net	<u>\$ 2,132</u>	<u>\$ 1,042</u>

E. Payables from related parties (excluding loans to related parties)

Items	Related party name	December 31, 2024	December 31, 2023
Notes payable	Subsidiaries		
	AWEA	\$ 12,631	\$ 852
	Allrich	1,346	1,962
	Other related parties		
	Turvo	374	163
	Total	<u>\$ 14,351</u>	<u>\$ 2,977</u>

Items	Related party name	December 31, 2024	December 31, 2023
Accounts payable	Subsidiaries		
	AWEA	\$ 40	\$ 10
	Allrich	873	1,853
	Wujiang	12	100
	Other related parties		
	Turvo	97	101
	Total	<u>\$ 1,022</u>	<u>\$ 2,064</u>
Other payables	Subsidiaries		
	AWEA	\$ 3,088	\$ -
	Wujiang	223	389
	Others	-	20
	Total	<u>\$ 3,311</u>	<u>\$ 409</u>

F. Other current assets

Items	Related party name	December 31, 2024	December 31, 2023
Prepayments	Subsidiaries		
	AWEA	<u>\$ 190</u>	<u>\$ 190</u>

G. Other current liabilities

Items	Related party name	December 31, 2024	December 31, 2023
Other advance receipts	Subsidiaries		
	Allrich	\$ 1	\$ 1
	Huahan	21	9
	Other related parties		
	Others	15	15
	Total	<u>\$ 37</u>	<u>\$ 25</u>

H. Other non-current assets

Items	Related party name	December 31, 2024	December 31, 2023
Prepayments for equipment	Subsidiaries		
	AWEA	<u>\$ 27,516</u>	<u>\$ -</u>

I. Property transaction

(A) Acquisition of property, plant and equipment

Related party name	Object of transaction	Price of acquisition	
		2024	2023
Subsidiaries			
AWEA	Machinery equipment	\$ 21,751	\$ 6,849

(B) Disposal of property, plant and equipment

Related party name	Object of transaction	Proceeds	
		2024	2023
Subsidiaries			
AWEA	Machinery equipment	\$ -	\$ 680

Related party name	Object of transaction	Gain on disposal	
		2024	2023
Subsidiaries			
AWEA	Machinery equipment	\$ -	\$ 680

Transaction price of the above equipment is in reference to the carrying amount, and is decided by both parties upon negotiation.

J. Major rent agreement

Right-of-use assets acquired from rent

Items	Related party name	2024	2023
Acquisition of right-of-use assets	Subsidiaries		
	AWEA	\$ 3,337	\$ -

Items	Related party name	2024	2023
Current lease liabilities	Subsidiaries		
	AWEA	\$ 1,109	\$ 190

Items	Related party name	2024	2023
Non-current lease liabilities	Subsidiaries		
	AWEA	\$ 1,318	\$ -

Items	Related party name	2024	2023
Interest expense	Subsidiaries		
	AWEA	\$ 40	\$ 9

K. Endorsement/ guarantee

The details of the endorsement/ guarantee provided by the Company for related parties are as follows:

Related party name	Original current amount	December 31, 2024	Collateral
Subsidiaries			
YAMA SEIKI USA	USD 6,000 thousand	\$ 196,410	\$ -

Related party name	Original current amount	December 31, 2023	Collateral
Subsidiaries			
YAMA SEIKI USA	USD 6,000 thousand	\$ 183,930	\$ -

L. Others

(A) Revenues

a. Rental income

Related party name	2024	2023
Subsidiaries	\$ 539	\$ 1,332
Associates	5	12
Other related parties		
Others	60	60
Total	\$ 604	\$ 1,404

b. Other income

Related party name	2024	2023
Subsidiaries		
AWEA	\$ 3,044	\$ 3,185
Others	919	1,061
Associates	50	120
Other related parties	240	240
Total	\$ 4,253	\$ 4,606

(B) Expenses

Related party name	2024	2023	Nature of transaction
Subsidiaries	\$ 72	\$ 6	Operating - Rent expense
Subsidiaries	2,148	-	Operating - Advertising expenses
Other related parties			
Hung Jiu	3,240	2,790	Manufacturing - Rent expense
Subsidiaries	777	514	Manufacturing expenses
Subsidiaries	190	593	Operating expenses
Other related parties	413	66	Operating expenses
Total	<u>\$ 6,840</u>	<u>\$ 3,969</u>	

(4) Information on main management rewards

	2024	2023
Short-term employee benefits	\$ 14,288	\$ 12,487
Post-employment benefits	403	330
	<u>\$ 14,691</u>	<u>\$ 12,817</u>

8. Pledged Assets

The following assets have been provided as collateral for various borrowings and performance guarantees:

Name of asset	December 31, 2024	December 31, 2023
Property, plant and equipment - land	\$ 395,231	\$ 395,231
Property, plant and equipment - property and buildings (net amount)	313,705	325,669
Total	<u>\$ 708,936</u>	<u>\$ 720,900</u>

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

The Company's commitments and contingencies as of December 31, 2024 include:

- (1) As of December 31, 2024 and 2023 the guaranteed bills issued by the Company for financing guarantee and purchase of products were as follows:

December 31, 2024		December 31, 2023	
NTD	4,355,000 thousand	NTD	4,625,000 thousand

- (2) As of December 31, 2024 and 2023, the amount of guaranteed bills issued by the Company to the customers was NTD 24,030 thousand and NTD 1,167 thousand, respectively.
- (3) As of December 31, 2024 and 2023, in order to facilitate the release of imported goods before paying tax to the Customs Administration, the Company has entrusted financial institutions with issuing a guarantee letter all at the amount of NTD 1,000 thousand.
- (4) As of December 31, 2024 and 2023, the amount of guaranteed bills collected by the Company from the manufacturers for Dapumei factory construction project was NTD 43,537 thousand and NTD 32,253 thousand, respectively.
- (5) As of December 31, 2024 and 2023, the amount of water-electricity guaranteed bills collected by the Company for leasing factory plants was NTD 5,553 thousand and NTD 5,067 thousand, respectively.
- (6) As of December 31, 2024 and 2023, the amount of guaranteed letters applied for by the Company for participating in the project of “big leading small” of the government was NTD 12,200 thousand and NTD 4,000, respectively.
- (7) As of December 31, 2024 and 2023, the amount of the machine money received by the Company for export sales provided by the bank as collateral is USD 0 and USD 53 thousand, respectively.
- (8) As of December 31, 2024 and 2023, the amount of guaranteed letters applied for by the Company for participating in the Industry Innovation Program - Automotive Industry Chain was NTD 13,000 thousand and NTD 0, respectively.

10. Significant Disaster Loss: None.

11. Significant Events after the Balance Sheet Date: None.

12. Others

(1) Capital risk management

As the Company must maintain sufficient capital to support requirement for the expansion and upgrading of plants and equipment. Therefore, the capital management of the Company is to ensure that the necessary financial resources and operating plans are in place, to support the required working capital, capital expenditures, research and development expenses, debt repayment and dividend payments, etc. for the next 12 months.

(2) Financial instruments

A. Financial risks of financial instruments

Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to reduce relevant financial risks, the Company is committed to identifying, evaluating and avoiding market uncertainties, so as to reduce the potential adverse impact of market changes on the Company's financial performance.

Significant financial activities of the Company are reviewed by the Board of Directors (and the Audit Committee) in accordance with relevant norms and internal control systems. During the execution period of the financial plan, the Company must comply with the relevant financial operating procedures regarding the overall financial risk management and the division of rights and responsibilities.

Significant financial risks and degrees of financial risks

(A) Market risks

a. Foreign currency risk

- (a) The Company is exposed to exchange rate risks arising from sales, procurement and borrowing transactions and net investments by foreign operations that are not denominated in each of the Company's functional currencies. The Company's functional currency is New Taiwan dollars (NTD). The major currencies in which these transactions are mainly denominated are USD, CNY, Japanese Yen and Euro, and some of the Company's cash inflows and outflows are in foreign currencies, which has a partially natural hedging effect; the Company's exchange rate risk management is for hedging purpose, other than for profit purpose. The exchange rate risk management strategy is to periodically review net parts of the assets and liabilities in various currencies, and make risk management of such parts.

Since the net investment of foreign operations is strategic investment, therefore, the Company does not hedge against it.

(b) Exchange rate risk and sensitivity analysis

Unit: Foreign currency/ NTD thousand

December 31, 2024

December 31, 2021							
				Sensitivity analysis			
	Foreign currencies	Exchange rate (Note)	NTD	Rate of change	Profit and loss impact	Equity impact	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD	\$	28,368	32.735	\$ 928,626	5%	\$ 46,431	\$ -
<u>Investments accounted for using equity method</u>							
USD		12,790	32.735	418,681	5%	-	20,934

Unit: Foreign currency/ NTD thousand

December 31, 2023

	December 31, 2020						
	Foreign currencies	Exchange rate (Note)	NTD	Sensitivity analysis			
				Rate of change	Profit and loss impact	Equity impact	
Financial assets							
Monetary items							
USD	\$	24,646	30.655	\$ 755,523	5%	\$ 37,776	\$ -
Investments accounted for using equity method							
USD		12,790	30.655	392,077	5%	-	19,604

(Note) Based on the exchange rate on the balance sheet date.

If the value of the New Taiwan dollar appreciates against the above currencies, the amounts reflected in the above currencies as of December 31, 2024 and 2023 will have an equal but opposite effect if all other factors of change are held constant.

The Company's net foreign currency exchange gains realized and unrealized amounted to NTD 57,392 thousand and NTD 2,127 thousand for the years 2024 and 2023, respectively. Due to the variety of foreign currency transactions and functional currencies of the Company, it is not possible to disclose exchange gains and losses by each materially affected foreign currency.

b. Price risk

As the Company holds equity instrument investments, therefore, the Company is exposed to the price risk of equity instruments. The Company's equity instrument investments are the financial assets classified as measured at fair value through profit or loss, and the financial assets classified as measured at fair value through other comprehensive income.

The Company mainly invests in equity instruments of domestic listed and OTC companies as well as unlisted and non-OTC companies, and the prices of such equities would be influenced by uncertainty of the future value of the investee companies.

If the price of equity instruments increases or decreases by 1%, the after-tax profit or loss for years 2024 and 2023 would increase (decrease) by NTD 21,305 thousand and NTD 12,273 thousand, respectively, due to an increase or decrease in the fair value of equity instruments measured at fair value through profit or loss; other comprehensive income after tax will increase (decrease) by NTD 249 thousand and NTD 1,150 thousand, respectively, due to an increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

c. Interest rate risk

The Company's interest rate risk is primarily derived from bank borrowings with floating interest rates, and such interest rate fluctuation will affect the future cash flows but not the fair value.

As for the sensitivity analysis of interest rate risk, a 1% increase (decrease) in market interest rate would increase (decrease) the net profit of years 2024 and 2023 by NTD 24,235 thousand and NTD 20,985 thousand, respectively.

(B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company's credit risk mainly comes from receivables arising from operating activities as

well as bank deposits, and other financial instruments arising from investment activities. The operation-related credit risks and the financial credit risks are under separate management.

a. Operation-related credit risks

In order to maintain quality of accounts receivable, the Company has established the procedure for management of operation-related credit risks. The risk assessment of individual customers takes into account many factors that may affect the customers' ability to pay, including the customers' financial position, the Company's internal credit rating, historical transaction records and current economic conditions, etc.

b. Financial credit risk

The credit risks of bank deposits and other financial instruments are measured and monitored by the financial departments of the Company. As the Company's trading partners and performing parties are banks with good credit and financial institutions, corporate organizations and government agencies with investment grade or above, without significant concern about performance of the contract, therefore, there is no significant credit risk. In addition, the Company has no debt instrument investments classified as measured by amortization cost and classified as measured at fair value through other comprehensive income.

(a) Credit concentration risk

As of December 31, 2024 and 2023, the balance of accounts receivable of the top ten sales customers accounted for 86% and 81% of the Company's balance of accounted receivable respectively, and the credit concentration risk of the remaining accounts receivable was relatively insignificant.

(b) Measurement of expected credit impairment losses

- i. Accounts receivable: simplified method was adopted, please refer to Note 6 (4) for details.
- ii. Basis for determining whether credit risk is significantly increased or not: None. (the Company has no debt instrument investments classified as measured by amortization cost and classified as measured at fair value through other comprehensive income.)

(C) Liquidity risk

a. Liquidity risk management

The Company's objective in managing liquidity risk is to maintain cash and cash equivalents, highly liquid marketable securities and sufficient bank facilities required for maintaining operations, so as to ensure sufficient financial resilience of the Company.

b. Maturity analysis of financial liabilities

The following table summarizes the financial liabilities of the Company during the agreed repayment period by maturity date and undiscounted maturity amount:

December 31, 2024						
	Within 6 months	7 - 12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000
Short-term notes and bills payable	-	-	-	-	-	-
Notes payable (including related parties)	209,082	-	-	-	-	209,082
Accounts payable (including related parties)	42,502	-	-	-	-	42,502
Other payables (including related parties)	120,365	-	-	-	-	120,365
Long-term borrowings (including those due within one year)	32,475	44,975	814,950	181,113	-	1,073,513
Other current liabilities	31	6	9	-	-	46
Lease liabilities (including related parties)	4,529	4,568	9,251	25,400	136,108	179,856
Guarantee deposits received	-	-	-	2,373	-	2,373
	<u>\$ 1,758,984</u>	<u>\$ 49,549</u>	<u>\$ 824,210</u>	<u>\$ 208,886</u>	<u>\$ 136,108</u>	<u>\$ 2,977,737</u>

December 31, 2023						
	Within 6 months	7 - 12 months	1 - 2 years	2 - 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$ 1,160,000	\$ -	\$ -	\$ -	\$ -	\$ 1,160,000
Short-term notes and bills payable	199,872	-	-	-	-	199,872
Notes payable (including related parties)	235,935	-	-	-	-	235,935
Accounts payable (including related parties)	70,595	-	-	-	-	70,595
Other payables (including related parties)	95,794	-	-	-	-	95,794
Long-term borrowings (including those due within one year)	32,475	632,475	164,950	104,850	3,713	938,463
Other current liabilities	29	3	-	-	-	32
Lease liabilities (including related parties)	190	-	-	-	-	190
Guarantee deposits received	-	-	2,373	-	-	2,373
	<u>\$ 1,794,890</u>	<u>\$ 632,478</u>	<u>\$ 167,323</u>	<u>\$ 104,850</u>	<u>\$ 3,713</u>	<u>\$ 2,703,254</u>

Further information on maturity analysis of lease liabilities is as follows:

December 31, 2024							
Within 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	Over 20 years	Total	
Lease liabilities	\$ 9,097	\$ 34,651	\$ 44,961	\$ 48,923	\$ 42,224	\$ -	\$ 179,856

December 31, 2023							
Within 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	Over 20 years	Total	
Lease liabilities	\$ 190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190

The Company does not expect that the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

B. Categories of financial instruments

Carrying amount of various financial assets and financial liabilities of the Company as of December 31, 2024 and 2023 was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 482,169	\$ 675,276
Notes and accounts receivable		
(including related parties)	610,188	522,760
Other receivables (including related parties)	9,602	9,302
Other financial assets - current	273,035	244,408
Refundable deposits	532	2,069
Financial assets at FVTPL - current	2,130,473	1,227,280
Financial assets at FVOCI - current	24,863	115,046
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	1,350,000	1,160,000
Net amount of short-term notes and bills payable	-	199,872
Notes and accounts payable		
(including related parties)	251,584	306,530
Other payables (including related parties)	183,621	148,226
Current lease liabilities	9,097	190
Long-term liabilities due within one year or one business cycle	77,450	664,950
Other current liabilities	46	32
Long-term borrowings	996,063	273,513
Non-current lease liabilities	170,759	-
Guarantee deposits received	2,373	2,373

(3) Fair value information

A. For information on fair value of the financial assets and financial liabilities not measured at fair value of the Company, please refer to Note 12 (3) 3. for details. For information on fair value of the investment properties measured at cost of the Company, please refer to Note 6 (10) for details.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

- (A) Level 1: Input value of this level refers to public quotation of the same tools in active markets. Active market means a market that meets all of the following conditions: the products traded in the market are homogeneous; willing buyers and sellers are readily available in the market, and the price information is readily available to the public. The Group's investments in listed counter stock investments, beneficiary certificates, investment in Taiwan Central Government bonds that are popular bonds, and the fair value of derivative instruments that are publicly quoted in active markets all belong to this.
- (B) Level 2: The input values of this level are observable prices other than publicly quoted prices in the active market, including direct (such as prices) or indirect (such as derived from prices) observable input values obtained from the active market. Non-popular bonds such as government bonds, corporate bonds, financial bonds, convertible corporate bonds and most derivative instruments, etc. invested by the Company all belong to this.
- (C) Level 3: Input values of this level refer to input parameters used for measuring the fair value, but not observable input values that can be obtained from the market. Some derivative instruments invested by the Company and investment in equity instrument without active market all belong to this.

C. Financial instruments not measured at fair value

The Company's financial instruments not measured at fair value, such as cash and cash equivalents, receivables, other financial assets, refundable guarantee deposits, short-term borrowings, short-term bills payable, amounts payable, long-term borrowings (including maturity within one year or within a business cycle), lease liabilities (including current) and carrying amounts of refundable guarantee deposits, are reasonable approximations of fair value.

D. Information on level of fair value

The Company's financial instruments measured at fair value are measured at fair value on a recurring basis. Information on the Company's level of fair value is as shown in the following table:

December 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed (OTC) stocks	\$ 2,130,400	\$ -	\$ -	\$ 2,130,400
Domestic unlisted stocks	-	-	73	73
Financial assets at FVTOCI				
Domestic listed (OTC) stocks	10,007	-	-	10,007
Domestic unlisted stocks	-	-	14,856	14,856
	<u>\$ 2,140,407</u>	<u>\$ -</u>	<u>\$ 14,929</u>	<u>\$ 2,155,336</u>
December 31, 2023				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed (OTC) stocks	\$ 1,227,227	\$ -	\$ -	\$ 1,227,227
Domestic unlisted stocks	-	-	53	53
Financial assets at FVTOCI				
Domestic listed (OTC) stocks	103,046	-	-	103,046
Domestic unlisted stocks	-	-	12,000	12,000
	<u>\$ 1,330,273</u>	<u>\$ -</u>	<u>\$ 12,053</u>	<u>\$ 1,342,326</u>

E. Fair value evaluation techniques for instruments measured at fair value:

- (A) If there is an active market and a price for a financial instrument quoted in that market, the quoted price will be the fair value of such financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange are considered to be the basis of fair values for equity instruments and debt instruments with active market. If a quoted price, which represents the price being practically and frequently transacted in orderly transactions, can be acquired from stock exchanges, brokers, underwriters, industry associations, pricing service institutions or the administration in time then there is an active market for the financial instrument. If the conditions mentioned above are not met, then the market is regarded as inactive. Generally speaking, extremely high bid-ask spread, significant increase of bid-ask spread or extremely low transaction amounts are all indications for an inactive market.

For the financial instruments held by the Company with active market, their fair values are listed as follows by category and attribute: Listed and OTC stocks: closing price

- (B) Except the above financial instruments with active market, the fair value of the remaining financial instruments is obtained using evaluation techniques or by reference to counter-parties' quotations. The fair value obtained through the evaluation technique may be calculated by reference to the current fair value of other financial instruments with similar material conditions and characteristics, the discounted cash flow method or other evaluation techniques, including the use of models based on market information available at the consolidated balance sheet date (e.g. Taipei Exchange makes reference to the yield curve, Reuters average quotation for interest rate of commercial notes).

For stocks of unlisted (non-OTC) companies without active market as held by the Company, their fair value is estimated by market method, in reference to the evaluation of similar companies, third-party quotations, the companies' net value and operating conditions. In addition, the significant unobservable input value is mainly the liquidity discount, however, since the possible change in the liquidity discount does not lead to significant potential financial impact, therefore, it is not intended to disclose quantitative information.

- (C) Evaluation of derivative financial instruments is based on evaluation models (e.g. discount method and option pricing model) that are widely accepted by market users.
- (D) The outputs of the evaluation model are estimated estimates, however, the evaluation techniques may not reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, the estimated values of the evaluation models may be adjusted appropriately based on additional parameters, such as model risk or liquidity risk, etc. In accordance with the Company's fair value evaluation model management policy and related control procedures, the management believes that evaluation adjustments are appropriate and necessary in order to make fair presentation of the fair value of financial and non-financial instruments in the consolidated balance sheet. The price information and parameters used during the evaluation process are carefully evaluated, and are adjusted appropriately based on the current market conditions.

(E) The Company incorporates credit risk assessment adjustments into calculation of the fair value of financial instruments and non-financial instruments, to reflect the counter-parties' credit risks and the Company's credit quality, respectively.

F. The transfer between Level 1 and Level 2: None.

G. Statement of changes in Level 3:

Financial assets	Measured at FVTPL	Measured at FVTOCI	Total
	Equity instruments	Equity instruments	
Balance at January 1, 2024	\$ 53	\$ 12,000	\$ 12,053
Recognized in profit or loss	20	-	20
Recognized in other comprehensive income	-	2,850	2,850
Acquisition	-	6	6
Balance at December 31, 2024	<u>\$ 73</u>	<u>\$ 14,856</u>	<u>\$ 14,929</u>

Financial assets	Measured at FVTPL	Measured at FVTOCI	Total
	Equity instruments	Equity instruments	
Balance at January 1, 2023	\$ -	\$ 10,950	\$ 10,950
Recognized in other comprehensive income	-	1,050	1,050
Acquisition	53	-	53
Balance at December 31, 2023	<u>\$ 53</u>	<u>\$ 12,000</u>	<u>\$ 12,053</u>

H. Evaluation process of fair values belonging to Level 3:

The Company's evaluation process of fair values belonging to Level 3 is based on independent source data to bring the evaluation results close to the market state, and it also periodically conducts independent fair value audit and review of financial instruments, so as to ensure that the evaluation results are reasonable.

13. Additional Disclosures

(1) Significant Transactions Information:

A. Loaning funds to others: None.

B. Provision of endorsements and guarantees to others: Refer to Table 1 for details.

C. Holding of marketable securities at the end of the period (not including investment in subsidiaries, associates and joint ventures): Refer to Table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding NTD 300 million or 20% of paid-in capital: None.

- E. Acquisition of real estate reaching NTD 300 million or 20% of paid-in capital or more: None.
 - F. Disposal of real estate reaching NTD 300 million or 20% of paid-in capital or more: None.
 - G. Purchases or sales of goods from or to related parties reaching NTD 100 million or 20% of paid-in capital or more: Refer to Table 3.
 - H. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.
 - I. Trading in derivative instruments undertaken during the reporting period: None.
- (2) Information on investees: Refer to Table 4.
 - (3) Information on Investment in Mainland China: Refer to Table 5.
 - (4) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5% or more of the equity: Refer to Table 6.

Table 1: Provision of Endorsements and Guarantees to Others
December 31, 2024

Unit: NTD thousand (unless stated otherwise)

No.	Endorsement/ guarantee provider	Party endorsed/ guaranteed		Limit of endorsement/ guarantee for single enterprise (Note 3)	Maximum endorsement/ guarantee balance in the current period	Ending balance of endorsements / guarantees provided	Amount drawn	Amount of endorsements / guarantees with assets pledged	Ratio of cumulative endorsements/ guarantees to net worth as in the latest financial statements	Upper limit on endorsements/ guarantees (Note 4)	Parent company to subsidiary	Subsidiary to parent company	Endorsement/ guarantee toward the Mainland China
		Company name	Relationship										
0	Goodway Machine Corporation	YAMA SEIKI USA,INC.	2	\$ 1,973,252	\$ 196,710 (USD6,000)	\$ 196,410 (USD6,000)	\$ - (USD -)	\$ -	2.99%	\$ 3,288,753	Y	N	N

Note 1: The explanation for the numbering column is as follows:

- (1) Fill in 0 for issuer.
- (2) The investees are coded sequentially beginning from “1” by each individual company.

Note 2: The relationship between the endorsing/guaranteeing party and the party endorsed/guaranteed consists of the following 7 types, and it only needs to indicate the type:

- (1) A company with which the Company has business transactions.
- (2) A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares.
- (3) A company that directly or indirectly holds more than fifty percent (50%) of the voting shares in the Company.
- (4) A company in which the Company directly or indirectly holds more than ninety percent (90%) of the voting shares.
- (5) A company of mutual guarantee in accordance with contract within the trade or among the co-founders.
- (6) Companies that are endorsed and guaranteed by all shareholders based on their shareholding ratios because of a joint investment relationship.
- (7) Joint and several guarantee for the performance of sales contracts of pre-sale houses in accordance with the regulations of Consumer Protection Act within the trade.

Note 3: The limit column of the endorsement guarantee for a single enterprise is limited to 20% of the current net value (30% for overseas associates).

Note 4: The upper limit column on endorsement guarantee shall not exceed 50% of the current net value.

Table 2: Holding of Marketable Securities at the End of the Period (Not Including Investment in Subsidiaries, Associates and Joint Ventures)
December 31, 2024

Unit: NTD thousand (unless stated otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2024				Remark
				Number of shares	Carrying amount	Ownership (%)	Fair value	
Goodway Machine Corporation	Stock - Formosa Plastics Corporation	-	Financial assets at FVTPL - current	355	\$ 13	-	\$ 13	
	Stock - Nan Ya Plastics Corporation	-	"	10,798	323	-	323	
	Stock - Far Eastern New Century Corporation	-	"	1,687	53	-	53	
	Stock - Hon Hai Precision Industry Co., Ltd.	-	"	473	87	-	87	
	Stock - Orient Semiconductor Electronics, Ltd.	-	"	46,461	1,612	-	1,612	
	Stock - Taiwan Semiconductor Manufacturing Company Limited	-	"	17,014	18,290	-	18,290	
	Stock - Qisda Corporation	-	"	7,000	235	-	235	
	Stock - Acer Incorporated	-	"	160,463	6,386	-	6,386	
	Stock - Asustek Computer Incorporation	-	"	32,000	19,712	-	19,712	
	Stock - Sunplus Technology Co. Ltd.	-	"	53,516	1,640	-	1,640	
	Stock - Universal Microelectronics Co., Ltd.	-	"	278,462	7,254	0.22%	7,254	
	Stock - United Alloy-Tech Company	-	"	57,000	2,214	0.04%	2,214	
	Stock - Wistron Corporation	-	"	48,585	5,053	-	5,053	
	Stock - BES Engineering Corporation	-	"	1,190	13	-	13	
	Stock - Taiwan Business Bank, Ltd.	-	"	1,624	24	-	24	

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Table 2: Holding of Marketable Securities at the End of the Period (Not Including Investment in Subsidiaries, Associates and Joint Ventures)

December 31, 2024

Unit: NTD thousand (unless stated otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2024				Remark
				Number of shares	Carrying amount	Ownership (%)	Fair value	
Goodway Machine Corporation	Stock - Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTPL - current	107,190	2,803	-	2,803	
	Stock - Cathay Financial Holdings Co., Ltd.	-	"	53,239	3,636	-	3,636	
	Stock - E.SUN Financial Holding Co., Ltd.	-	"	124,945	3,367	-	3,367	
	Stock - Mega Financial Holding Company Ltd.	-	"	108,635	4,204	-	4,204	
	Stock - SinoPac Securities	-	"	111,155	2,546	-	2,546	
	Stock - First Financial Holding Co., Ltd.	-	"	23,744	644	-	644	
	Stock - Taiwan Cooperative Financial Holding	-	"	114,173	2,775	-	2,775	
	Stock - Eagle Cold Storage Enterprise Co., Ltd.	-	"	3,603,000	114,215	3.02%	114,215	
	Stock - TCI Co., Ltd	-	"	5,000	615	-	615	
	Stock - Turvo International Co., Ltd.	Other related parties	"	6,066,216	1,713,706	10.06%	1,713,706	
	Stock - P-Duke Technology Co., Ltd.	-	"	2,294,960	209,989	2.79%	209,989	
	Stock - Honor Seiki Co., Ltd.	-	"	1,152	73	-	73	
	Stock - Zeng Hsing Industrial Co., Ltd.	-	"	81,000	8,991	0	8,991	

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Table 2: Holding of Marketable Securities at the End of the Period (Not Including Investment in Subsidiaries, Associates and Joint Ventures)

December 31, 2024

Unit: NTD thousand (unless stated otherwise)

Held company name	Marketable securities type and name	Relationship with the company	Financial statement account	December 31, 2024				Remark
				Number of shares	Carrying amount	Ownership (%)	Fair value	
Goodway Machine Corporation	Stock - FitTech Co., Ltd.	-	Financial assets at FVOCI - current	79,738	10,007	-	10,007	
	Stock - Taichung International Entertainment Corporation	-	"	3	14,850	-	14,850	
	Stock - WiAdvance Technology Corporation	-	"	38	6	-	6	

Table 3: Purchases or Sales of Goods from or to Related Parties Reaching NTD 100 Million or 20% of Paid-in Capital or More

December 31, 2024

Unit: NTD thousand (unless stated otherwise)

Company name	Counterparty	Relationship	Transaction details				Abnormal transaction		Notes/ Accounts payable or receivable		Remark
			Purchases/ sales	Amount	% to total	Payment terms	Unit price	Payment terms	Ending balance	% to total notes and accounts receivable (payable)	
Goodway Machine Corporation	YAMA SEIKI USA, INC.	Sub-subsiary	Sales	\$ 158,714	9.81%	The same with general companies	-	-	\$ 24,014	3.94%	-
Goodway Machine Corporation	Goodway Machine Corporation (Wujiang)	Subsidiaries under sub-subsidiaries	Sales	\$ 257,850	15.93%	The same with general companies	-	-	\$ 27,140	4.45%	-

Table 4: Names, Locations and Other Information of Investee Companies (Not Including Investees in Mainland China)

December 31, 2024

Unit: NTD/ Foreign currency thousand (unless stated otherwise)

Investor company	Investee company	Location	Main business activities	Initial investment amount		Held at the end of period			Current profit (loss) of the invested company	Recognized investment gains (losses) in the current period (Note 1)	Remark
				December 31, 2024	December 31, 2023	Number of shares	Ownership (%)	Carrying amount			
Goodway Machine Corporation	AWEA Mechantronic Co., Ltd.	Taiwan	Design, manufacture and sales of special machines and automation equipment Design, manufacture and sales of and computer-controlled tool machines, manufacture and sales of precision components Import and export trade of the aforesaid products, components and raw materials	\$ 1,058,332	\$ 1,058,332	47,962,311	49.65%	\$ 1,883,085	\$ 452,501	\$ 229,350	Subsidiaries
	TAITEC CAYMANS,INC.	Cayman Islands	International investment and international trade	418,681 (USD 12,790)	418,681 (USD 12,790)	12,790,000	100.00%	921,705	36,434	35,012	Subsidiaries
	Yih Chuan Machinery Industry Co., Ltd.	Taiwan	Manufacturing of machinery and equipment, design of products, wholesale of machinery, and retail of mechanical appliances	212,000	212,000	3,943,200	40.00%	132,708	(15,009)	(5,970)	Subsidiaries
	Allrich Cnc, Ltd.	Taiwan	Manufacturing of machinery and equipment, and retail of mechanical appliances	4,430	4,430	-	100.00%	18,979	4,132	4,132	Subsidiaries
	Huahan Leasing Co., Ltd.	Taiwan	Lease of machinery and equipment	17,683	7,333	1,500,000	30.00%	18,247	(2,049)	(381)	(Note 2)

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Table 4: Names, Locations and Other Information of Investee Companies (Not Including Investees in Mainland China)

December 31, 2024

Unit: NTD/ Foreign currency thousand (unless stated otherwise)

Investor company	Investee company	Location	Main business activities	Initial investment amount		Held at the end of period			Current profit (loss) of the invested company	Recognized investment gains (losses) in the current period (Note 1)	Remark
				December 31, 2024	December 31, 2023	Number of shares	Ownership (%)	Carrying amount			
TAITEC CAYMANS,INC.	YAMASEIKI CAYMANS,INC.	Cayman Islands	International investment and international trade	\$ 297,889 (USD9,100)	\$ 297,889 (USD9,100)	9,100,000	100.00%	\$ 647,034	\$ 17,327	\$ 17,327	Sub-subsidiary
	YAMA SEIKI USA,INC.	USA	Design, manufacture and sales of special machines and automation equipment Design, manufacture and sales of and computer-controlled tool machines Manufacture and sales of precision components, import and export trade of the aforesaid products, components and raw materials	120,792 (USD 3,690)	120,792 (USD 3,690)	1,460,000	71.42%	326,220	26,747	19,102	Sub-subsidiary
AWEA Mechantronic Co., Ltd.	B-Way (Cayman) CO.,Ltd.	Cayman Islands	International investment and international trade	332,212	332,212	10,665,029	100.00%	737,335	11,633	11,268	Sub-subsidiary
	YAMA SEIKI USA,INC.	USA	Machinery sales and installation, international trade	53,968	53,968	584,192	28.58%	126,784	26,747	7,214	Sub-subsidiary
	Yih Chuan Machinery Industry Co., Ltd.	Taiwan	Manufacturing of machinery and equipment, design of products, wholesale of machinery, and retail of mechanical appliances	264,592	264,592	5,914,800	60.00%	135,667	(15,009)	(9,006)	Sub-subsidiary

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Table 4: Names, Locations and Other Information of Investee Companies (Not Including Investees in Mainland China)

December 31, 2024

Unit: NTD/ Foreign currency thousand (unless stated otherwise)

Investor company	Investee company	Location	Main business activities	Initial investment amount		Held at the end of period			Current profit (loss) of the invested company	Recognized investment gains (losses) in the current period (Note 1)	Remark
				December 31, 2024	December 31, 2023	Number of shares	Ownership (%)	Carrying amount			
AWEA Mechantronic Co., Ltd.	Huahan Leasing Co., Ltd.	Taiwan	Rental of machinery and equipment	\$ 17,683	\$ 7,333	1,500,000	30.00%	\$ 18,247	\$ (2,049)	\$ (381)	(Note 2)
B-Way (Cayman) CO.,Ltd.	Billion-Way (Cayman) Co.,Ltd.	Cayman Islands	International investment and international trade	419,990 (USD 12,830)	419,990 (USD 12,830)	12,829,840	100.00%	742,619	11,672	11,672	Sub-subsidiary
Yih Chuan Machinery Industry Co., Ltd.	AXTRON INT'L INVESTMENT CO.,LTD.	Marshall Islands	International investment and international trade	200,000	200,000	50,000	100.00%	197,881	(14,404)	(14,404)	Sub-subsidiary
AXTRON INT'L INVESTMENT CO.,LTD.	AXTRON INT'L INVESTMENT LIMITED	Hong Kong	International investment and international trade	42 (HKD 10)	42 (HKD 10)	10,000	100.00%	197,880	(14,404)	(14,404)	Sub-subsidiary

Note 1: The investment gains (losses) recognized in the current period have taken into account the impact of unrealized gains and losses on inter-company transactions.

Note 2: Huahan Leasing Co., Ltd. has been included in the consolidated subsidiaries since June 2024.

Table 5: Information on Investments in Mainland China
December 31, 2024

Unit: NTD/ Foreign currency thousand (unless stated otherwise)

1. Name of the investee company in Mainland China, main business items, paid-in capital, method of investment, inward/outward remittance of funds, percentage of ownership, carrying value of investment, and gain or loss on repatriated investment:

Name of investee	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for current period		Accumulated investment amount remitted from Taiwan at the end of the period	Current profit and loss of the invested company	Ownership percentage of direct or indirect investment	Recognized investment gains and losses in the current period (Note 2)	Carrying amount of investment as of December 31, 2024	Accumulated inward remittance of earnings as of December 31, 2024
					Outflow	Inflow						
Goodway Machine Corporation (Suzhou)	Machinery sales and installation and international trade	\$ 36,008 (USD 1,100)	2	\$ 36,008 (USD 1,100)	\$ -	\$ -	\$ 36,008 (USD 1,100)	\$ 805	100.00%	\$ 805	\$ 61,239	\$ 263,928 (CNY59,599)
Goodway Machine Corporation (Wujiang)	Machinery sales and installation, international trade	261,880 (USD 8,000)	2	261,880 (USD 8,000)	-	-	261,880 (USD 8,000)	15,859	100.00%	15,859	579,002	332,130 (CNY75,000)

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2. Limit on investments in Mainland China:

Investor Company	Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amounts authorized by Investment Review Committee, MOEA	Limit on investments in Mainland China imposed by the Investment Review Committee, MOEA
			Net value x 60%
Goodway Machine Corporation	\$ 297,888 (USD9,100)	\$ 297,888 (USD9,100)	\$ 3,946,504

Note 1: Investment methods are divided into the following three types, just enter the code:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland China through third-region companies.
- (3) Other methods.

Note 2: The basis for recognition of investment gains and losses is the financial statements audited by CPAs for the same period.

Note 3: The NTD amount is translated by the exchange rate on the balance sheet date (the recognized profits and losses are translated by the average exchange rate).

Note 4: The cumulative amount of the investor's investment in Mainland China shall not exceed 60% of the net value.

3. Significant direct or indirect transactions through a third region business with the investee in the Mainland China: please refer to Table 3 for details.

Table 6: Information on Major Shareholders

December 31, 2024

Name of major shareholders	Number of shares held	Ownership (%)
De-Hua Yang	45,498,740	41.21%
JiaJin Investment Co., Ltd.	8,163,691	7.39%
Hong Li Investment Co., Ltd.	7,906,700	7.16%
Zhi Yuan Investment Co., Ltd.	7,197,038	6.51%
Yu En Investment Co., Ltd.	7,099,629	6.43%
Zong Han Investment Ltd.	6,982,416	6.32%
Jin Cheng Investment Co., Ltd.	6,386,277	5.78%

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the ordinary shares and special shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of each quarter. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

14. Segment Information

The Company has disclosed segment information in the consolidated financial statements in accordance with IFRS 8 “Operating Segments”.

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Statement 1

Goodway Machine Corporation
Statement of Cash and Cash Equivalents

December 31, 2024

Unit: NTD thousand

Items	Summary	Amount
Cash and petty cash:	NTD	\$ 210
	USD 10,800.00	354
	EUR 9,045.00	307
	CNY 37,076.00	165
	JPY 298,000.00	62
	Others	48
	Subtotal	1,146
Bank deposits:		
Demand deposits	NTD	297,991
Check deposits	NTD	68,398
Foreign currency deposit	USD 3,012,206.25	98,604
	EUR 90,773.62	3,081
	CNY 31,591.93	141
	JPY 61,605,006.00	12,808
	Subtotal	481,023
Total		\$ 482,169

Note: The NTD amount is translated by the exchange rate on the balance sheet date. On December 31, 2024, the foreign currency exchange rate was USD 1 to NTD 32.735; EUR 1 to NTD 33.94; CNY 1 to NTD 4.453.

Statement 2

Goodway Machine Corporation
Statement of Financial Assets at FVTPL - Current
December 31, 2024

Unit: In NTD thousands, unless stated otherwise; Number of shares: shares

Financial instruments	Summary	Unit or number of shares	Acquisition cost	Fair market value		Remark
				Unit price (NTD)	Total	
Domestic listed (OTC) stocks						
Formosa Plastics Corporation	Common stock	355	\$ 10	\$ 35.50	\$ 13	Not pledged to others
Nan Ya Plastics Corporation	Common stock	10,798	299	29.90	323	Not pledged to others
Far Eastern New Century Corporation	Common stock	1,687	24	31.60	53	Not pledged to others
Hon Hai Precision Industry Co., Ltd.	Common stock	473	15	184.00	87	Not pledged to others
Orient Semiconductor Electronics, Ltd.	Common stock	46,461	748	34.70	1,612	Not pledged to others
Taiwan Semiconductor Manufacturing Company Limited	Common stock	17,014	10,292	1,075.00	18,290	Not pledged to others
Qisda Corporation	Common stock	7,000	325	33.60	235	Not pledged to others
Acer Incorporated	Common stock	160,463	5,437	39.80	6,386	Not pledged to others
Asustek Computer Incorporation	Common stock	32,000	11,312	616.00	19,712	Not pledged to others
Sunplus Technology Co. Ltd.	Common stock	53,516	3,805	30.65	1,640	Not pledged to others
Universal Microelectronics Co., Ltd.	Common stock	278,462	5,816	26.05	7,254	Not pledged to others
United Alloy-Tech Company	Common stock	57,000	2,836	38.85	2,214	Not pledged to others
Wistron Corporation	Common stock	48,585	356	104.00	5,053	Not pledged to others
BES Engineering Corporation	Common stock	1,190	8	10.65	13	Not pledged to others

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Statement 2

Goodway Machine Corporation
Statement of Financial Assets at FVTPL - Current
December 31, 2024

Unit: In NTD thousands, unless stated otherwise; Number of shares: shares

Financial instruments	Summary	Unit or number of shares	Acquisition cost	Fair market value		Remark
				Unit price (NTD)	Total	
Taiwan Business Bank, Ltd.	Common stock	1,624	\$ 11	\$ 14.85	\$ 24	Not pledged to others
Hua Nan Financial Holdings Co., Ltd.	Common stock	107,190	1,775	26.15	2,803	Not pledged to others
Cathay Financial Holdings Co., Ltd.	Common stock	53,239	2,270	68.30	3,636	Not pledged to others
E.SUN Financial Holding Co., Ltd.	Common stock	124,945	2,566	26.95	3,367	Not pledged to others
Mega Financial Holding Company Ltd.	Common stock	108,635	2,958	38.70	4,204	Not pledged to others
SinoPac Securities	Common stock	111,155	1,204	22.90	2,546	Not pledged to others
First Financial Holding Co., Ltd.	Common stock	23,744	307	27.10	644	Not pledged to others
Taiwan Cooperative Financial Holding Co., Ltd.	Common stock	114,173	1,935	24.30	2,775	Not pledged to others
Eagle Cold Storage Enterprise Co., Ltd.	Common stock	3,603,000	103,660	31.70	114,215	Not pledged to others
TCI Co., Ltd	Common stock	5,000	881	123.00	615	Not pledged to others
Turvo International Co., Ltd.	Common stock	6,066,216	554,048	282.50	1,713,706	Not pledged to others
P-Duke Technology Co., Ltd.	Common stock	2,294,960	160,696	91.50	209,989	Not pledged to others

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Statement 2

Goodway Machine Corporation

Statement of Financial Assets at FVTPL - Current

December 31, 2024

Unit: In NTD thousands, unless stated otherwise; Number of shares: shares

Financial instruments	Summary	Unit or number of shares	Acquisition cost	Fair market value		Remark
				Unit price (NTD)	Total	
Zeng Hsing Industrial Co., Ltd.	Common stock	81,000	\$ 8,349	\$ 111.00	\$ 8,991	Not pledged to others
Domestic unlisted stocks						
Honor Seiki Co., Ltd.	Common stock	1,152	53	62.99	73	Not pledged to others
Total			\$ 881,996		\$ 2,130,473	

Statement 3

Goodway Machine Corporation
Statement of Financial Assets at FVOCI - Current
December 31, 2024

Unit: In NTD thousands, unless stated otherwise; Number of shares: shares

Financial instruments	Summary	Unit or number of shares	Acquisition cost	Fair market value		Remark
				Unit price (NTD)	Total	
Domestic listed (OTC) stocks FitTech Co., Ltd.	Common stock	79,738	\$ 9,143	\$ 125.50	\$ 10,007	Not pledged to others
Domestic unlisted stocks Taichung International Entertainment Corporation	Common stock	3	3,270	4,950,000	14,850	Not pledged to others
WiAdvance Technology Corporation	Common stock	38	6	150	6	Not pledged to others
Total			\$ 12,419		\$ 24,863	

Statement 4

Goodway Machine Corporation

Statement of Notes Receivable

December 31, 2024

Unit: NTD thousand

Name of the customer	Summary	Amount	Remark
Non-related parties			
Customer A		\$ 3,354	
Customer B		5,418	
Customer C		1,505	
Other (Note)		1,579	
Subtotal		11,856	
Less: allowance for uncollectible accounts		(175)	
Net		\$ 11,681	
Related party			
AWEA		\$ 251	
Turvo		79	
Subtotal		330	
Less: allowance for uncollectible accounts		-	
Net		\$ 330	
Total		\$ 12,011	

Note: Those individual amounts not exceeding above 5% of the balance of the accounting item shall not be separately listed.

Statement 5

Goodway Machine Corporation
Statement of Accounts Receivable
December 31, 2024

Unit: NTD thousand

Name of the customer	Summary	Amount	Remark
Non-related parties			
Customer A	(USD 2,175,768.00)	\$ 71,224	
Customer B	(USD 1,332,415.00)	43,617	
Customer C	(USD 9,836,705.00)	322,004	
Other (Note)		110,142	
Subtotal		546,987	
Less: allowance for uncollectible accounts		(11,249)	
Net		\$ 535,738	
Related party			
Goodway (Wujiang)	(CNY 6,094 856.00)	\$ 27,140	
YAMA SEIKI USA	(USD 733,589.00)	24,014	
Turvo		11,058	
Other (Note)		227	
Subtotal		62,439	
Less: allowance for uncollectible accounts		-	
Net		\$ 62,439	
Total		\$ 598,177	

Note: Those balances not exceeding 5% of the amount of this item shall not be separately listed.

Statement 6

Goodway Machine Corporation

Statement of Inventories

December 31, 2024

Unit: NTD thousand

Items	Summary	Amount		Remark
		Cost	Market price	
Raw materials		\$ 648,503	\$ 519,853	Replacement cost
Work in process		779,326	743,545	Net realizable value
Finished goods		1,860	-	Net realizable value
Products		51,025	46,929	Net realizable value
Subtotal		1,480,714	\$ 1,310,327	
Less: Allowance for market value decline and loss for obsolete and slow-moving inventories		(170,387)		
Total		\$ 1,310,327		

Statement 7

Goodway Machine Corporation
Statement of Changes of Investments Using Equity Method
For the Year ended December 31, 2024

Unit: NTD thousand

Name	Opening balance		Increases		Decreases		Ending balance			Market price or net equity value		Guarantee or pledge status	Remark
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership (%)	Amount	Unit price	Total price		
AWEA Mechantronic Co., Ltd.	47,962,311	\$ 1,708,133	-	\$ 246,895 (Note 1)	-	\$ (71,943) (Note 2)	47,962,311	49.65%	\$ 1,883,085	31.6	\$ 1,515,609	None	
TAITEC CAYMANS, INC.	12,790,000	942,657	-	90,298 (Note 3)	-	(111,250) (Note 2)	12,790,000	100.00%	921,705	-	973,323	None	
Yih Chuan Machinery Industry Co., Ltd.	3,943,200	136,399	-		-	(3,691) (Note 4)	3,943,200	40.00%	132,708	-	90,016	None	
Allrich Cnc, Ltd.	-	14,847	-	4,132 (Note 5)	-	-	-	100.00%	18,979	-	16,582	None	
Huahan Leasing Co., Ltd.	666,666	8,278	833,334	10,350 (Note 6)		(381) (Note 6)	1,500,000	30.00%	18,247	-	18,247	None	
Total		\$ 2,810,314		\$ 351,675		\$ (187,265)			\$ 2,974,724				

Note 1: This refers to investment profit recognized by the equity method of NTD 229,350 thousand, share of other comprehensive income recognized according to shareholding ratio of NTD 2,208 thousand, exchange difference on translation of financial statements of foreign operations recognized according to shareholding ratio of NTD 14,612 thousand, and unrealized profit on sales of associates of NTD 725 thousand in the current period.

Note 2: This refers to the cash dividends received.

Note 3: This refers to investment profit recognized by the equity method of NTD 35,012 thousand, exchange difference on translation of financial statements of foreign operations recognized according to shareholding ratio NTD 45,075 thousand, and realized profit on sales of associates NTD 10,211 thousand in the current period.

Note 4: This refers to investment loss recognized by the equity method of NTD (5,970) thousand, and exchange difference on translation of financial statements of foreign operations recognized according to shareholding ratio NTD 2,279 thousand in the current period.

Note 5: Investment income recognized by equity method in the current period.

Note 6: This refers to increased investment of NTD 10,350 thousand, and investment loss recognized by the equity method of NTD (381) thousand.

Statement 8

Goodway Machine Corporation
Statement of Short-term Borrowings
December 31, 2024

Unit: NTD thousand

Name of bank	Type of loan	Ending balance	Contract period	Interest rate	Financing amount	Pledge or guarantee	Remark
Yuanta Bank	Credit loans	\$ 100,000	2024.10.11 - 2025.01.08	1.8500%	\$ 100,000	None	
Bank of Taiwan	Credit loans	100,000	2024.11.21 - 2025.05.20	1.8500%	100,000	None	
First Bank	Credit loans	150,000	2024.12.18 - 2025.03.18	1.8450%	Note 1	None	
First Bank	Credit loans	100,000	2024.12.26 - 2025.03.26	1.8450%	Note 1	None	
Mega Bank	Secured loans	250,000	2024.09.12 - 2025.03.11	1.8500%	330,000	Land and building	
Cathay United Bank	Credit loans	200,000	2024.12.16 - 2025.01.16	1.8991%	200,000	None	
Taipei Fubon Bank	Credit loans	140,000	2024.07.26 - 2025.01.22	1.8800%	Note 2	None	
Taipei Fubon Bank	Credit loans	60,000	2024.07.26 - 2025.01.22	1.8800%	Note 2	None	
Shin Kong Bank	Credit loans	150,000	2024.11.26 - 2025.02.26	1.8800%	150,000	None	
Land Bank of Taiwan	Credit loans	100,000	2024.12.19 - 2025.03.19	1.9200%	100,000	None	
Total		\$ 1,350,000					

Note 1: The limit of credit was NTD 250,000 thousand.

Note 2: The limit of credit was NTD 200,000 thousand.

Statement 9

Goodway Machine Corporation

Statement of Notes Payable

December 31, 2024

Unit: NTD thousand

Name of supplier	Summary	Amount	Remark
Non-related parties			
Supplier A		\$ 9,765	
Other (Note)		184,966	
Subtotal		\$ 194,731	
Related party			
AWEA		\$ 12,631	
Allrich		1,346	
Turvo		374	
Subtotal		\$ 14,351	
Total		\$ 209,082	

Note: Those balances not exceeding 5% of the amount of this item shall not be separately listed.

Statement 10

Goodway Machine Corporation

Statement of Accounts Payable

December 31, 2024

Unit: NTD thousand

Name of supplier	Summary	Amount	Remark
Non-related parties			
Supplier A		\$ 3,171	
Supplier B		2,996	
Other (Note)		35,313	
Subtotal		\$ 41,480	
Related party			
Allrich		\$ 873	
Turvo		97	
AWEA		40	
Wujiang		12	
Subtotal		\$ 1,022	
Total		\$ 42,502	

Note: Those balances not exceeding 5% of the amount of this item shall not be separately listed.

Statement 11

Goodway Machine Corporation

Statement of Other Payables

December 31, 2024

Unit: NTD thousand

Items	Summary	Amount	Remark
Non-related parties			
Remuneration payable to employee		\$ 40,000	
Remuneration payable to directors		2,500	
Construction and equipment payable		31,648	
Other expenses payable	Salaries and wages	20,757	
	Year-end bonus	37,500	
	Insurance expenses	4,798	
	Labour costs	1,095	
	Commission expenses	21,148	
	Interest expense	1,786	
	Business tax received (Output VAT)	489	
	Others	18,589	
Subtotal		\$ 180,310	
Related party			
AWEA	Others	\$ 3,088	
Goodway (Wujiang)	Others	223	
Subtotal		\$ 3,311	
Total		\$ 183,621	

Statement 12

Goodway Machine Corporation
Statement of Long-term Borrowings
December 31, 2024

Unit: NTD thousand

Name of bank	Type of loan	Borrowing balance	Contract period	Interest rate	Pledge or guarantee	Remark
Taiwan Cooperative Bank	Secured loans	\$ 150,000	2022.04.20 - 2027.04.20	1.8780%	Buildings	
Export-Import Bank of the Republic of China	Credit loans	100,000	2024.12.02 - 2026.12.02	1.9223%	None	
	Credit loans	100,000	2024.12.04 - 2026.12.04	1.9223%	None	
	Credit loans	100,000	2024.12.06 - 2026.12.06	1.9225%	None	
	Credit loans	100,000	2024.12.10 - 2026.12.10	1.9225%	None	
	Credit loans	100,000	2024.12.12 - 2026.12.12	1.9225%	None	
	Credit loans	100,000	2024.12.16 - 2026.12.16	1.9225%	None	
	Credit loans	100,000	2024.12.18 - 2026.12.18	1.9225%	None	
E.Sun Bank	Secured loans	136	2019.09.27 - 2029.09.15	0.6750%	Land	
	Secured loans	158	2021.10.28 - 2029.09.15	0.6750%	Land	
	Secured loans	363	2019.10.25 - 2029.09.15	0.6750%	Land	
	Secured loans	67	2020.11.27 - 2029.09.15	0.6750%	Land	
	Secured loans	1,307	2020.06.04 - 2029.09.15	0.6750%	Land	
	Secured loans	726	2021.04.12 - 2029.09.15	0.6750%	Land	

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Statement 12

Goodway Machine Corporation
Statement of Long-term Borrowings
December 31, 2024

Unit: NTD thousand

Name of bank	Type of loan	Borrowing balance	Contract period	Interest rate	Pledge or guarantee	Remark
E.Sun Bank	Secured loans	\$ 59	2023.01.16 - 2029.09.15	0.6750%	Land	
	Secured loans	679	2023.03.30 - 2029.09.15	0.6750%	Land	
	Secured loans	20,018	2023.10.04 - 2029.09.15	0.6750%	Land	
Mega Bank	Secured loans	200,000	2024.09.02 - 2029.09.02	1.9350%	Land and building	
Subtotal		1,073,513				
Less: Due within one year		(77,450)				
Long-term borrowings		\$ 996,063				

Statement 13

Goodway Machine Corporation
Statement of Net Operating Revenue
For the Year ended December 31, 2024

Unit: NTD thousand

Items	Quantity (sets)	Amount	Remark
Sales revenue			
Machines		\$ 1,491,442	
Components		149,122	
Others		10,345	
Less: Sales return		(28,639)	
Sales discounts and allowances		(3,702)	
Total		\$ 1,618,568	

Goodway Machine Corporation

Statement of Operating Costs

For the Year ended December 31, 2024

Unit: NTD thousand

Items	Amount	
	Subtotal	Total
Opening stock	\$ 634,088	
Add: Net amount of incoming materials in the current period	690,685	
Transfer from work in process	581,857	
Less: Resale of raw materials	(104,988)	
Net inventory loss of raw materials	(1,617)	
Loss on obsolescence of raw materials	(8,923)	
Receiving transferred to expenses	(1,004)	
Raw materials transferred to property, plant and equipment	(1,885)	
Transferred work in process	(47,285)	
Raw materials at the end of the period	(648,503)	
Consumption of direct raw materials		\$ 1,092,425
Direct labour		118,143
Manufacturing expenses (refer to Statement 15)		212,420
Manufacturing cost		1,422,988
Add: Work in process at the beginning of the period	762,465	
Outsourced work in process	252,496	
Transfer from raw materials	47,285	
Transfer from finished goods	17,275	
Transfer from products	2,407	
Less: Less: Transferred raw materials	(581,857)	
Receiving transferred to expenses	(15,304)	
Work in process at the end of period	(779,326)	(294,559)
Cost of finished goods		1,128,429
Add: Finished goods at the beginning of the period	63,199	
Less: Transferred work in process	(17,275)	
Finished goods at the end of period	(1,859)	44,065
Self-made cost of sales		1,172,494

Statement 14

Goodway Machine Corporation

Statement of Operating Costs

For the Year ended December 31, 2024

Unit: NTD thousand

Items	Amount	
	Subtotal	Total
Inventories of products at the beginning of the period	\$ 53,432	
Add: Net amount of incoming products in the current period	1,365	
Less: Transferred work in process	(2,407)	
Inventories of products at the end of the period	(51,025)	
Cost of sales of outsourced products		1,365
Other operating cost		
Cost of raw materials sold		104,988
Income from sale of scraps		(1,943)
Net inventory loss		1,617
Loss on inventory obsolescence		8,923
Loss on market value decline and obsolete and slow-moving inventories (gain from inventory recovery)		24,000
Warranty expense		1,465
Idle capacity related costs (depreciation)		2,534
Total operating costs		\$ 1,315,443

Statement 15

Goodway Machine Corporation
Statement of Manufacturing Expenses
For the Year ended December 31, 2024

Unit: NTD thousand

Items	Summary	Amount	Remark
Indirect employee		\$ 78,910	
Rent expense		3,240	
Stationery supplies		630	
Traveling expense		291	
Delivery expenses		1,544	
Postage expenses		432	
Repairs and maintenance expense		4,417	
Packing expenses		171	
Utilities expense		20,785	
Insurance expenses		19,485	
Processing expense		1,165	
Taxes		3,152	
Depreciation		40,347	
Amortizations		209	
Meal expense		4,052	
Employee benefits/welfare		1,858	
Other expenses		31,732	
Total		\$ 212,420	

Statement 16

Goodway Machine Corporation
Statement of Selling and Marketing Expenses
For the Year ended December 31, 2024

Unit: NTD thousand

Items	Summary	Amount	Remark
Salary expenses		38,341	
Rent expense		72	
Stationery supplies		385	
Traveling expense		3,974	
Delivery expenses		11,495	
Postage expenses		858	
Repairs and maintenance expense		586	
Advertising expenses		6,929	
Utilities expense		276	
Insurance expenses		5,816	
Entertainment expense		1,511	
Donations		107	
Taxes		534	
Depreciation		2,991	
Amortizations		113	
Meal expense		458	
Employee benefits/welfare		366	
Commission expenses		19,408	
Training expense		16	
Other expenses		22,680	
Total		\$ 116,916	

Statement 17

Goodway Machine Corporation

Statement of General and Administrative Expenses

For the Year ended December 31, 2024

Unit: NTD thousand

Items	Summary	Amount	Remark
Salary expenses		\$ 57,191	
Rent expense		4	
Stationery supplies		169	
Traveling expense		1,524	
Delivery expenses		7	
Postage expenses		405	
Repairs and maintenance expense		556	
Advertising expenses		148	
Utilities expense		2,730	
Insurance expenses		4,457	
Entertainment expense		704	
Donations		1,160	
Taxes		1,933	
Depreciation		12,432	
Amortizations		1,943	
Meal expense		467	
Employee benefits/welfare		408	
Training expense		123	
Other expenses		29,557	
Total		\$ 115,918	

Statement 18

Goodway Machine Corporation

Statement of Research and Development Expenses

For the Year ended December 31, 2024

Unit: NTD thousand

Items	Summary	Amount	Remark
Salary expenses		\$ 40,519	
Stationery supplies		110	
Traveling expense		315	
Delivery expenses		-	
Postage expenses		80	
Repairs and maintenance expense		86	
Utilities expense		215	
Insurance expenses		3,741	
Entertainment expense		42	
Taxes		49	
Depreciation		3,514	
Amortizations		643	
Meal expense		522	
Employee benefits/welfare		373	
Training expense		122	
Other expenses		21,100	
Total		\$ 71,431	