King Slide Works Co., Ltd.

Parent Company Only 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
King Slide Works Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of King Slide Works Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter identified in the Company's financial statements for the year ended December 31, 2024 is as follows:

<u>Occurrence of revenue from specific customers</u>

The operating revenue of the Company for the year ended December 31, 2024 was NT$2,183,298 thousand. In addition, based on the Standards on Auditing of the Republic of China, revenue recognition is presumed to have a significant risk. Therefore, we considered the occurrence of revenue from specific customers as a key audit matter.

In addition to obtaining an understanding of the internal controls relevant to the recognition of operating revenue, we performed the following audit procedures:

1. We obtained an understanding of and tested the operating effectiveness of the internal controls relevant to the revenue of the Company.

2. We selected samples and verified the occurrence of recorded revenue against supporting documents, including purchase orders, shipping and collection documents, and we checked and confirmed that the payer was the same as the buyer.

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future

events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chen-Li Chen and Tzu-Yuan Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

<u>*Notice to Readers*</u>

The accompanying parent company only financial statements are intended only to present the 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.

KING SLIDE WORKS CO., LTD.

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

	December 31, 2024		December 31, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 5,916,086	27	$ 3,831,544	22
Financial assets at amortized cost - current (Note 7)	-	-	891,170	5
Notes receivable (Note 8)	44,535	-	51,613	-
Notes receivable - related parties (Notes 8 and 23)	95,645	-	65,673	1
Accounts receivable, net (Notes 5 and 8)	260,354	1	262,971	2
Accounts receivable - related parties (Notes 5, 8 and 23)	47,509	-	20,746	-
Other receivables	8,832	-	5,998	-
Other receivables - related parties (Note 23)	3,499	-	1,638	-
Inventories (Note 9)	338,189	2	294,986	2
Other current assets	19,120	-	18,021	-
Total current assets	6,733,769	30	5,444,360	32
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Note 10)	15,011,815	68	11,259,761	65
Property, plant and equipment (Note 11)	510,286	2	514,564	3
Software	302	-	713	-
Deferred tax assets (Note 19)	13,122	-	15,964	-
Refundable deposits	461	-	511	-
Total non-current assets	15,535,986	70	11,791,513	68
TOTAL	$ 22,269,755	100	$ 17,235,873	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 12)	$ 88,385	-	$ 81,980	1
Notes payable - related parties (Notes 12 and 23)	34,110	-	31,139	-
Accounts payable (Note 12)	25,935	-	21,355	-
Accounts payable - related parties (Notes 12 and 23)	22,879	-	24,285	-
Other payables (Note 13)	552,312	3	403,297	2
Other payable - related parties (Note 23)	5	-	54	-
Current tax liabilities (Note 19)	137,754	1	159,571	1
Refund liability - current (Note 14)	5,008	-	3,534	-
Other current liabilities	10,567	-	15,293	-
Total current liabilities	876,955	4	740,508	4
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 19)	93,865	-	48,055	1
Net defined benefit liabilities (Note 14)	6,572	-	11,131	-
Total non-current liabilities	100,437	-	59,186	1
Total liabilities	977,392	4	799,694	5
EQUITY (Note 16)				
Ordinary shares	952,971	4	952,971	5
Capital surplus	796,691	4	796,691	5
Retained earnings				
Legal reserve	2,319,851	11	2,049,108	12
Special reserve	7,720	-	6,221	-
Unappropriated earnings	17,171,717	77	12,638,908	73
Total retained earnings	19,499,288	88	14,694,237	85
Other equity				
Exchange differences on translating the financial statements of foreign operations	43,413	-	(7,720)	-
Total equity	21,292,363	96	16,436,179	95
TOTAL	$ 22,269,755	100	$ 17,235,873	100

The accompanying notes are an integral part of the parent company only financial statements.

KING SLIDE WORKS CO., LTD.

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

	2024		2023	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 14, 17 and 23)	$ 2,183,298	100	$ 1,648,672	100
OPERATING COSTS (Notes 9, 18 and 23)	1,311,154	60	1,038,238	63
GROSS PROFIT	872,144	40	610,434	37
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(1,589)	-	(1,563)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	1,563	-	4,278	-
REALIZED GROSS PROFIT	872,118	40	613,149	37
OPERATING EXPENSES (Notes 8, 18 and 23)				
Selling and marketing	100,103	5	91,055	5
General and administrative	172,512	8	107,760	7
Research and development	153,491	7	122,028	7
Expected credit loss recognized (reversed)	1,970	-	(133)	-
Total operating expenses	428,076	20	320,710	19
PROFIT FROM OPERATIONS	444,042	20	292,439	18
NON-OPERATING INCOME AND EXPENSES (Notes 18 and 23)				
Interest income	230,726	10	141,173	9
Other gains and losses	319,052	15	(35,573)	(2)
Share of profit of subsidiaries	5,410,597	248	2,463,338	149
Total non-operating income and expenses	5,960,375	273	2,568,938	156
PROFIT BEFORE INCOME TAX	6,404,417	293	2,861,377	174
INCOME TAX EXPENSE (Notes 4 and 19)	248,833	11	157,058	10
NET PROFIT FOR THE YEAR	6,155,584	282	2,704,319	164

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KING SLIDE WORKS CO., LTD.

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

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 15 and 19)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 2,165	-	$ 3,885	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(433)	-	(777)	-
	1,732	-	3,108	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	9,351	-	(3,390)	-
Shares of other comprehensive income (loss) of subsidiaries for using the equity method	43,652	2	(932)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(1,870)	-	678	-
	51,133	2	(3,644)	-
Other comprehensive income (loss) for the year, net of income tax	52,865	2	(536)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 6,208,449	284	$ 2,703,783	164
EARNINGS PER SHARE (Note 20)				
Basic	$ 64.59		$ 28.38	
Diluted	$ 63.44		$ 28.02	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

KING SLIDE WORKS CO., LTD.

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

			Retained Earnings				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2023	$ 952,971	$ 796,691	$ 1,642,442	$ 9,302	$ 12,241,007	$ (4,076)	$ 15,638,337
Appropriation of 2022 earnings (Note 16)							
Legal reserve	-	-	406,666	-	(406,666)	-	-
Special reserve	-	-	-	(3,081)	3,081	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,905,941)	-	(1,905,941)
	-	-	406,666	(3,081)	(2,309,526)	-	(1,905,941)
Net profit for the year ended December 31, 2023	-	-	-	-	2,704,319	-	2,704,319
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	3,108	(3,644)	(536)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,707,427	(3,644)	2,703,783
BALANCE AT DECEMBER 31, 2023	952,971	796,691	2,049,108	6,221	12,638,908	(7,720)	16,436,179
Appropriation of 2023 earnings (Note 16)							
Legal reserve	-	-	270,743	-	(270,743)	-	-
Special reserve	-	-	-	1,499	(1,499)	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,352,265)	-	(1,352,265)
	-	-	270,743	1,499	(1,624,507)	-	(1,352,265)
Net profit for the year ended December 31, 2024	-	-	-	-	6,155,584	-	6,155,584
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	1,732	51,133	52,865
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	6,157,316	51,133	6,208,449
BALANCE AT DECEMBER 31, 2024	$ 952,971	$ 796,691	$ 2,319,851	$ 7,720	$ 17,171,717	$ 43,413	$ 21,292,363

The accompanying notes are an integral part of the parent company only financial statements.

KING SLIDE WORKS CO., LTD.

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 6,404,417	$ 2,861,377
Adjustments for:		
Depreciation expenses	42,214	40,617
Amortization expenses	411	502
Expected credit loss (reversed) recognized on trade receivables	1,970	(133)
Interest income	(230,726)	(141,173)
Share of profit of subsidiaries	(5,410,597)	(2,463,338)
Gain on disposal of property, plant and equipment, net	(42)	(670)
Recognized reversal of inventory write-downs	(3,910)	(2,959)
Unrealized gain on transactions with subsidiaries	1,589	1,563
Realized gain on transactions with subsidiaries	(1,563)	(4,278)
Net loss (gain) on foreign currency exchange	(219,244)	42,933
Recognition of refund liabilities	2,142	733
Changes in operating assets and liabilities		
Notes receivable	7,078	(1,303)
Notes receivable - related parties	(29,972)	61,099
Accounts receivable	647	(1,269)
Accounts receivable - related parties	(26,763)	24,565
Other receivables	571	(1,035)
Other receivables - related parties	(1,861)	566
Inventories	(39,293)	(29,002)
Other current assets	(1,099)	1,593
Notes payable	7,894	1,851
Notes payable - related parties	2,971	1,220
Accounts payable	4,580	2,272
Accounts payable - related parties	(1,406)	5,929
Other payables	137,292	18,985
Other payables - related parties	(49)	7
Provisions	(668)	(2,925)
Other current liabilities	(4,726)	317
Net defined benefit liabilities	(1,120)	(4,612)
Cash generated from operations	640,737	413,432
Interest received	227,321	142,326
Income tax paid	(224,301)	(155,127)
Net cash generated from operating activities	643,757	400,631
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(891,170)
Proceeds from sale of financial assets at amortized cost	891,170	307,170
Payments for property, plant and equipment	(29,941)	(19,165)
Proceeds from disposal of property, plant and equipment	1,007	2,594
Decrease (increase) in refundable deposits	50	(120)
Payments for intangible assets	-	(365)

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KING SLIDE WORKS CO., LTD.

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

	2024	2023
Dividends received	$ 1,711,520	$ 3,180,986
Net cash generated from investing activities	2,573,806	2,579,930
CASH FLOWS USED IN FINANCING ACTIVITIES		
Cash dividends	(1,352,265)	(1,905,941)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	219,244	(42,933)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,084,542	1,031,687
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,831,544	2,799,857
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 5,916,086	$ 3,831,544

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

1. GENERAL INFORMATION

King Slide Works Co., Ltd. (the "Company") was incorporated in September 1986 under the laws of the Republic of China (ROC). The Company mainly designs, manufactures and sells the following products:

- Rail kits for cloud computing servers and data devices.
- Furniture, wooden kitchen accessories, slides and molds.

The Company's shares have been listed on the Taiwan Stock Exchange.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on February 20, 2025.

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

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

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

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

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

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

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

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

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

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries. In order for the amount of net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to "investments accounted for using the equity method", "share of profit or loss of subsidiaries", "share of other comprehensive loss of subsidiaries accounted for using the equity method" in the parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

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

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

d. Foreign currencies

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and not retranslated subsequently.

For the purpose of presenting the parent company only financial statements, the functional currencies of the Company’s foreign operations are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting year; and income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

f. Investments in subsidiaries

Investments in subsidiaries are accounted for using the equity method.

Subsidiaries are the entities controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss, other comprehensive income of the subsidiary, and attributable distribution received. The Company also recognized its share in the changes in equity of subsidiaries.

Profit or loss resulting from downstream transactions is eliminated in full in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

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

Freehold land is not depreciated.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Intangible assets

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

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

i. Impairment of property, plant and equipment and intangible assets

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into financial assets at amortized cost.

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

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

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

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the

Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

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

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

ii When a financial asset is more than 120 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

The financial liabilities held by the Company are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

k. Revenue recognition

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

Revenue from the sale of goods comes from sales of rail kits. Sales of rail kits are recognized as revenue when the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

l. Leases

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

When the Company is as a lessee, the Company applies the recognition exemption for the short-term leases and low-value asset leases, and the lease payments are recognized as expenses on a straight-line basis over the lease terms.

m. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities represent the actual deficit in the Company's defined benefit plans.

n. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

3) Current and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

<u>Key sources of estimation uncertainty</u> - Estimated impairment of financial assets

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates. For details of the key assumptions and inputs used, refer to Note 8.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 60	$ 61
Checking accounts and demand deposits	301,990	252,890
Cash equivalents (investments with original maturities of 3 months or less)		
Commercial papers	933,586	788,917
Time deposits	4,680,450	2,789,676
	$ 5,916,086	$ 3,831,544

The market interest rates of commercial papers and time deposits at the end of the reporting year were as follows:

	December 31	
	2024	**2023**
Commercial papers (%)	1.26	1.18
Time deposits (%)	1.35-4.74	1.20-5.56

The Company dealt with many creditworthy financial institutions to disperse credit risk; therefore, there was no expected credit loss.

7. FINANCIAL ASSETS AT AMORTIZED COST – CURRENT - December 31, 2023

As of December 31, 2023, time deposits with original maturities of more than 3 months amounted to $891,170 thousand, and the annual interest rate was 5.38% to 5.58%.

The counterparties to the financial assets at amortized cost are mainly bank with good credit ratings. There is no significant doubt about the performance of the contract, and there is no significant credit risk in the assessment.

8. NOTES, ACCOUNTS AND OVERDUE RECEIVABLES, NET

	December 31	
	2024	**2023**
Notes receivable - non-related parties		
At amortized cost		
Operating	$ 44,535	$ 51,613
Notes receivable - related parties (Note 23)		
At amortized cost		
Operating	$ 95,645	$ 65,673
Accounts receivable - non-related parties		
At amortized cost		
Gross carrying amount	$ 264,185	$ 264,832
Less: Allowance for impairment loss	3,831	1,861
	$ 260,354	$ 262,971
Accounts receivable - related parties (Note 23)		
At amortized cost		
Operating	$ 47,509	$ 20,746

(Continued)

	December 31	
	2024	2023
Overdue receivables (classified as other non-current assets)		
Non-accrual loan	$ -	$ 1,213
Less: Allowance for impairment loss	-	1,213
	$ -	$ -

(Concluded)

Accounts receivable

The average credit period for sales of goods is 30-150 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company makes allowance for expected credit loss at an amount equal to lifetime expected credit loss for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, industrial and economic trends, and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

There were no notes receivable that were past due or impaired at the end of the reporting year.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

a. December 31, 2024

	Not Past Due	Past Due 1 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Past Due Over 120 Days	Total
Expected credit loss rate (%)	0-0.1	1	10	50	100	-
Gross carrying amount	$ 276,686	$ 30,582	$ 20	$ 2,255	$ 2,151	$ 311,694
Loss allowance (Lifetime ECL)	(244)	(306)	(2)	(1,128)	(2,151)	(3,831)
Amortized cost	$ 276,442	$ 30,276	$ 18	$ 1,127	$ -	$ 307,863

b. December 31, 2023

	Not Past Due	Past Due 1 to 60 Days	Past Due 61 to 90 Days	Past Due 91 to 120 Days	Past Due Over 120 Days	Total
Expected credit loss rate (%)	0-0.1	1	10	50	100	-
Gross carrying amount	$ 244,169	$ 40,090	$ 108	$ 1	$ 1,210	$ 285,578
Loss allowance (Lifetime ECL)	(238)	(401)	(11)	(1)	(1,210)	(1,861)
Amortized cost	$ 243,931	$ 39,689	$ 97	$ -	$ -	$ 283,717

The movements of the loss allowance of accounts receivable were as follows:

	December 31	
	2024	2023
Balance at January 1, 2024	$ 3,074	$ 3,207
Allowance (reversed) recognized	1,970	(133)
Written off	(1,213)	-
Balance at December 31, 2024	$ 3,831	$ 3,074

9. INVENTORIES

	December 31	
	2024	2023
Finished goods	$ 78,460	$ 78,695
Work-in-process	43,455	44,305
Raw materials	213,083	168,152
Supplies	3,191	3,834
	$ 338,189	$ 294,986

The cost of inventories recognized as costs of goods sold were $1,311,154 thousand and $1,038,238 thousand for the years ended December 31, 2024 and 2023, respectively, which included the following items:

	For the Year Ended December 31	
	2024	2023
Inventory reversed	$ (3,910)	$ (2,959)
Income from sale of scraps	(21,259)	(19,934)
	$ (25,169)	$ (22,893)

The profits from the recovery of the net realizable value of inventory were generated mainly as a result of selling depreciated inventories.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Unlisted company		
King Slide Technology Co., Ltd.	$ 14,809,777	$ 11,068,753
King Slide (Samoa) Co., Ltd.	138,649	134,881
King Slide USA, Inc. (KS USA)	63,389	56,127
	$ 15,011,815	$ 11,259,761

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2024 and 2023 were recognized based on the subsidiaries' financial statements which have been audited. Refer to Table 3 on "Information on Investees".

11. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2024

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Others	Property under Construction	Total
Cost								
Balance at January 1, 2024	$ 325,349	$ 208,781	$ 853,207	$ 6,275	$ 53,637	$ 102,912	$ 15,719	$ 1,565,880
Additions	-	973	13,622	1,457	11,401	3,747	7,701	38,901
Disposals	-	-	(2,097)	-	(1,415)	(9,211)	-	(12,723)
Balance at December 31, 2024	$ 325,349	$ 209,754	$ 864,732	$ 7,732	$ 63,623	$ 97,448	$ 23,420	$ 1,592,058
Accumulated depreciation								
Balance at January 1, 2024	$ -	$ (163,906)	$ (755,920)	$ (5,317)	$ (38,386)	$ (87,787)	$ -	$ (1,051,316)
Depreciation expense	-	(5,767)	(26,580)	(594)	(4,795)	(4,478)	-	(42,214)
Disposals	-	-	1,132	-	1,415	9,211	-	11,758
Balance at December 31, 2024	$ -	$ (169,673)	$ (781,368)	$ (5,911)	$ (41,766)	$ (83,054)	$ -	$ (1,081,772)
Carrying amounts at December 31, 2024	$ 325,349	$ 40,081	$ 83,364	$ 1,821	$ 21,857	$ 14,394	$ 23,420	$ 510,286

For the year ended December 31, 2023

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Others	Property under Construction	Total
Cost								
Balance at January 1, 2023	$ 226,670	$ 206,555	$ 828,130	$ 6,275	$ 46,972	$ 102,528	$ 64,639	$ 1,481,769
Additions	98,679	2,226	44,873	-	9,601	444	(48,920)	106,903
Disposals	-	-	(19,796)	-	(2,936)	(60)	-	(22,792)
Balance at December 31, 2023	$ 325,349	$ 208,781	$ 853,207	$ 6,275	$ 53,637	$ 102,912	$ 15,719	$ 1,565,880
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ (157,634)	$ (748,953)	$ (4,743)	$ (37,150)	$ (83,087)	$ -	$ (1,031,567)
Depreciation expense	-	(6,272)	(26,058)	(574)	(2,953)	(4,760)	-	(40,617)
Disposals	-	-	19,091	-	1,717	60	-	20,868
Balance at December 31, 2023	$ -	$ (163,906)	$ (755,920)	$ (5,317)	$ (38,386)	$ (87,787)	$ -	$ (1,051,316)
Carrying amounts at December 31, 2023	$ 325,349	$ 44,875	$ 97,287	$ 958	$ 15,251	$ 15,125	$ 15,719	$ 514,564

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Plant	30 years
Office	50 years
Others	5-35 years
Machinery and equipment	
Molding	8 years
Electroplating	8 years
Others	2-11 years
Transportation equipment	5 years
Office equipment	3-15 years
Others	
Crane	10 years
ASRS	10 years
Others	3-15 years

	For the Year Ended December 31	
	2024	2023
Acquisition of property, plant and equipment	$ 38,901	$ 106,903
Decrease in prepayments for equipment	-	(85,500)
Increase in payables for purchased equipment	(8,960)	(2,238)
Cash paid	$ 29,941	$ 19,165

12. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31	
	2024	2023
Notes payable - non-related parties		
Operating	$ 85,461	$ 77,567
Non-operating	2,924	4,413
	$ 88,385	$ 81,980
Notes payable - related parties (Note 23)		
Operating	$ 34,110	$ 31,139
Accounts payable - non-related parties		
Operating	$ 25,935	$ 21,355
Accounts payable - related parties (Note 23)		
Operating	$ 22,879	$ 24,285

Notes payable

The Company's notes payable from non-operating activities were used for acquisition of equipment.

Accounts payable

The average credit period of purchasing materials and supplies is 30-90 days. The Company has a financial risk management policy to ensure that payables are paid within the pre-agreed credit terms.

13. OTHER PAYABLES

	December 31	
	2024	2023
Payables for compensation of employees and remuneration of directors	$ 376,683	$ 288,192
Payables for salaries and bonuses	121,218	77,159
Payables for equipment	12,620	2,171
Others	41,791	35,775
	$ 552,312	$ 403,297

14. REFUND LIABILITY

The refund liability was estimated based on historical experience, management's judgments and other known reasons and recognized as a reduction of operating revenue in the year the related goods were sold. As of December 31, 2024 and 2023, the Company's estimated refund liabilities were $5,008 thousand and $3,534 thousand, respectively.

15. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2.4% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 88,231	$ 84,020
Fair value of plan assets	(80,273)	(72,777)
Deficit	7,958	11,243
Including in other payables	(1,386)	(112)
Net defined benefit liabilities	$ 6,572	$ 11,131

Movements in net defined benefit liabilities were as follow:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2023	$ 86,034	$ (66,294)	$ 19,740

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Current service cost	$ 172	$ -	$ 172
Net interest expense (income)	1,290	(1,032)	258
Recognized in profit or loss	1,462	(1,032)	430
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(409)	(409)
Actuarial loss - changes in financial assumptions	1,677	-	1,677
Actuarial gain - experience adjustments	(5,153)	-	(5,153)
Recognized in other comprehensive less	(3,476)	(409)	(3,885)
Contributions from the employer	-	(5,042)	(5,042)
Balance at December 31, 2023	84,020	(72,777)	11,243
Service cost			
Current service cost	175	-	175
Net interest expense (income)	1,050	(918)	132
Recognized in profit or loss	1,225	(918)	307
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,348)	(6,348)
Actuarial gain - changes in financial assumptions	(1,728)	-	(1,728)
Actuarial loss - experience adjustments	5,911	-	5,911
Recognized in other comprehensive less	4,183	(6,348)	(2,165)
Contributions from the employer	-	(1,427)	(1,427)
Benefits paid	(1,197)	1,197	-
Balance at December 31, 2024	$ 88,231	$ (80,273)	$ 7,958

(Concluded)

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

1) Investment risk

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

2) Interest risk

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

3) Salary risk

The present value of the defined benefit obligation is calculated using 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.

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

	December 31	
	2024	**2023**
Discount rate (%)	1.50	1.25
Expected rate of salary increase (%)	2.50	2.50

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

	December 31	
	2024	**2023**
Discount rate		
0.25% increase	$ (1,674)	$ (1,677)
0.25% decrease	$ 1,728	$ 1,731
Expected rate of salary increase		
0.25% increase	$ 1,681	$ 1,680
0.25% decrease	$ (1,637)	$ (1,636)

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

	December 31	
	2024	**2023**
Expected contributions to the plan for the next year	$ 2,925	$ 1,379
Average duration of the defined benefit obligation	9.3 years	8.1 years

16. EQUITY

a. Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	138,000	138,000
Shares authorized	$ 1,380,000	$ 1,380,000
Number of shares issued and fully paid (in thousands)	95,297	95,297
Shares issued	$ 952,971	$ 952,971

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2024	2023
Arising from issuance of ordinary shares	$ 794,341	$ 794,341
Arising from treasury share transactions	2,350	2,350
	$ 796,691	$ 796,691

The above-mentioned capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's articles of incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the legal reserve equals to the Company's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonus as to shareholders.

The Company's dividend policy is in line with the current and future development plans, environment, capital needs and domestic and international competition in order to promote shareholders' interests. Thus, the Company may retain some of its earnings according to the Company's operation, and the residual earnings may be distributed in cash or shares. However, cash dividends should be at least 10% of the total dividends distributed.

The legal reserve may be used to offset. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2023 and 2022 were approved in the shareholders' meeting on June 28, 2024 and June 28, 2023, respectively. The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2023	2022	2023	2022
Legal reserve	$ 270,743	$ 406,666		
Special reserve (reversal)	1,499	(3,081)		
Cash dividends	1,352,265	1,905,941	$ 14.19	$ 20
	$ 1,624,507	$ 2,309,526		

The appropriation of earnings for 2024 had been proposed by the Company's board of directors on February 20, 2025. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 615,732	
Special reserve (reversal)	(1,499)	
Cash dividends	3,068,566	$ 32.20
	$ 3,682,799	

The appropriation of earnings for 2024 are subject to the resolution in the shareholders' meeting to be held on June 27, 2025.

d. Special reserve

On the first-time adoption of IFRS Accounting Standards, the Company appropriated $6,221 thousand to the special reserve due to the increase in retained earnings from conversion to IFRS Accounting Standards. Additional special reserve should be appropriated for an amount equal to the difference between net debit balance and special reserve appropriated on the first-time adoption of IFRS Accounting Standards. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

17. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 2,182,073	$ 1,641,960
Processing	1,225	6,712
	$ 2,183,298	$ 1,648,672

a. Contract balances

	December 31		January 1
	2024	2023	2023
Notes and accounts receivable (Note 8)	$ 448,043	$ 401,003	$ 475,344

b. Disaggregation of revenue

Type of goods	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Rail kits	$ 1,691,510	$ 1,266,386
Others	491,788	382,286
	$ 2,183,298	$ 1,648,672

18. NET PROFIT

a. Other gains and losses

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Foreign exchange gains (losses), net	$ 299,298	$ (43,256)
Sample income	3,236	2,154
Mold income	614	1,593
Gain on disposal of property, plant and equipment	42	670
Others	15,862	3,266
	$ 319,052	$ (35,573)

b. Gains or losses on foreign currency exchange

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Foreign exchange gains	$ 482,536	$ 226,292
Foreign exchange losses	(183,238)	(269,548)
Foreign exchange gains (losses), net	$ 299,298	$ (43,256)

c. Depreciation and amortization

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Property, plant and equipment	$ 42,214	$ 40,617
Intangible assets	411	502
	$ 42,625	$ 41,119
Analysis of depreciation by function		
Operating costs	$ 37,397	$ 37,264
Operating expenses	4,817	3,353
	$ 42,214	$ 40,617

(Continued)

	For the Year Ended December 31	
	2024	2023
Analysis of amortization by function		
Operating expenses	$ 411	$ 502

(Concluded)

d. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 15)		
Defined contribution plans	$ 10,729	$ 10,494
Defined benefit plans	307	430
	11,036	10,924
Short-term employee benefits	608,390	423,485
	$ 619,426	$ 434,409
An analysis of employee benefits expense by function		
Operating costs	$ 320,713	$ 243,213
Operating expenses	298,713	191,196
	$ 619,426	$ 434,409

e. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at rates of no less than 1‰ and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which have been approved by the Company’s board of directors on February 20, 2025 and February 22, 2024, respectively, were as follows:

	For the Year Ended December 31			
	2024		2023	
	Cash	%	Cash	%
Compensation of employees	$ 252,856	3.8	$ 109,404	3.7
Remuneration of directors	6,000	0.1	6,000	0.2

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

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

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

19. INCOME TAX

a. Income tax expense recognized in profit or loss are as follows:

The major components of income tax are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 152,206	$ 87,871
Income tax on unappropriated earnings	52,763	87,856
Adjustments for prior years	(2,485)	(10,623)
	202,484	165,104
Deferred tax		
In respect of the current year	46,349	(8,046)
	$ 248,833	$ 157,058

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

	For the Year Ended December 31	
	2024	2023
Profit before income tax	$ 6,404,417	$ 2,861,377
Income tax expense calculated at the statutory rate	$ 1,280,883	$ 572,276
Domestic investment income using equity method	(1,081,778)	(492,451)
Investment credits	(550)	-
Income tax on unappropriated earnings	52,763	87,856
Adjustments for prior years	(2,485)	(10,623)
	$ 248,833	$ 157,058

b. Income tax recognized in other comprehensive income (expense)

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (433)	$ (777)
Exchange differences on translating the financial statements of foreign operations	(1,870)	678
	$ (2,303)	$ (99)

c. Current tax liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	$ 137,754	$ 159,571

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred Tax Assets				
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 5,514	$ (340)	$ (1,870)	$ 3,304
Defined benefit liabilities	2,249	(224)	(433)	1,592
Others	8,201	25	-	8,226
	$ 15,964	$ (539)	$ (2,303)	$ 13,122
Deferred Tax liabilities				
Temporary differences				
Land value increment tax	$ 47,090	$ -	$ -	$ 47,090
Unrealized exchange gains	965	45,810	-	46,775
	$ 48,055	$ 45,810	$ -	$ 93,865

For the year ended December 31, 2023

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of Year
Deferred Tax Assets				
Temporary differences				
Exchange differences on translating the financial statements of foreign operations	$ 5,053	$ (217)	$ 678	$ 5,514
Defined benefit liabilities	3,948	(922)	(777)	2,249
Others	8,463	(262)	-	8,201
	$ 17,464	$ (1,401)	$ (99)	$ 15,964
Deferred Tax liabilities				
Temporary differences				
Land value increment tax	$ 47,090	$ -	$ -	$ 47,090
Unrealized exchange gains	10,412	(9,447)	-	965
	$ 57,502	$ (9,447)	$ -	$ 48,055

e. Income tax assessments

The tax returns of the Company through 2022 have been assessed by the tax authority.

20. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares outstanding in the computation of earnings per share are as follows:

Net profit for the year

	For the Year Ended December 31	
	2024	2023
Net profit used in the computation of earnings per share	$ 6,155,584	$ 2,704,319
Effect of potentially dilutive ordinary shares		
Compensation of employees	(99,066)	(28,672)
Net profit used in the computation of diluted earnings per share	$ 6,056,518	$ 2,675,647

Weighted average number of ordinary shares outstanding

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	95,297	95,297
Effect of diluted potential ordinary shares		
Employees' compensation	175	183
Weighted average number of ordinary shares used in the computation of diluted earnings per share	95,472	95,480

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

21. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the last 2 years.

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

22. FINANCIAL INSTRUMENTS

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

The Company management considers that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

b. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Measured at amortized cost (Note 1)	$ 6,376,921	$ 5,131,864
Financial liabilities		
Measured at amortized cost (Note 2)	723,664	562,148

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise notes payable (including related parties), accounts payable (including related parties), other payables (including related parties) and guarantee deposits (included in other current liability).

c. Financial risk management objectives and policies

The Company's treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Company through analyzing exposures to risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The treasury function reports quarterly to the Company's management.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rate risks.

a) Foreign currency risk

The Company has foreign currency sales and purchases, which exposes the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities exposed to foreign currency risk at the end of the reporting year are set out in Note 25.

Sensitivity analysis

The Company was mainly exposed to the risk from the fluctuation of USD.

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency rate against the USD. A positive (negative) number below indicates an increase (decrease) in pre-tax profit associated with the functional currency.

	For the Year Ended December 31	
	2024	**2023**
Profit or loss	$ 49,721	$ 38,998

The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. Items of sensitivity analysis included outstanding deposits, receivables and payables.

b) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting year are as follows:

	December 31	
	2024	**2023**
Fair value interest rate risk		
Financial assets	$ 5,614,036	$ 4,469,763
Cash flow interest rate risk		
Financial assets	300,077	252,380

<u>Sensitivity analysis</u>

The sensitivity analysis below was based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 1% basis point increase or decrease is used when reporting interest rates internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have been higher/lower by $3,001 thousand and by $2,524 thousand, respectively, which was mainly a result of the changes in the floating interest rate of bank deposits.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which would cause a financial loss to the Company could be the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company is continuously monitoring and spreading the aggregate transactions to each credit-qualified counterparties. Credit exposure is controlled by transactions and payment status limits that are reviewed and approved by the Company.

3) Liquidity risk

The Company manages and maintains adequate cash and cash equivalents and entered into credit contracts with financial institutions to maintain a sufficient amount to support the Company's operations.

Because the Company's current assets or cash and cash equivalents are much more than current liabilities, the Company has no liquidity risk.

23. TRANSACTIONS WITH RELATED PARTIES

a. Related party name and category

Related Party Name	Related Party Category
King Slide Technology Co., Ltd. (KSTC)	Subsidiary
King Slide USA, Inc. (KSUSA)	Subsidiary
King Slide Technology (China) Co., Ltd. (KSCC)	Subsidiary

b. Sales of goods

Related Party Name	For the Year Ended December 31	
	2024	2023
KSTC	$ 321,965	$ 226,072
KSCC	31,279	19,172
	$ 353,244	$ 245,244

The sales of goods to KSTC were at cost. However, the sales of goods to KSCC and general customers were priced based on negotiations. The term for collection was the same as those for unrelated parties with a 90-day term of collection.

c. Purchases of goods

Related Party Name	For the Year Ended December 31	
	2024	2023
KSTC	$ 114,908	$ 111,326
KSCC	56,877	44,131
	$ 171,785	$ 155,457

The purchase price for KSTC was based on cost (purchases by general customers of KSTC were priced based on negotiations), and the purchase price for KSCC was priced based on negotiations. The payment term was the same as those for unrelated parties with a 90-day term.

d. Receivables from related parties

Related Party Name	December 31 2024	December 31 2023
Notes receivable		
KSTC	$ 95,645	$ 65,673
Accounts receivable		
KSTC	$ 35,974	$ 16,222
KSCC	11,535	4,524
	$ 47,509	$ 20,746
Other receivables		
KSTC	$ 3,499	$ 1,638

The outstanding receivables from related parties were unsecured. For the years ended December 31, 2024 and 2023, no impairment loss was recognized for receivables from related parties.

e. Payables to related parties

Related Party Name	December 31 2024	December 31 2023
Notes payable		
KSTC	$ 34,110	$ 31,139
Accounts payable		
KSTC	$ 11,200	$ 14,520
KSCC	11,679	9,765
	$ 22,879	$ 24,285
Other payables		
KSUSA	$ 5	54

The outstanding payables to related parties were unsecured.

f. Processing revenue and cost

Revenues recognized from the processing services provided by the Company to KSTC were $1,225 thousand and $6,712 thousand for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recognized costs amounting to $13 thousand and $78 thousand in 2024 and 2023, respectively. The charges were based on cost prices, and the payment term was 90 days.

g. Technical and service revenue

The Company entered into a service contract with the subsidiary, KSTC. The service revenue was based on the ratio of net sales of the specific products from KSTC. The service revenues were $2,092 thousand and $1,328 thousand (included in other gains and losses) for the years ended December 31, 2024 and 2023, respectively.

h. Commission

Marketing support and post-sales services were provided by KSUSA to the Company, and the commission expense based on the ratio of the sales amount of the specific customers were $158 thousand and $240 thousand (included in selling and marketing expenses) for the years ended December 31, 2024 and 2023, respectively.

The terms of the commission and payment were the same as unrelated parties.

i. Manpower services

The manpower services provided by the Company to KSTC were recognized as revenue amounting to $10,224 thousand and $1,668 thousand (included in the deduction of manufacturing expenses) for the years ended December 31, 2024 and 2023, respectively. In addition, the Company recognized cost amounting to $460 thousand and $1,789 thousand (included in the manufacturing expenses) in 2024 and 2023, respectively. The charges were based on the actual manpower and number of hours provided.

j. Compensation of key management personnel

	For the Year Ended December 31	
	2024	**2023**
Short-term benefits	$ 45,140	$ 30,440
Post-employment benefits	128	141
	$ 45,268	$ 30,581

The remuneration of directors and other key management personnel is determined by the remuneration committee based on the performance of individuals and market trends.

24. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant unrecognized commitments were as follows:

	December 31	
	2024	**2023**
a. Unused letters of credit for purchases of raw materials and machinery and equipment	$ 62,835	$ 26,149
b. Unrecognized commitments of acquisition of property, plant and equipment	1,280	-
c. Contracts for purchases of raw materials		
Total amount	59,384	45,920
Issued promissory notes	22,000	22,000

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	Foreign Currency (In Thousands)	Exchange Rate (NT$)		Carrying Amount (In Thousands)
December 31, 2024				
Financial assets				
Monetary items				
USD	$ 152,025	32.785	(USD:NTD)	$ 4,984,137
Financial liabilities				
Monetary items				
USD	367	32.785	(USD:NTD)	12,019
December 31, 2023				
Financial assets				
Monetary items				
USD	127,135	30.73	(USD:NTD)	3,906,846
Financial liabilities				
Monetary items				
USD	230	30.73	(USD:NTD)	7,073

The Company is mainly exposed to the US dollar. Net foreign exchange gains were $299,298 thousand and net foreign exchange losses were $43,256 thousand for the years ended December 31, 2024 and 2023, respectively.

26. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees

1) Financing provided to others: None.

2) Endorsement and guarantees provided: None.

3) Marketable securities held (excluding investment in subsidiaries): None.

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 1.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2.

9) Trading in derivative instruments: None.

b. Information on investees: Table 3.

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in mainland China: Table 4.

Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Note 23.

2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: Note 23.

3) The amount of property transactions and the amount of gains or losses generated: None.

4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and purposes: None.

5) The highest balance, the ending balance, the interest rate range, and total current year interest with respect to financing of funds: None.

6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None.

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 5.

27. SEGMENT INFORMATION

The Company has provided the operating segments disclosure in the consolidated financial statements, and the segment information is waived.

KING SLIDE WORKS CO., LTD.

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

Buyer	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Accounts Payable (Receivable)		Note
			Purchase/Sale	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total	
The Company	King Slide Technology Co., Ltd.	Subsidiary	Sales	$ (321,965)	(15)	90 days after monthly closing	Note	-	$ (131,619)	(29)	
The Company	King Slide Technology Co., Ltd.	Subsidiary	Purchases	114,908	13	90 days after monthly closing	Note	-	45,310	26	

Note: The sales price was based on cost.

KING SLIDE WORKS CO., LTD.

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
The Company	King Slide Technology Co., Ltd.	Subsidiary	$ 131,619	3.1	$ -	-	$ 63,060	$ -	Note 1
			3,499				-		Note 2
			$ 135,118				$ 63,060		

Note 1: The computation of turnover rate did not include the receivables which were not from sales of goods.

Note 2: The ending balance was other receivable.

KING SLIDE WORKS CO., LTD.

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of profit (Loss)	Note
				December 31, 2024	December 31, 2023	Shares/Unit	%	Carrying Amount			
The Company	King Slide Technology Co., Ltd.	Kaohsiung	Manufacture and sales of mechanical rail kit products which integrated in servers and network-related equipment	$ 1,500,000	$ 1,500,000	112,600,000	100	$ 14,809,777	$ 5,408,892	$ 5,408,892	
The Company	King Slide (Samoa) Co., Ltd.	Samoa	International investment	158,122	158,122	5,000,000	100	138,649	(1,742)	(1,768)	
The Company	King Slide USA, Inc.	USA	Trade of rail kits, slides and accessories	62,019	62,019	200,000	100	63,389	3,447	3,447	
King Slide Technology Co., Ltd.	King Slide Technology USA, Inc.	USA	Manufacture and sale of servers, network communications, data centers with rail kit products and produce and trade of peripheral components.	799,900	799,900	26,000,000	100	889,176	28,813	28,813	
King Slide (Samoa) Co., Ltd.	King Slide (Hong Kong) Co., Limited	Hong Kong	International investment	158,122	158,122	5,000,000	100	138,649	(1,742)	(1,768)	

KING SLIDE WORKS CO., LTD.

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Loss of the Investee (Note 4)	% of Ownership of Direct or Indirect Investment	Investment Loss (Note 4)	Carrying Amount as of December 31, 2024 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
King Slide Technology (China) Co., Ltd.	Wholesale and provide related services for rail kits, slides and accessories	$ 157,282	Note 1	$ 157,282	$ -	$ -	$ 157,282	$ (1,742)	100.00	$ (1,768)	$ 138,649	$ -	
King Slide Technology (Shenzhen) Co., Ltd.	Sales of servers, servers and Internet related products and components, handheld wireless phone, electronic products and other related components, communication equipment and related products (except satellite TV broadcasting ground receiving equipment); import and export of goods or technologies.	-	Note 2	-	-	3,429	-	(173)	-	(173)	-	-	

Investor Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
The company	$ 157,282	$ 157,282	$ 12,775,418

Note 1: Invested through King Slide (Hong Kong) Co., Limited, a company in Hong Kong.

Note 2: Deregistered in October 25, 2024.

Note 3: Upper limit on the amount of investment in mainland China: $21,292,363x60%=$12,775,418.

Note 4: The amount was recognized based on the financial statements audited by the Company's CPA.

TABLE 5

KING SLIDE WORKS CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of The Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership
Lin Tsung-Chi	8,260,121	8.66
Long Shen Investment Inc.	6,232,767	6.54
Hai Hu Investment Inc.	5,569,207	5.84
The labor pension fund’s first discretionary commission to Nomura investment account in 2022	5,147,619	5.40

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

KING SLIDE WORKS CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Rate (%)	Duration	Amount
Petty cash and cash on hand			$ 60
Cash in banks			
Checking accounts			1,913
Demand deposits			135,878
Foreign currency deposits - US$4,638 thousand, RMB$2,430 thousand and EUR$34 thousand and GBP$2 thousand (Note)			164,199
Cash equivalents (time deposits with original maturity of 3 months or less)			
Commercial papers	1.26	2024.12.19-2025.01.20	933,586
Foreign currency time deposits - US$141,260 thousand and RMB$11,000 thousand (Note)	1.35-4.74	2024.10.02-2025.03.28	4,680,450
			$ 5,916,086

Note: Exchange rate: USD$1＝NTD$32.785, RMB$1=NTD$4.4764, EUR$1=NTD$34.1058 and GBP$1=NTD$41.1321.

KING SLIDE WORKS CO., LTD.

STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Client Name	Amount	Remark
Related parties		
King Slide Technology Co., Ltd.	$ 95,645	Sale of goods and service revenue
Non-related parties		
Others (Note)	44,535	Sale of goods
	$ 140,180	

Note: The amounts for individual clients included in “Others” did not exceed 5% of the account balance.

STATEMENT 3

KING SLIDE WORKS CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Client Name	Amount	Over a Year	Remark
Related parties			
King Slide Technology Co., Ltd.	$ 35,974	$ -	Sale of goods
King Slide Technology (China) Co., Ltd.	11,535	-	Sale of goods
	47,509	-	
Non-related parties			
A Company	23,450	-	Sale of goods
B Company	22,766	-	Sale of goods
C Company	20,944	-	Sale of goods
D Company	15,960	-	Sale of goods
Others (Note)	181,065	-	Sale of goods
	264,185	$ -	
Less: Allowance for impairment loss	3,831		
	260,354		
	$ 307,863		

Note: The amounts for individual clients included in "Others" did not exceed 5% of the account balance.

KING SLIDE WORKS CO., LTD.

STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Related parties	
King Slide Technology Co., Ltd. (service revenue)	$ 3,499
Non-related parties	
Interest receivable	8,340
Others (Note)	492
	8,832
	$ 12,331

Note: The amounts for individual clients included in "Others" did not exceed 5% of the account balance.

KING SLIDE WORKS CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Market Value (Note)
Finished goods	$ 78,460	$ 113,511
Work-in-process	43,455	63,668
Raw materials	213,083	215,600
Supplies	3,191	4,060
	$ 338,189	$ 396,839

Note: The market value is the net realizable value as their best estimation. The net realizable values of raw material and supplies are determined at replacement cost.

KING SLIDE WORKS CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars; Except Unit Price)

	Balance, January 1, 2024		Additions in Investment		Decrease in Investment		Balance, December 31, 2024			Market Value or Net Assets Value			
Investees	Shares	Amount	Shares	Amount	Shares	Amount	Shares	% of Ownership	Amount	Unit Price	Total Amount	Collateral	Remark
King Slide USA, Inc.	200,000	$ 56,127	-	$ 7,262	-	$ -	200,000	100	$ 63,389	$ 316.95	$ 63,389	None	
King Slide Technology Co., Ltd.	112,600,000	11,068,753	-	5,452,544	-	1,711,520	112,600,000	100	14,809,777	131.53	14,809,777	None	
King Slide (Samoa) Co., Ltd.	5,000,000	134,881	-	3,768	-	-	5,000,000	100	138,649	27.73	138,649	None	
		$ 11,259,761		$ 5,463,574		$ 1,711,520			$ 15,011,815		$ 15,011,815		

Note: Included share of profit or loss of subsidiaries, other comprehensive income or loss of subsidiaries and cash dividends.

STATEMENT 7

KING SLIDE WORKS CO., LTD.

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Related parties	
King Slide Technology Co., Ltd.	$ 34,110
Non-related parties (Note)	88,385
	$ 122,495

Note: The amounts for individual clients included in “Others” did not exceed 5% of the account balance.

STATEMENT 8

KING SLIDE WORKS CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Related parties	
King Slide Technology Co., Ltd.	$ 11,200
King Slide Technology (China) Co., Ltd.	11,679
	22,879
Non-related parties	
A Company	7,583
B Company	6,138
C Company	3,942
Others (Note)	8,272
	25,935
	$ 48,814

Note: The amounts for individual clients included in “Others” did not exceed 5% of the account balance.

STATEMENT 9

KING SLIDE WORKS CO., LTD.

STATEMENT OF OPERATING REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Shipments (Group) (In Thousands)	Amount
Net revenue		
Rail kits	6,473	$ 1,691,510
Others (Note)	3,498	490,563
		2,182,073
Processing		1,225
		$ 2,183,298

Note: The amounts for individual clients included in “Others” did not exceed 10% of the account balance.

STATEMENT 10

KING SLIDE WORKS CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Production cost	
Raw materials, beginning for year	$ 168,152
Raw materials purchased	553,402
Add: Others	3,342
Less: Raw materials, end of year	(213,083)
Raw materials used	511,813
Supplies, beginning of year	3,834
Supplies purchased	71,849
Less: Supplies, end of year	(3,191)
Others	(3,014)
Supplies used	69,478
Direct labor	188,930
Manufacturing expenses	281,779
Manufacturing cost	1,052,000
Work-in-process, beginning of year	44,305
Add: Work-in-process purchased	199,900
Less: Work-in-process, end of year	(43,455)
Others	(1,959)
Cost of finished goods	1,250,791
Add: Finished goods, beginning of year	78,695
Finished goods purchased	94,601
Less: Finished goods, end of year	(78,460)
Others	(9,304)
Production cost	1,336,323
Inventory write-down reversed	(3,910)
Income from sale of scraps	(21,259)
	$ 1,311,154

STATEMENT 11

KING SLIDE WORKS CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Salaries	$ 43,215	$ 124,326	$ 101,451	$ 268,992
Freight	12,831	3	-	12,834
Insurance	4,714	10,075	4,854	19,643
Sample	11,939	-	-	11,939
Advertisement	10,817	54	-	10,871
Remuneration of directors	-	7,640	-	7,640
Export expense	5,614	-	-	5,614
Others	10,973	30,414	47,186	88,573
	$ 100,103	$ 172,512	$ 153,491	426,106
Expected credit impairment loss				1,970
				$ 428,076

KING SLIDE WORKS CO., LTD.

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits						
Salaries	$ 273,720	$ 268,992	$ 542,712	$ 200,815	$ 163,070	$ 363,885
Labor and health insurance	20,430	10,123	30,553	19,506	9,997	29,503
Pension	6,552	4,484	11,036	6,476	4,448	10,924
Remuneration of directors	-	7,640	7,640	-	7,520	7,520
Other	20,011	7,474	27,485	16,416	6,161	22,577
	$ 320,713	$ 298,713	$ 619,426	$ 243,213	$ 191,196	$ 434,409
Depreciation	$ 37,397	$ 4,817	$ 42,214	$ 37,264	$ 3,353	$ 40,617
Amortization	-	411	411	-	502	502

Note 1: For the years ended December 31, 2024 and 2023, the average number of employees was 527 and 541, including 5 non-employee directors, respectively.

Note 2:

1. The average employee benefits for the years ended December 31, 2024 and 2023 were $1,172 thousand and $796 thousand, respectively.

2. The average salaries for the years ended December 31, 2024 and 2023 were $1,040 thousand and $679 thousand, respectively.

3. The average salary increased by 53% year-on-year, mainly due to the increase in compensation of employees.

4. The Company set up an audit committee to replace the supervisors, and therefore there was no remuneration of supervisors.

5. The Company's salary and remuneration policies (including directors, executive officers and employees) are as follows:

   a. According to the Company's compensation policies for directors, regardless of financial performance, the Company pays limited salaries to directors based on their services provided. In addition, the remuneration of directors is at rate of no higher than 5% of net profit before income tax.

(Continued)

b. According to the Company’s compensation policies, the salaries and bonuses paid to executive officers are determined based on their job responsibilities, individual performance, profitability of the Company, and market; and are reviewed and resolved by the compensation committee and the board of directors.

c. Compensation of employees includes a basic salary and bonuses. According to the Company’s compensation policies, the salaries of employees are determined based on each employee’s job responsibilities; the bonuses of employees are determined based on each employee’s job responsibilities, individual performance and the overall level of the department’s (to which the employee belongs) contribution to the Company.

(Concluded)