

(English Translation of parent Company Only Financial Statements and Report Originally Issued in Chinese)

AbonMax Co., Ltd.

**Parent company only financial
statement and independent auditor's
report**

2024 and 2023

**Company Address: 3-1F, No. 286, Section 1, Xianxi Road, Taoyuan City,
Taiwan**

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The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail

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Independent Auditors' Report

To the Board of Directors of AbonMax Co., Ltd:

Audit opinions

We have audited the accompanying balance sheets of AbonMax Co., Ltd (the “Company”) as of December 31, 2024 and 2023, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements (including a summary of significant accounting policies).

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

The basis for opinions

We concluded our audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants and auditing standards. Our responsibilities under such standards are further described in the “CPA’s responsibility for the audit of the parent company only financial statements” section in this report. We were independent of AbonMax Co., Ltd. in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. 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 refer to, based on our professional judgment, the most important matters for auditing AbonMax Co., Ltd.’s parent company only financial statements for 2024. Such matters were addressed during the overall audit of the parent company only financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately on such matters. The key audit matters that we determine should be communicated in the audit report are as follows:

I. Time of sales revenue recognition

For the accounting policies for the recognition of sales revenue, please refer to Note 4(14) Revenue recognition in the parent company only financial statements; for the description of revenue recognition, please refer to Note 6(19) Revenue recognition in the parent company only financial statements.

Description of key audit matters:

Sales revenue is the main indicator of the financial statements or business performance of the Company evaluated by investors and the management. The timing of revenue recognition is critical to the financial statements. Therefore, we believe that the timing of recognition of sales revenue is one of the key audit matters in the financial report.

The corresponding audit procedures:

The principal audit procedures for the above key audit matters by the accountant include assessing whether the accounting treatment of revenue recognition is in accordance with the relevant public statements; understanding and implementing internal control tests to confirm the effectiveness of those controls; and selecting samples of sales transactions from the period before and after the end of the reporting period to perform a closing test of revenue recognition, thereby evaluating the correctness of the timing of revenue recognition.

Responsibility of the management and governance unit for the separate financial statements

The management was responsible for the preparation of the separate financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the separate financial statements to ensure that the separate financial statements were free of material misstatements due to fraud or errors.

During the preparation of the parent company only financial statements, the management was also responsible for evaluating AbonMax Co., Ltd.'s ability to continue as a going concern, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make AbonMax Co., Ltd. enter into liquidation or terminate its operations, or there were no other actual and feasible solutions other than liquidation or termination of its operations.

AbonMax Co., Ltd.'s governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the Parent Company Only Financial Statements

We audited the separate financial statements for the purpose of obtaining reasonable assurance about whether the separate financial statements were free of material misstatements due to fraud or errors and to issue an audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists in the parent company only financial statements. Misstatements can arise from fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the parent company only financial statements, the misstatements were deemed as material.

As part of an audit in accordance with the Standards on Auditing of Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the separate financial statements due to fraud or errors, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. 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. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions toward the effectiveness of AbonMax Co., Ltd.'s internal control.
3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness of applying the going concern basis of accounting by management and whether the events or circumstances that might cause major doubts about AbonMax Co., Ltd.'s ability to continue as a going concern had a material uncertainty. If any material uncertainty is deemed to exist in such events or circumstances, we must provide a reminder in the parent company only financial statements for users to pay attention to the relevant disclosures therein, or amend our audit opinions when such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances might result in a situation where AbonMax Co., Ltd. would no longer have the ability of going concern.
5. We evaluated the overall presentation, structure and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements presented relevant transactions and events fairly.
6. Obtain sufficient and appropriate audit evidence on the financial information of the invested company under the equity method to express an opinion on the parent company only financial statements. We were responsible for instruction, supervision and implementation of the audit cases, as well as formation of the audit opinions on AbonMax Co., Ltd.

We communicate with those in charge of 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 in charge of 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).

We determined the key audit matters to be audited in AbonMax Co., Ltd.'s parent company only financial statements for 2024 based on the matters communicated with the governance unit. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Certified Public

Accountant:

Lien, Shu-Ling , CPA

Chen, Ying-Ju , CPA

Approval letter by the securities authority : Jin-Guan-Zheng-Liu-Zi No. 0940100754
Jin-Guan-Zheng-Liu-Zi No. 0950161002

March 28, 2025

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance, and its cash flows in accordance with the 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 (or review) such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

AbonMax Co., Ltd.
Balance Sheet
December 31, 2024 and 2023

Unit: NTD thousand

Assets		2024.12.31		2023.12.31		Liabilities and equity		2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets						Current liabilities					
1100	Cash and cash equivalents (Notes 6)	\$ 400,518	38	38,939	9	2100	Short-term borrowings (Note 6(11))	\$ 23,356	3	100,205	24
1136	Financial assets measured at amortized cost – current (Note 6(2) and 8)	4,583	-	-	-	2130	Contract liabilities – current (Note 6(19))	9,662	1	1,512	-
1150	Net notes receivable (Note 6(4))	-	-	286	-	2152	Notes payable (Note 6(6))	51,959	5	-	-
1170	Net accounts receivable (Note 6(4))	3,848	-	7,310	2	2170	Notes and accounts payable	-	-	3,500	1
1180	Accounts receivable – related party, net (Note 6(4) and 7)	-	-	1,089	-	2180	Accounts payable – related parties (Note 7)	7,158	1	-	-
1212	Other receivables – related parties – others (Note(10) and 7)	20,194	3	78,605	19	2200	Other payables (Note 7)	11,051	1	11,865	3
1300	Inventory (Note 6(5) and 8)	70,135	7	35,319	9	2220	Other payables – related parties (Note 7)	4,777	-	-	-
1470	Other current assets (Note 6(9) and 7)	91,471	9	26,822	7	2230	Current tax liabilities	-	-	2,057	-
1476	Other financial assets – current (Note 6(10) and 8)	13,845	1	31,759	8	2280	Lease liabilities – current (Note 6(13))	7,097	1	10,428	3
Total current assets		604,594	58	220,129	54	2322	Long-term borrowings due within one year or one business cycle (Note 6(12))	4,697	-	7,570	2
Non-current assets						2399	Other current liabilities – other	4,299	-	2,121	-
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 6(3))	9,915	1	14,787	4	Total of current liabilities		124,056	12	139,258	33
						Non-current liabilities					
1550	Investment under equity method (Note 6(6))	289,427	28	31,545	8	2540	Long-term borrowings (Note 6(12))	4,036	-	37,757	9
1600	Property, plant and equipment (Note 6(7) and 8)	61,464	6	79,418	19	2580	Lease liabilities – non-current (Note 6(13))	22,009	2	2,855	1
1755	Right-of-use assets (Note 6(8))	28,774	3	13,818	3	2645	Deposits received	-	-	103	-
1780	Intangible assets	2,462	-	692	-	Total non-current liabilities		26,045	2	40,715	10
1840	Deferred income tax assets (Note 6(15))	22,160	2	41,187	10	Total liabilities		150,101	14	179,973	43
1900	Other non-current assets (Note 6(9) and 7)	19,726	2	6,314	1	Equity (Note 6(16))					
1980	Other financial assets – non-current (Note 6(10) and 8)	2,609	-	5,591	1	3100	Capital stock	855,000	82	437,482	106
Total non-current assets		436,537	42	193,352	46	3200	Capital reserve	451,199	43	73,535	18
						3351	Cumulative loss	(402,091)	(38)	(269,260)	(65)
						3400	Other equity	(13,078)	(1)	(8,249)	(2)
						Total equity		891,030	86	233,508	57
						Total liabilities and equity		\$ 1,041,131	100	413,481	100
Total assets		\$ 1,041,131	100	413,481	100						

(Please refer to the enclosed notes to the parent company only financial statement)

Chairperson: Chou, Wei-Kun

Manager: Pan, Chin-Hsing

Chief Accounting Officer: Fang, Shih-Yu

AbonMax Co., Ltd.
Statement of comprehensive income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(19) and 7)	\$ 306,212	100	279,893	100
5000	Operating costs (Note 6(5) and 7)	(298,945)	(98)	(280,164)	(100)
5920	Add: Realized gain (loss) on sales	-	-	646	-
	Operating gross margins	<u>7,267</u>	<u>2</u>	<u>375</u>	<u>-</u>
	Operating expenses (Note 7):				
6100	Selling expenses	(25,639)	(8)	(18,912)	(7)
6200	Administrative expenses	(62,691)	(20)	(35,895)	(13)
6300	Research and Development expenses	(12,703)	(4)	-	-
6450	Expected credit impairment loss (Note 6(4))	(3,012)	(1)	(4,312)	(2)
	Total operating expenses	<u>(104,045)</u>	<u>(33)</u>	<u>(59,119)</u>	<u>(22)</u>
	Net Operating Loss	<u>(96,778)</u>	<u>(31)</u>	<u>(58,744)</u>	<u>(22)</u>
	Non-operating income and expenses (Note 7):				
7100	Interest income (Note 6(21))	2,419	1	817	-
7191	Other income (Note 6(21))	4,166	1	6,603	2
7020	Other gains and losses (Note 6(21))	(17,473)	(6)	78,951	28
7050	Financial cost (Note 6(21))	(4,483)	(1)	(6,996)	(2)
7371	Share of profit or loss of associates and joint ventures under equity method	(1,662)	(1)	(33,677)	(12)
	Total non-operating income and expenses	<u>(17,033)</u>	<u>(6)</u>	<u>45,698</u>	<u>16</u>
	Net loss before tax of continuing operations	<u>(113,811)</u>	<u>(37)</u>	<u>(13,046)</u>	<u>(6)</u>
7950	Less: Income tax expense (Note 6(15))	<u>(19,020)</u>	<u>(6)</u>	<u>(11,263)</u>	<u>(4)</u>
	Net loss for the period	<u>(132,831)</u>	<u>(43)</u>	<u>(24,309)</u>	<u>(10)</u>
	Other comprehensive income				
8310	Items not to be reclassified as profit or loss				
8316	Unrealized valuation profit/loss from investment in equity instruments measured at fair value through other comprehensive income	(4,872)	(2)	(1,531)	(1)
8330	Share of other comprehensive income from equity-accounted subsidiaries, associated companies, and joint ventures – not reclassified to profit or loss	-	-	1,866	1
8349	Less: Income tax related to items not subject to reclassification	-	-	-	-
	Total of items that will not be reclassified to profit or loss	<u>(4,872)</u>	<u>(2)</u>	<u>335</u>	<u>-</u>
8360	Titles that could be reclassified as profit (loss) accounts in the future				
8361	Exchange differences from translation of foreign financial statements	43	-	(33)	-
8399	Less: Income tax related to titles potentially being reclassified	-	-	-	-
	Total titles that could be reclassified as profit (loss) accounts in the future	<u>43</u>	<u>-</u>	<u>(33)</u>	<u>-</u>
	Other comprehensive income for the year (net after tax)	<u>(4,829)</u>	<u>(2)</u>	<u>302</u>	<u>-</u>
	Total comprehensive income for the period	<u><u>\$ (137,660)</u></u>	<u><u>(45)</u></u>	<u><u>(24,007)</u></u>	<u><u>(10)</u></u>
	Loss per share (NTD) (Note 6(18))				
	Basic (diluted) loss per share (unit: NTD)	<u><u>\$</u></u>	<u><u>(2.17)</u></u>	<u><u></u></u>	<u><u>(0.56)</u></u>

(Please refer to the enclosed notes to the parent company only financial statement)

Chairperson:
Chou, Wei-Kun

Manager:
Pan, Chin-Hsing

Chief Accounting Officer:
Fang, Shih-Yu

AbonMax Co., Ltd.
Statement of changes in equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	<u>Capital stock</u>		<u>Retained earnings</u>	<u>Other equities</u>		<u>Total equity</u>
	<u>Common stock</u>	<u>Capital reserve</u>		<u>Exchange differences from translation of foreign financial statements</u>	<u>Gain (loss) investment in equity instruments at fair value through other comprehensive income</u>	
Balance as of January 1, 2023	\$ 437,482	66,684	(246,817)	(10)	(6,675)	250,664
Net loss for the period	-	-	(24,309)	-	-	(24,309)
Other comprehensive income for the period	-	-	-	(33)	335	302
Total comprehensive income for the period	-	-	(24,309)	(33)	335	(24,007)
The Company exercises the right to return	-	3	-	-	-	3
Changes in ownership interests in subsidiaries	-	6,848	-	-	-	6,848
Disposal of equity instruments at fair value through other comprehensive income	-	-	1,866	-	(1,866)	-
Balance as of December 31, 2023	437,482	73,535	(269,260)	(43)	(8,206)	233,508
Net loss for the period	-	-	(132,831)	-	-	(132,831)
Other comprehensive income for the period	-	-	-	43	(4,872)	(4,829)
Total comprehensive income for the period	-	-	(132,831)	43	(4,872)	(137,660)
Cash capital increase	417,518	353,664	-	-	-	771,182
Share-based payment transaction	-	24,000	-	-	-	24,000
Balance as of December 31, 2024	\$ 855,000	451,199	(402,091)	-	(13,078)	891,030

(Please refer to the enclosed notes to the parent company only financial statement)

Chairperson: Chou, Wei-Kun

Manager: Pan, Chin-Hsing

Chief Accounting Officer: Fang, Shih-Yu

AbonMax Co., Ltd.
Statement of cash flow
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	2024	2023
Cash flows from operating activities:		
Net loss before tax	\$ (113,811)	(13,046)
Adjustments:		
Income and expense items		
Depreciation expense	16,245	29,303
Amortization expenses	391	287
Expected loss from credit impairment	3,012	4,312
Interest expense	4,483	6,996
Interest income	(2,419)	(817)
Share of loss of the subsidiaries under equity method	1,662	33,677
Gain on disposal and scrapping of property, plant and equipment	(314)	(9,918)
Cost of share-based remuneration	24,000	-
Fixed assets impairment loss	10,639	5,401
Disposal of investment gains	(997)	-
Gain on disposal of investment accounted for using the equity method	-	(74,006)
Loss (gain) on lease modification	83	(6)
Impairment loss of non-financial assets	6,271	-
Unrealized loss on sales	-	(646)
Impairment loss of financial assets	2,970	-
Total of income, expenses and losses	66,026	(5,417)
Changes in operating assets/ liabilities		
Net changes in assets related to operating activities		
Notes receivable	286	(107)
Accounts receivable	450	12,072
Accounts receivable – related parties	1,089	6,203
Payment receivable	-	21,003
Inventory	(34,851)	(25,076)
Other current assets	(73,292)	14,356
Total net changes in assets related to operating activities	(106,318)	28,451
Net changes in liabilities related to operating activities:		
Contract liabilities	8,150	(1,102)
Notes and accounts payable	(3,375)	(3,653)
Accounts payable – related parties	7,158	(4,347)
Other payables	(814)	(3,319)
Increase in other payables – related parties	4,777	-
Other current liabilities	2,178	(98)
Total net changes in liabilities related to operating activities	18,074	(12,519)
Total net changes in assets and liabilities related to operating activities	(88,244)	15,932
Cash inflow (outflow) from operation	(136,029)	(2,531)
Interest received	2,419	817
Interest paid	(4,483)	(6,996)
Income tax paid	(2,050)	-
Net cash outflow from operating activities	(140,143)	(8,710)
Cash flows from investing activities:		
Purchase of financial assets at amortized cost	(4,583)	-
Acquisition of investment under equity method	(208,794)	(31,200)
Disposal of investment under equity method	2,249	33,812
Acquisition of property, plant, and equipment	(1,645)	(1,150)
Disposal of property, plant and equipment	1,912	10,275
Acquisition of intangible assets	(2,161)	-
Decrease in other receivables and other financial assets	78,785	17,925
Increase (decrease) in other non-current assets	(13,613)	(6,114)
Net cash inflow (outflow) from investing activities	(147,850)	23,548
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(76,849)	19,875
Repayments of long-term borrowings	(36,594)	(12,743)
Decrease in deposits received	(103)	-
Lease principal repayment	(8,064)	(16,326)
Cash capital increase	771,182	-
The Company exercises the right to return	-	3
Net cash inflow (outflow) from financing activities	649,572	(9,191)
Increase in cash and cash equivalents in the current period	361,579	5,647
Opening balance of cash and cash equivalents	38,939	33,292
Closing balance of cash and cash equivalents	\$ 400,518	38,939

(Please refer to the enclosed notes to the parent company only financial statement)

Chairperson:
Chou, Wei-Kun

Manager:
Pan, Chin-Hsing

Chief Accounting Officer:
Fang, Shih-Yu

AbonMax Co., Ltd.
Notes to the parent company only financial statements
2024 and 2023
(NTD thousand, unless otherwise specified in the notes)

I. Corporate History

AbonMax Co., Ltd (hereinafter referred to as “AbonMax”) was incorporated in accordance with the Company Act of the Republic of China on November 30, 1978. Its main business activities are the production and sale of optical panels, photoelectric glass substrates, and electronic whiteboards. The Company’s shares have been listed for trading on the TPEx since April 2, 1999, and have been transferred to the Taiwan Stock Exchange for trading on September 11, 2000.

II. Financial Report Approval Date and Procedures

The parent company only financial statements were approved for release by the Board of Directors on March 13, 2025.

III. Application Of New Standards, Amendments And Interpretations

(I) The impact of the new and revised standards and interpretations approved by the Financial Supervisory Commission (FSC) has been adopted

The Company has adopted the following new amendments to IFRS accounting standards since January 1, 2024, and there has been no significant impact on the parent company only financial statements.

- Amendments to IAS No. 1 “Classification of Liabilities as Current or Non-current.”
- Amendments to IAS No. 1 “Non-current liabilities with contractual clauses.”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS No. 16 “Lease Liabilities in a Sale and Leaseback.”

(II) The impact of not adopting the IFRSs that have been approved by the FSC has not yet been adopted.

The Company’s assessment of the application of the following new amendments to the IFRSs that came into effect on January 1, 2025 will not have a material impact on the parent company only financial statements.

- Amendment to IAS No. 21 “Lack of Convertibility.”

(III) New and revised standards and interpretations not yet approved by the FSC

The standards and interpretations that have been issued and amended by the International Accounting Standards Board (IASB) but have not yet been approved by the FSC may be relevant to the Company as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

New or revised standards	Major amendments	Effective date issued by the IASB
IFRS 18 “Presentation and Disclosure of Financial Statements”	Three types of income and expenses, two items in the income statement, and one single note about the management’s performance assessment were introduced under the new standard. These three amendments and enhancements provide guidelines on how to distinguish information in financial statements, provide users with better and more consistent information, and lay the foundation for all companies.	January 1, 2027
IFRS 18 “Presentation and Disclosure of Financial Statements”	• Structured Income Statement: The Company uses different formats to express its operating results according to the current standards, making it difficult for investors to compare the financial performance of different companies. The new standard requires the use of a structured income statement, and introduces a new definition of “operating income” sub-accounts. All gains and losses are classified into three new types according to the Company’s main business activities. • Management Performance Measurement (MPM): The new standard introduces the definition of management performance measurement and requires the Company to provide information on each measurement indicator in a single note to the financial statements. Additionally, it requires an explanation of what can provide useful information, how to calculate the indicators, and how to adjust the measured indicators and the amounts recognized under IFRS accounting standards. • Finer information: The new standard includes how to strengthen the guidelines for	January 1, 2027

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

<u>New or revised standards</u>	<u>Major amendments</u>	<u>Effective date issued by the IASB</u>
	information grouping in the financial statements. This includes whether the information should be included in the main financial statements or further divided in the notes.	

The Company is currently evaluating how the above standards and interpretations would affect its financial position and business performance, and will disclose the relevant impact when the evaluation is completed.

The Company expects that the following other newly released and amended standards will not have a significant impact on the parent company only financial statements.

- Amendments to IFRS No. 10 and IAS No. 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.”
- Amendments to IFRS 17 “Insurance Contracts” and IFRS 17
- IFRS 19 “Disclosure of Subsidiaries without Public Accountability”
- Amendments to IFRS 9 and IFRS 7 – “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Standards
- Amendment to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted in the parent company only financial statements are summarized as follows. Unless otherwise stated, the following accounting policies have been applied to all the periods of presentation of the parent company only financial statements.

(I) Statement of Compliance

The separate financial statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

(II) Basis of Preparation

1. Measurement Basis

Except for the important items in the balance sheet, the parent company only financial statements are prepared on the historical cost basis:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

- (1) Financial assets at fair value through profit or loss
- (2) Financial assets at fair value through other comprehensive income

2. Functional currency and presentation currency

Each entity of the Company uses the currency of the main economic environment where it operates as its functional currency. The separate financial statements are stated in the Company's functional currency, NTD. All financial information expressed in thousand New Taiwan dollars.

(III) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are converted into the functional currency in accordance with the exchange rate on the transaction date. Foreign currency monetary items are converted into the functional currency in accordance with the exchange rate on the reporting date of each subsequent reporting period (referred to as the reporting date). Foreign currency non-monetary items measured at fair value are converted into the functional currency in accordance with the exchange rate on the date of measurement. Foreign currency non-monetary items measured at historical cost are converted in accordance with the exchange rate on the transaction date.

The foreign currency exchange difference generated from the conversion is generally recognized in profit or loss, but under the following circumstances, it is recognized in other comprehensive income:

- (1) Equity instrument designated as measured at fair value through other comprehensive income;

2. Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments generated at the time of acquisition, are converted into NTD at the exchange rate on the reporting date. Income and expenses are converted into NTD at the average exchange rate for the current period. The exchange differences generated are recognized as other comprehensive income.

When the disposal of a foreign operation results in the loss of control, joint control, or significant influence, the cumulative exchange difference related to the foreign operation is entirely reclassified as profit or loss. When some of the subsidiaries with foreign operations are disposed of, the relevant accumulated exchange differences are reattributed to non-controlling interests on a pro rata basis. When some of the disposal includes the investment in the affiliated

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

enterprise or joint venture with foreign operations, the related accumulated exchange difference is reclassified to profit or loss proportionally.

If there is no settlement plan and it is not possible to settle the monetary receivables or payables of foreign operations in the foreseeable future, the foreign currency exchange gains and losses generated therefrom shall be regarded as part of the net investment in the foreign operations and recognized as other comprehensive income.

(IV) Classification criteria for current and non-current assets and liabilities

Assets that meet any of the following criteria are classified as current assets; assets other than current assets are classified as non-current assets:

1. Assets that are expected to be realized in the normal business cycle, or intended to be sold or consumed;
2. Assets held mainly for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period; or
4. The asset is cash or cash equivalents (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The Company's liabilities that meet any of the following conditions are classified as current liabilities, and those that do not meet the following conditions are classified as non-current liabilities:

1. Debts expected to be settled in the normal business cycle of the Company;
2. Liabilities held mainly for the purpose of trading;
3. The liability is due within 12 months after the reporting period; or
4. The liability is not settled at the end of the reporting period and has the right to defer the settlement for at least 12 months after the reporting period.

(V) Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents refer to short-term, highly liquid investments that are readily convertible into fixed amounts of cash at any time with little risk of value changes. Time deposits that meet the definition referred to above and are held for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalents.

(VI) Financial instruments

Accounts receivable and debt securities issued are recognized at the time of occurrence. All other financial assets and financial liabilities are recognized when the

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

Company becomes a party to the terms and conditions of the financial instrument contract. The financial assets (excluding accounts receivable that constitute a significant financial component) or financial liabilities not measured at fair value through profit or loss are initially measured at fair value plus directly attributable acquisition or issuance transaction costs. Accounts receivable that comprises a significant financing component are initially measured at transaction price, excluding any significant financing component.

1. Financial assets

For financial assets that are purchased or sold in accordance with the customary transaction method, the Company's accounting treatment of all financial assets classified in the same way is based on the transaction day or settlement day.

Financial assets are classified into the following categories at the time of initial recognition: financial assets measured at amortized cost; debt instrument investments measured at fair value through other comprehensive income; equity instrument investments measured at fair value through other comprehensive income; and financial assets measured at fair value through profit or loss. The Company only reclassifies all affected financial assets from the first day of the next reporting period when changing the business model of managing financial assets.

(1) Financial assets at amortized cost

When a financial asset meets the following conditions and is not designated as measured at fair value through profit or loss, it is measured at amortized cost:

- The financial asset is held under the business model to collect the contractual cash flow.
- The contractual terms of the financial asset give rise to a cash flow on a specific date, which is solely the payment of the principal and the interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the original recognition amount adjusted for cumulative amortization calculated using the effective interest method, and further adjusted for any allowance for credit losses. Interest income, foreign currency exchange gain or loss and impairment loss are recognized in profit or loss. When derecognizing, the profit or loss is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

When debt instrument investment meets the following conditions and is not designated as measured at fair value through profit or loss, it is measured at fair value through other comprehensive income:

- The financial asset is held under the business model for the purpose of collecting the contractual cash flow and selling.
- The contractual terms of the financial asset give rise to a cash flow on a specific date, which is solely the payment of the principal and the interest on the principal amount outstanding.

The Company holds part of the accounts receivable under the business model for the purpose of collecting contractual cash flows and selling, so the accounts receivable are measured at fair value through other comprehensive income. However, it is included in the account receivable.

The Company may, at the time of initial recognition, irrevocably make a choice to recognize the changes in the fair value of the equity instrument investment held not for trading in other comprehensive income. The aforementioned options are made on the basis of individual tools.

Subsequent measurement of debt instrument investment at fair value. The interest income, foreign currency exchange gain or loss and impairment loss calculated by the effective interest method are recognized in profit or loss, and the remaining net profit or loss is recognized in other comprehensive income. When derecognizing, the accumulated other comprehensive income is reclassified to profit or loss.

The investment in equity instruments is measured at fair value. Dividend income (except for the recovery of the portion of the investment cost) is recognized in profit or loss. Other net profits or losses are recognized in other comprehensive income and will not be reclassified as profits or losses.

Dividend income from equity investment is recognized on the day when the Company has the right to receive dividends (usually the ex-dividend date).

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

Financial assets that are not the above financial assets measured at amortized cost or at fair value through other comprehensive income (e.g. financial assets held for trading and managed and evaluated on a fair value basis) are measured at fair value through profit or loss, including derivative financial assets. The Company intends to sell accounts receivable

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

immediately or in the near future, which is measured at fair value through profit or loss, but included in the accounts receivable. To eliminate or significantly reduce the inappropriate accounting ratio, the Company may irrevocably designate financial assets that meet the amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

The assets are subsequently measured at fair value, and the net profit or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

The Company recognizes the allowance for the expected credit losses of financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivable, other receivables, refundable deposits and other financial assets) in loss allowance.

The following financial assets are measured for the allowance loss based on the 12-month expected credit loss; the others are measured for the allowance loss based on the 12-month expected credit loss:

- The credit risk of debt securities on the reporting date is low.
- The credit risk of other debt securities and bank deposits (i.e. the risk of default occurring during the expected duration of the financial instrument) has not increased significantly since the initial recognition.

The allowance for accounts receivable and contract assets is measured at the expected credit loss amount over the duration.

When determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and corroborative information (that can be obtained without excessive costs or investment), including qualitative and quantitative information, and the analysis made based on the Company's historical experience, credit assessment and forward-looking information.

The expected credit loss during the duration refers to the expected credit loss arising from all possible defaults of the financial instrument during the duration.

The twelve-month expected credit loss refers to the expected credit loss of the financial instrument within twelve months of the reporting date (or

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

shorter period if the expected duration of the financial instrument is shorter than twelve months).

The longest period of measurement of expected credit loss is the longest contract period in which the Company is exposed to credit risk.

The expected credit loss is the weighted credit loss rate estimation of the financial instrument during the expected duration. The credit loss is measured at the present value of all cash shortfalls, which is the difference between the cash flow that the Company can receive based on the contract and the cash flow the Company expects to receive. The expected credit loss is discounted at the effective interest rate of the financial asset.

The Company assesses whether there is credit impairment of financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income in each report. When there is one or more events that have an adverse impact on the estimated future cash flow of a financial asset, the credit impairment of the financial asset occurs. The evidence of the credit impairment of the financial assets includes the following information:

- The major financial difficulties of the borrower or issuer;
- Breach of contract, such as delay or overdue;
- Due to economic or contractual reasons related to the borrower's financial difficulty, the Company makes concessions to the borrower that would not have been considered;
- The borrower is likely to file for bankruptcy or undergo other financial restructuring; or
- The active market for the financial asset disappears due to financial difficulties.

The loss allowance of financial assets measured at amortized cost is deducted from the book value of the asset. The allowance for loss of debt instrument investment measured at fair value through other comprehensive income is adjusted in profit or loss and recognized in other comprehensive income (without reducing the book value of assets).

When the Company cannot reasonably expect the overall or partial amount of the recovered financial assets, the total carrying amount of the financial assets is directly reduced. For corporate accounts, the Company analyzes the timing and amount of write-off on the basis of whether the recovery is reasonably expected. The Company expects that the written-off

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

amount will not materially reverse. However, the enforcement of the written-off financial assets can still be performed to comply with the procedures for the Company to recover the overdue amount.

(5) Derecognition of financial assets

Only after the contractual rights to the cash flows from the assets are terminated, or the financial assets are transferred and almost all the risks and rewards of the ownership of the assets have been transferred to other enterprises, or the substantial ownership of the assets has not been transferred or retained, financial assets are derecognized when all risks and rewards are recognized and the Company has not retained control over the financial asset.

If the Company retains almost all the risks and rewards of the transferred asset ownership when it signs a transaction of financial assets, it will continue to recognize the transaction in the balance sheet.

2. Financial liabilities and equity instruments

(1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. If the financial liabilities are held for trading, or designated as derivatives or measured at fair value through profit or loss, they are classified as measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and the related net profit or loss, including any interest expense, is recognized in profit or loss.

Other financial liabilities are measured at amortized cost using the effective interest method. Interest expenses and exchange gains and losses are recognized in profit or loss. Any profit or loss is recognized in profit or loss when derecognizing.

(2) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligation has been performed, canceled or expired. When the terms of a financial liability are amended and there is a significant difference in the cash flow of the liability after the amendment, the original financial liability is derecognized, and a new financial liability at fair value based on the amended terms is recognized.

When derecognizing financial liabilities, the difference between the book

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

value and the total amount of the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(3) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities can offset against each other only when the Company has the legally enforceable right to offset and intends to settle on a net basis or to realize the asset and settle the liability simultaneously. They are expressed on a net basis in the balance sheet.

(VII) Inventory

The inventory is measured at the lower of cost or net realizable value. The cost includes the cost of acquisition, production or processing and other costs that can be used at the location and under the circumstances, and is calculated by the weighted average method. The cost of finished goods and work-in-progress includes the manufacturing cost amortized according to the normal production capacity.

Net realizable value is the estimated selling price under normal operation less the estimated costs to be made until completion and the estimated costs to be made until completion of sale.

(VIII) Investment in subsidiaries

When the parent company only financial statements were prepared, the Company adopted the equity method to evaluate the investees over which it had control. Under the equity method, the current period profit or loss and other comprehensive income in the parent company only financial statements are the same as the share of the current period profit or loss and other comprehensive income attributable to the owners of the parent company in the consolidated financial statements. Similarly, the owners' equity in the parent company only financial statements is the same as the owners' equity attributable to the parent company in the consolidated financial statements.

If the change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction with the owner.

(IX) Property, plant, and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including the cost of capitalization of borrowings) less accumulated depreciation and any accumulated impairment.

If the useful life of the significant components of the property, plant and equipment is different, it is deemed as the disposal of the property, plant and

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

equipment as an independent item (a significant component).

The gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent cost

Subsequent expenditures are capitalized only when the future economic benefits are likely to flow into the Company.

3. Depreciation

Depreciation is calculated by the asset cost less residual value and recognized in profit or loss using the straight-line method over the estimated useful life of each component.

No depreciation is recognized for land.

The estimated useful life for the current and comparative periods is as follows:

- | | |
|--------------------------|-----------------|
| (1) Houses and buildings | 35 years |
| (2) Machinery equipment | 7 years |
| (3) Other equipment | 3 years–7 years |

The Company reviews the depreciation method, useful life and residual value on each reporting date, and makes appropriate adjustments when necessary.

(X) Lease.

The Company assesses whether the contract belongs to or includes the lease on the date of establishment of the contract. If the contract transfers the control of use of identified assets for a period of time in exchange for a consideration, then the contract belongs to or includes the lease.

1. Lessee

The Company recognizes the right-of-use assets and lease liabilities on the commencement date of the lease. The right-of-use assets are initially measured at cost, including the initial measurement amount of the lease liabilities, any lease payments paid on the commencement date of the lease adjustment, plus the initial direct costs incurred and the estimated costs for the removal and restoration of the underlying assets, while deducting any received lease incentives.

The right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the expiration date of the useful life of the right-of-use assets or the expiration date of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use assets have been impaired and handles any occurred impairment losses, and adjusts the

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

right-of-use assets in case of any remeasurement of the lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments not yet paid on the lease commencement date. If the lease implied interest rate can be easily determined, then the discount rate is the interest rate. If not, the Company's incremental borrowing rate of interest is used. Generally, the Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

- (1) Fixed payments, including substantive fixed payments;
- (2) The variable lease payment that is dependent on a certain index or rate is measured at the index or rate on the lease commencement date;
- (3) The residual guarantee amount expected to be paid; and
- (4) The exercise price or penalty for the termination of the lease when it is reasonably certain that the Company will exercise the purchase or lease termination options.

Subsequent lease liabilities are calculated and interest is accrued using the effective interest method, and the amount is remeasured when the following conditions occur:

- (1) Index or rate determining the lease payment is changed, resulting in changes in future lease payment;
- (2) Changes in the expected amount of residual guarantee paid;
- (3) Changes in the evaluation of the underlying asset purchase option;
- (4) Changes in the assessment of the lease term due to changes in the estimate of whether to extend or terminate the option;
- (5) Modification of the subject, scope or other terms of the lease.

When the lease liabilities are remeasured due to changes in the index or rate used to determine the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of the purchase, extension, or termination of options, the book value of the right-of-use assets is adjusted accordingly. If the book value of the right-of-use assets is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For the lease modification that reduces the lease scope, it reduces the book value of the right-of-use assets to reflect the partial or full termination of the lease, and the difference between the amount of the lease liability remeasured is recognized in profit or loss.

The Company will use line item to display the right-of-use assets and lease

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

liabilities not conforming to the definition of investment property separately in the balance sheet.

For certain short-term leases and leases of low-value underlying assets, the Company has elected not to recognize the right-of-use assets and lease liabilities, but to recognize the relevant lease payments as expenses on a straight-line basis over the lease term.

2. Lessor

For the transaction that the Company is the lessor, the lease contract is classified as a financial lease on the lease establishment date according to whether almost all the risks and rewards attached to the title of the assets are transferred. Otherwise, it is classified as an operating lease. At the time of evaluation, the Company considers whether the lease term covers the main part of the economic year of the underlying asset, and other related specific indicators.

If the Company is the sublessor, it shall manage the main lease and sublease transactions separately and use the right-of-use assets generated from the main lease to assess the classification of the sublease transactions. If the main lease is a short-term lease and the recognition exemption applies, the sublease transactions of the main lease shall be classified as operating leases.

If the agreement includes lease and non-lease components, the Company allocates the consideration in the contract in accordance with IFRS 15.

The assets held under the financial leasehold are expressed as financial lease receivable based on the net amount of the lease investment. The initial direct costs arising from negotiation and arrangement for operating lease are included in the net investment of the lease. The net investment in leasehold is amortized over the leasehold period in the form that can reflect the fixed rate of return in each period and is recognized as interest income. For operating leases, the Company recognizes the lease payments received as rent income over the lease term on a straight-line basis.

(XI) Intangible assets

1. Recognition and measurement

The goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment.

The expenses related to research and development activities are recognized in profit or loss when incurred.

The Company's acquisition of other intangible assets with finite useful lives,

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

including customer relations, patents, and trademarks, is measured at cost less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits of the relevant specific assets. All other expenses are recognized in profit or loss when incurred, including goodwill and brands developed internally.

3. Amortization

Except for goodwill, the amortization is calculated based on the cost of assets less the estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful years from the intangible assets reaching the state for use.

The estimated useful life for the current and comparative periods is as follows:

- (1) Patents and trademarks 10 years–18 years
- (2) Computer software 3 years–10 years
- (3) Other intangible assets 1.4 years

The Company reviews the amortization method, useful years and residual value of intangible assets on each reporting date, and makes appropriate adjustments if necessary.

(XII) Impairment of non-financial assets

The Company assesses whether there is any indication of impairment in the carrying amount of non-financial assets (excluding inventory, contract assets, and deferred income tax assets) on each reporting date. If there is any sign of impairment, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually.

For the purpose of impairment testing, the Group shall identify one of the cash inflow that are mostly independent of other individual assets or asset groups as the minimum identifiable asset group. Goodwill acquired through business combination is amortized to the cash-generating unit or cash-generating unit group expected to benefit from the synergy of the combination.

The recoverable amount is the higher of the fair value of individual assets or cash-generating units less disposal costs and their value in use. When assessing the value in use, the future cash flow is estimated and converted to the present value at the pre-tax discount rate. The discount rate should reflect the current market's assessment

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

of the time value of money and the specific risks of the asset or cash-generating unit.

If the recoverable amount of an individual asset or cash-generating unit is lower than the book value, the impairment loss is recognized.

The impairment loss is recognized immediately in profit or loss and the book value of the cash-generating unit is reduced first, and then the book value of each asset in the unit is reduced proportionately.

The impairment loss of goodwill is not reversed. Non-financial assets other than goodwill can only be reversed within the book value of the asset (less depreciation or amortization) that would have been determined had no impairment loss been recognized on the asset in prior years.

(XIII) Provision for liabilities

The recognition of the provision for liabilities is due to the fact that the Company has a present obligation as a result of past events, and it is probable that an outflow of economic resources will be required in the future to settle the obligation and the amount of the obligation can be reliably estimated. The reserve for liabilities is discounted at the pre-tax discount rate that reflects the current market's time value of money and the specific risk assessment of liabilities. The amortization of the discount is recognized as an interest expense.

The Company estimates the short-term liability reserve for decommissioning, restoration and repair costs. Such liability reserve includes the costs of dismantling, removing the underlying assets and restoring the site of the underlying assets, and the related expenses of relocation.

(XIV) Recognition of revenue

1. Revenue from customer contracts

Revenue is measured by the consideration expected to be entitled to receive for the transfer of goods or services. The Company recognizes revenue when the control of the product or labor service is transferred to the customer and the performance obligation is fulfilled. The main income items of the Company are described as follows:

(1) Sales of goods

The Company recognizes income when the control of a product is transferred. The control of the product is transferred to the customer, meaning that the product has been delivered to the customer, and the customer can fully decide the sales channels and prices of the product, and has no unfulfilled obligation that will affect the customer's acceptance of the product. The

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product according to the sales contract, the acceptance terms have expired, or the Company has objective evidence to prove that all acceptance conditions have been met

(2) Processing income

The processing income is recognized when the processing is completed.

(3) Agency income

The Company's role in the judgment of the transaction between the principal and the agent is that of an agent rather than that of a principal, because the Company has not controlled the product before it is transferred to the customer, so the Company provides the product agency service to the customer in the name of the customer, and when the control of the product is transferred and there is no subsequent obligation, the Company recognizes the revenue from the agency.

(XV) Government subsidies

When the Company receives government grants, the grants not attached with conditions are recognized as non-operating income. For other subsidies related to assets, the Company recognizes them at their nominal amount as deferred income when it is reasonably assured that the Company will comply with the conditions attached to the government grants and that the grants will be received. The deferred income is then systematically recognized as other income over the useful life of the related assets. For government grants that compensate the Company for expenses or losses already incurred, the Company recognizes the grant in profit or loss on a systematic basis in the same period in which the related expenses are recognized, once it is reasonably assured that the conditions attached to the grants will be fulfilled and that the grants will be received.

(XVI) Employee benefits

1. Defined contribution plan

The obligation of the defined contribution plan is recognized as expenses during the service period of the employees. The prepaid contribution is recognized as an asset, which will be refunded in cash or reduced in future payments.

2. Defined benefit plan

The Company's net obligation under the defined benefit plan is the present value of the future benefit earned by employees in the current period or in the past,

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

and less the fair value of any plan assets.

The defined benefit obligation is calculated annually by qualified actuaries using the Project Unit Credit Method. When the calculation results may be favorable to the Company, the recognized assets are limited to the present value of any economic benefits that can be obtained from the refund of the contribution or the reduction of the future contribution of the plan. When calculating the present value of economic benefits, the minimum capital contribution requirement shall be taken into consideration.

The remeasurement of net defined benefit liabilities, including actuarial gains and losses, return on plan assets (excluding interest) and any changes in the effect of the asset ceiling (excluding interest), is immediately recognized in other comprehensive income and accumulated in retained earnings. The Company determines the net interest expense (income) of the net defined benefit liability (asset) is the net defined benefit liability (asset) and discount rate determined during the start of the reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

When the plan is modified or reduced, the benefit changes generated from the previous service cost or the reduction gain or loss are immediately recognized as profit or loss. When the Company has a settlement, the settlement profit or loss of the defined benefit plan is recognized.

(XVII) Income tax

Income tax includes current and deferred income tax. Except for those related to corporate merger, items directly recognized in equity or other comprehensive income, current income tax and deferred income tax shall be recognized in profit or loss.

The Company determines that the interest or penalty related to the income tax (including uncertain tax treatment) does not meet the definition of the income tax, so it is applicable to the accounting treatment of IAS 37.

Current income tax includes income tax payable or income tax refund receivable calculated based on the current year's taxable income (loss), and any adjustments to income tax payable or income tax refund receivable in previous years. The amount reflects the best estimate of the expected payment or receipt after tax measured at the statutory tax rate or tax rate substantially enacted on the reporting date (if any) after the income tax-related uncertainty (if any) is resolved.

Deferred income tax is measured and recognized for the temporary difference between the book value of assets and liabilities on the reporting date and the tax base.

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

The temporary differences arising from the following circumstances are not recognized as deferred income tax:

1. Assets or liabilities initially recognized in a transaction other than a business combination and do not affect accounting profits and taxable income (loss) at the time of the transaction, and do not give rise to equivalent taxable and deductible temporary differences;
2. The temporary difference generated from the investment in subsidiaries, affiliates and joint ventures' equity, of which the time of reverse is controllable by the Company and it is not likely to be reversed in the foreseeable future; and
3. taxable temporary difference arising from the initial recognition of goodwill.

Unused tax losses and unused income tax credit carryforward and deductible temporary differences are recognized as deferred income tax assets within the range of probable future taxable income available for use. It is also re-assessed on each reporting date, and the amount is adjusted down when the related income tax benefits are not likely to be realized; or the amount is reversed when they become likely to have sufficient taxable income.

Deferred income tax is measured at the tax rate at the time of the expected temporary difference reversal, based on the statutory tax rate or substantive legislation tax rate on the reporting date, and has reflected the uncertainty of income tax (if any).

The Company will offset deferred income tax assets and deferred income tax liabilities only when the following conditions are met:

1. The Company has the legal right to offset the current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities relate to the following taxable entities under the same taxation authority:
 - (1) The same taxable entity; or
 - (2) Different taxable entities that intend to settle current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled.

(XVIII) Business combination

The Company adopts the acquisition method to account for each business combination. Goodwill is measured at the fair value of the consideration paid on the acquisition date, including any non-controlling interests vested in the acquired entity,

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

less any identifiable assets acquired and liabilities assumed (usually, the fair value). If the balance after deduction is a negative value, the Company reassesses whether all assets and liabilities have been correctly identified before recognizing the bargain purchase in profit or loss.

Except for those related to debt issuance or equity instruments, the transaction costs related to corporate merger shall be recognized as the Company's expenses immediately upon occurrence.

Among the non-controlling interests of the acquired entity, if they are present ownership interests and the holder is entitled to the proportion of the acquired identifiable net assets in the liquidation in proportion to the shareholding ratio, the Company will choose to measure the fair value on the acquisition date or the proportion of the present ownership instrument in the recognized amount of the acquired identifiable net assets on a transaction-by-transaction basis. Other non-controlling interests are measured at the fair value on the acquisition date or other bases as specified in the IFRS recognized by the FSC.

(XIX) Earnings per share

The Company listed the basic and diluted earnings per share attributed to the Company's common stock shareholders. The Company's basic earnings per share is calculated by having the profit and loss attributable to the Company's common stock shareholders divided by the weighted average number of the Company's common stock shares outstanding. The diluted earnings per share is calculated by having the profit and loss attributable to the Company's common stock shareholders and the weighted average number of common stock shares outstanding adjusted for the effect of all potential diluted common stock shares, respectively.

(XX) Department information

The Company has disclosed department information in the consolidated financial statements, so the parent company only financial statements do not disclose department information.

V. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

When the management of the Company prepares the parent company only financial statements, it is necessary to make judgments and estimates about the future (including climate-related risks and opportunities), which will affect the adoption of accounting policies and the amount of assets, liabilities, revenues and expenses reported. The actual results may be different from the estimates.

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

The management continues to review the estimates and basic assumptions, which are consistent with the Company's risk management and climate-related commitments. Changes in the estimated value are deferred and recognized in the future period of the affected period.

The Company has no accounting policy that involves significant judgments and has a significant impact on the parent company only financial statements.

There is no significant risk of causing a significant adjustment in the following year due to uncertainties in assumptions and estimates.

VI. Description of Major Account Titles

(I) Cash and Cash Equivalents

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>2024.12.31</u>	<u>2023.12.31</u>
Cash on hand and petty cash	\$ 77	81
Check deposits	-	1,313
Demand deposits	377,459	23,011
Deposits denominated in foreign currencies	22,982	14,534
Cash and cash equivalents listed in the statement of cash flows	<u><u>\$ 400,518</u></u>	<u><u>38,939</u></u>

Please refer to Note 6(22) for the disclosure of the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(II) Financial assets at amortized cost

	<u>113.12.31</u>	<u>112.12.31</u>
Time deposit with the original maturity date over three months	<u><u>\$ 4,583</u></u>	<u><u>-</u></u>

The Company assesses the holding of such assets to collect contractual cash flows at maturity date, and the cash flows of such financial assets are solely for the payment of principal and interest on the principal amount outstanding, so they are booked in financial assets measured at amortized cost.

1. The Company holds domestic time deposits with an annual interest rate of 4.15%, and they are due in March 2025.
2. For credit risk and market risk information, please refer to Note 6(22).
3. For the pledge of financial assets as collateral, please refer to Note 8.

(III) Financial assets measured at fair value through other comprehensive income – non-current

	<u>113.12.31</u>	<u>112.12.31</u>
Equity instruments at fair value through other comprehensive income:		
Domestic non-listed stocks		
HUAI I PRECISION TECHNOLOGY CO., LTD.	\$ 7,186	11,358
CAREMAN TECHNOLOGY CO., LTD. (Previous name: Da-Han Technology Co., Ltd.)	589	545
SYNCVISION TECHNOLOGY CORPORATION	2,140	2,884
	<u><u>\$ 9,915</u></u>	<u><u>14,787</u></u>

1. Investment in equity instruments at fair value through other comprehensive income

The Company's investment in these equity instruments is a long-term

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

strategic investment and is not held for trading purposes, and has been designated as measured at fair value through other comprehensive income.

2. The Company did not dispose of strategic investments in 2024 and 2023, and accumulated profits and losses during the period without any transfer within the equity.
3. For credit risk and market risk information, please refer to Note 6(22).
4. The financial assets referred to in the above have not been provided as collateral.

(IV) Notes and accounts receivable

	<u>2024.12.31</u>	<u>2023.12.31</u>
Notes receivable	\$ -	286
Accounts receivable (including accounts receivable – related parties)	7,397	12,286
Less: Allowance for losses	<u>(3,549)</u>	<u>(3,887)</u>
	<u><u>\$ 3,848</u></u>	<u><u>8,685</u></u>

The Company estimates the expected credit losses of all notes and accounts receivable using a simplified method, i.e. the use of the expected credit losses during the duration for measurement. For this purpose, such notes and accounts receivable are grouped according to the common credit risk characteristics that represent the customer's ability to pay all due amounts in accordance with the terms of the contract, and they have been incorporated into the forward-looking information. The expected credit losses of notes and accounts receivable of the Company are analyzed as follows:

		<u>2024.12.31</u>	
	<u>Carrying amount of accounts receivable</u>	<u>Weighted average expected credit loss rate</u>	<u>Allowance for expected credit losses throughout the duration</u>
Not overdue	\$ 76	0.00%~0.75%	-
Overdue for less than 60 days	45	0.00%~0.75%	-
Overdue 61 to 180 days	6,258	0.00%~50%	3,132
Overdue 181 to 365 days	1,018	0.00%~41%	417
Overdue for more than 365 days	<u>-</u>	100%	<u>-</u>
	<u><u>\$ 7,397</u></u>		<u><u>3,549</u></u>

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

		2023.12.31	
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Allowance for expected credit losses throughout the duration
Not overdue	\$ 4,205	0.00%~0.75%	66
Overdue for less than 60 days	2,654	0.00%~0.75%	72
Overdue 61 to 180 days	122	0.00%~10.25%	8
Overdue 181 to 365 days	3,617	0%~12.79%	1,767
Overdue for more than 365 days	<u>1,974</u>	100%	<u>1,974</u>
	<u>\$ 12,572</u>		<u>3,887</u>

The changes in the allowance for loss of notes and accounts receivable of the Company are as follows:

	2024	2023
Balance at beginning of period	\$ 3,887	2,029
Appropriated impairment loss	3,012	1,858
Amounts irrecoverable and written off in the current year	<u>(3,350)</u>	<u>-</u>
Balance, end of period	<u>\$ 3,549</u>	<u>3,887</u>

As of December 31, 2024 and 2023, the Company's accounts receivable had not been provided as collateral.

(V) Inventory

	2024.12.31	2023.12.31
Raw materials	\$ -	2,319
Work in process	121	121
Finished goods	-	338
Merchandises	<u>70,014</u>	<u>32,541</u>
	<u>\$ 70,135</u>	<u>35,319</u>

The Company's cost of goods sold in 2024 and 2023 is as follows:

	2024	2023
Cost of goods sold	\$ 292,561	263,454
Reversal of write-down of inventories	(2,798)	(314)
Revenue from selling scraps and waste materials	(123)	(267)
Unallocated manufacturing expenses	<u>9,305</u>	<u>17,291</u>
Total	<u>\$ 298,945</u>	<u>280,164</u>

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

The Company's gain on reversal of the decline in value of inventories is due to the elimination of the factor resulting in the net realizable value of inventories falling below the cost, resulting in the increase in net realizable value, which is recognized as a deduction of operating costs.

Please refer to Note 8 for the Company's inventories pledged as collateral.

(VI) Investment accounted for using the equity method

The Company's investment under equity method on the reporting date is as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Subsidiary	<u>\$ 289,427</u>	<u>31,545</u>

1. Acquired subsidiary – Xinli Energy Co., Ltd.

The Company acquired the shares of Xinli Energy Co., Ltd. in the amount of NTD 20,257 thousand for 100% of the shares of Xinli Energy Co., Ltd. on December 3, 2024 with control over the company. Xinli Energy Co., Ltd. is a special-purpose company focused on the construction of solar power plants. Its main business involves the development, construction, and operation of solar power plants. It is a renewable energy self-use power generation equipment industry. The Company acquired the control of Xinli Energy Co., Ltd., so that the Company can expand the investment in green energy.

2. Acquisition of subsidiary – Liangwei Electricity Co., Ltd.

The Company acquired the shares of Liangwei Electricity Co., Ltd. with a 100% equity stake in the Company on December 13, 2024 and December 27, 2024 at a price of NTD 173,197 thousand. The Company acquired control of the company. Liangwei Electricity Co., Ltd. is a special-purpose company that mainly engages in the development, construction, and operation of solar power plants. The control over Liangwei Electricity Co., Ltd. was acquired, so that the Company could invest in the green energy business. As of December 31, 2024, there was still NTD 51,959 thousand unpaid, which was recognized as other payables for notes.

3. Loss of subsidiary – Abon Touchsystems Inc.

In order to adjust the Company's financial structure and accommodate the future development of operations, the Board of Directors resolved on September 27, 2023, to dispose of the shares of the key subsidiary, Abon Touchsystems Inc., held by the Company. The Company sold 13,745 thousand shares of Abon Touchsystems Inc. to a related party at NTD 8.2 per share, totaling NTD 112,707

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

thousand, with a securities transaction tax of NTD 338 thousand, and generated a gain on disposal of NTD 74,006 thousand. The delivery was completed on December 30, 2023. As of December 31, 2023, other receivables from the Company were booked for NTD 78,557 thousand. The full amount had been collected by December 31, 2024. Accordingly, the Company lost control over the entity at the end of December 2023, and it is no longer considered a consolidated entity of the Company. All amounts recognized in other comprehensive income related to the subsidiary were transferred from other equity to retained earnings of NTD 1,866 thousand. Please refer to Note 7 for details of equity transactions.

Please refer to the 2024 consolidated financial statements.

(VII) Property, plant, and equipment

The changes in the cost and depreciation of the Company's property, plant and equipment in 2024 and 2023 are as follows:

	Land	Housing and construction	Machinery and equipment	Other equipment	Uncompleted construction and equipment pending inspection	Total
Cost or identified cost:						
Balance on January 1, 2024	\$ 16,511	33,276	105,642	18,730	-	174,159
Addition	-	-	-	1,645	-	1,645
Disposal	-	-	(65,761)	(8,704)	-	(74,465)
Reclassification	-	-	-	35	-	35
Balance on December 31, 2024	<u>\$ 16,511</u>	<u>33,276</u>	<u>39,881</u>	<u>11,706</u>	<u>-</u>	<u>101,374</u>
Balance on January 1, 2023	\$ 16,511	33,276	121,539	25,708	17,733	214,767
Addition	-	-	35	1,651	-	1,686
Disposal	-	-	(33,075)	(8,629)	-	(41,704)
Reclassification	-	-	17,143	-	(17,733)	(590)
Balance on December 31, 2023	<u>\$ 16,511</u>	<u>33,276</u>	<u>105,642</u>	<u>18,730</u>	<u>-</u>	<u>174,159</u>
Depreciation and impairment loss:						
Balance on January 1, 2024	\$ -	2,377	79,179	13,185	-	94,741
Depreciation for the current year	-	951	4,341	2,105	-	7,397
Impairment loss	-	-	10,639	-	-	10,639

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>Land</u>	<u>Housing and construction</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Uncompleted construction and equipment pending inspection</u>	<u>Total</u>
Disposal	-	-	(64,853)	(8,014)	-	(72,867)
Balance on	<u>\$ -</u>	<u>3,328</u>	<u>29,306</u>	<u>7,276</u>	<u>-</u>	<u>39,910</u>
December 31, 2024						
Balance on	\$ -	1,426	98,713	18,952	-	119,091
January 1, 2023						
Depreciation for	-	951	7,799	2,846	-	11,596
the current year						
Impairment loss	-	-	5,401	-	-	5,401
Disposal	-	-	(32,734)	(8,613)	-	(41,347)
Balance on	<u>\$ -</u>	<u>2,377</u>	<u>79,179</u>	<u>13,185</u>	<u>-</u>	<u>94,741</u>
December 31, 2023						
Book value:						
December 31,	<u>\$ 16,511</u>	<u>29,948</u>	<u>10,575</u>	<u>4,430</u>	<u>-</u>	<u>61,464</u>
2024						
January 1, 2023	<u>\$ 16,511</u>	<u>31,850</u>	<u>22,826</u>	<u>6,756</u>	<u>17,733</u>	<u>95,676</u>
December 31,	<u>\$ 16,511</u>	<u>30,899</u>	<u>26,463</u>	<u>5,545</u>	<u>-</u>	<u>79,418</u>
2023						

The Company expects the future economic effect of some machinery and equipment used for production to decrease, resulting in the recoverable amount falling below the book value. The relevant impairment losses recognized in 2024 and 2023 were NTD 10,639 thousand and NTD 5,401 thousand, respectively. The impairment losses have been included in the other gains and losses of the parent company only statement of comprehensive income. As of December 31, 2024, and 2023, the accumulated impairment was NTD 16,045 thousand and NTD 7,444 thousand, respectively.

Please refer to Note 8 for the Company's property, plant and equipment pledged as collateral for bank loans and financing facilities as of December 31, 2024 and 2023.

(VIII) Right-of-use assets

The changes in the cost and depreciation of the Company's rental of buildings and structures and transportation equipment are as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>Land</u>	<u>Housing and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost of right-of-use				
assets:				
Balance on January 1, 2024	\$ 2,917	31,478	4,903	39,298
Add	144	33,230	-	33,374
Less	<u>(3,061)</u>	<u>(33,485)</u>	<u>(4,903)</u>	<u>(41,449)</u>
Balance on December 31, 2024	<u><u>\$ -</u></u>	<u><u>31,223</u></u>	<u><u>-</u></u>	<u><u>31,223</u></u>
Balance on January 1, 2023	\$ -	29,478	5,816	35,294
Add	2,917	2,000	-	4,917
Less	<u>-</u>	<u>-</u>	<u>(913)</u>	<u>(913)</u>
Balance on December 31, 2023	<u><u>\$ 2,917</u></u>	<u><u>31,478</u></u>	<u><u>4,903</u></u>	<u><u>39,298</u></u>
Depreciation of right-of-use assets:				
Balance on January 1, 2024	\$ -	20,985	4,495	25,480
Depreciation allowance	75	8,365	408	8,848
Disposal	<u>(75)</u>	<u>(26,901)</u>	<u>(4,903)</u>	<u>(31,879)</u>
Balance on December 31, 2024	<u><u>\$ -</u></u>	<u><u>2,449</u></u>	<u><u>-</u></u>	<u><u>2,449</u></u>
Balance on January 1, 2023	\$ -	4,912	3,576	8,488
Depreciation allowance	-	16,073	1,634	17,707
Less	<u>-</u>	<u>-</u>	<u>(715)</u>	<u>(715)</u>
Balance on December 31,	<u><u>\$ -</u></u>	<u><u>20,985</u></u>	<u><u>4,495</u></u>	<u><u>25,480</u></u>

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>Land</u>	<u>Housing and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
2023				
Book value:				
December 31, 2024	\$ -	28,774	-	28,774
January 1, 2023	\$ -	24,566	2,240	26,806
December 31, 2023	\$ 2,917	10,493	408	13,818

The Company rented land in 2023 for the construction of renewable energy equipment. The lease was terminated in 2024, and the right-of-use assets were derecognized.

(IX) Other current assets and non-current assets

The details of other current assets and non-current assets of the Company are as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Prepayments for goods	\$ 87,338	25,862
Import duties and retained tax credit	1,976	505
Prepaid development expenses	14,726	6,112
Prepayment for equipment and construction	-	202
Prepaid technical service	5,000	-
Others	2,157	455
	<u>\$ 111,197</u>	<u>33,136</u>

The prepayment for the development of the solar PV system and the solar PV project field and the construction payment for the land development were NTD 14,726 thousand and NTD 6,112 thousand, respectively, as of December 31, 2024 and 2023, respectively. Please refer to the descriptions in Notes 7 and 9.

For the packaging of the dedicated circuit boards for the semiconductor testing interface, a technical service fee of NTD 5,000 thousand was paid on December 31, 2024. Please refer to the descriptions in Note 9.

(X) Other receivables, other financial assets current and non-current.

The details of the Company's other financial assets current and non-current are as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>2024.12.31</u>	<u>2023.12.31</u>
Restricted bank deposits	\$ 12,337	17,464
Refundable deposits	2,609	5,590
Other receivables-Purchase return	3,855	11,899
Other receivables-Contract termination refund	5,683	-
Other receivables-Equity Settlement	-	78,557
Other receivables-Loan to subsidiaries	14,453	-
Other receivables-Others	165	4,899
Less: other receivables-Allowance for impairment loss	<u>(2,454)</u>	<u>(2,454)</u>
	<u>\$ 36,648</u>	<u>115,955</u>

The other receivables referred to above have been estimated for the expected credit losses of the overdue accounts during the duration of the Company's policy. The estimated amounts are NTD 2,454 thousand.

Other receivables-equity settlement refers to the proceeds from the sale of shares in Abon Touchsystems Inc. to GINWIN TECHNOLOGY CO., LTD. As of December 31, 2023, an amount of NTD 78,557 thousand was recorded under other receivables – equity settlement. The full amount had been recovered as of December 31, 2024. Please refer to Notes 6(6) and 7 for further details.

For other receivables-loans to subsidiaries and other receivables-termination of contract, please refer to the descriptions in Note VII.

(XI) Short-term loans

	<u>2024.12.31</u>	<u>2023.12.31</u>
Unsecured bank borrowings	\$ -	53,684
Secured bank borrowings	<u>23,356</u>	<u>46,521</u>
Total	<u>\$ 23,356</u>	<u>100,205</u>
Unused credit facilities	<u>\$ 36,644</u>	<u>2,192</u>
Interest rate range	<u>6.45%</u>	<u>2.97~7.43%</u>

Please refer to Note 7 for the guarantees of the Company's bank loans by related parties on December 31, 2024 and 2023.

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans on December 31, 2024 and 2023.

(XII) Long-term loans

The details of the Company's long-term loans are as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>2024.12.31</u>	<u>2023.12.31</u>
Unsecured bank borrowings	\$ -	1,850
Secured bank borrowings	8,733	41,626
Secured other borrowings	-	1,851
Less: Due within one year	(4,697)	(7,570)
Total	<u>\$ 4,036</u>	<u>37,757</u>
Unused credit facilities	<u>\$ -</u>	<u>-</u>
Interest rate range	<u>3.37%</u>	<u>2.20%~5.03%</u>
Year of maturity	<u>114~115</u>	<u>113~125</u>

The Company had complied with the relevant contractual provisions on December 31, 2024, and therefore classified the loan as current and non-current liabilities. The Company expects to comply with relevant contractual provisions at least 12 months after the reporting date.

Please refer to Note 6(22) for the Company's interest rate, foreign currency, and liquidity risk exposure information.

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

Please refer to Note 7 for the guarantees of the Company's bank loans by related parties on December 31, 2024 and 2023.

(XIII) Lease liabilities

The book value of the Company's lease liabilities is as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Current	<u>\$ 7,097</u>	<u>10,428</u>
Non-current	<u>\$ 22,009</u>	<u>2,855</u>

Please refer to Note 6(22) Financial Instruments for the maturity analysis in detail.

The amount of lease recognized in profit or loss is as follows:

	<u>2024</u>	<u>2023</u>
Interest expense of lease liabilities	<u>\$ 468</u>	<u>329</u>
Short-term lease expenses	<u>\$ 628</u>	<u>1,240</u>

The amount of lease recognized in the statement of cash flows is as follows:

	<u>2024</u>	<u>2023</u>
Total cash (outflow) from lease	<u>\$ 9,160</u>	<u>17,895</u>

1. Land, housing and construction leasing

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

The Company leases buildings and structures for offices and factories. Part of the lease includes the lease extension and the same period of lease extension as the original contract upon the expiration of the lease term. The Company leases land, buildings and structures and installs solar photovoltaic power generation systems. The lease term is from the date of commercial operation of the solar power generation system to the expiration of 20 years.

2. Another lease

The lease term of the Company's lease of other equipment is one year. Such leases are short-term or low-value underlying leases. The Company has elected to apply the exemption from recognition and does not recognize the relevant right-of-use assets and lease liabilities.

(XIV) Employee benefits

1. Defined benefit plan

The Company's defined benefit plan is allocated to the labor pension reserve account at the Bank of Taiwan. The pension payment for each employee is calculated based on the number of years of service and the average salary of the six months before retirement.

As of the reporting date, the Company's labor pension reserve account at the Bank of Taiwan amounted to NTD 1,514 thousand. The Company's labor pension reserve has reached the amount necessary to support labor pensions. Therefore, the Company applied to the Taoyuan City Government Labor Bureau for a suspension of the appropriation. The application was approved, and there were no significant market fluctuations, curtailments, liquidations, or other notable one-time events after the end of the previous fiscal year.

The Company has no employees who have adopted the defined benefit plan since 2022, so the Company did not recognize pension expenses for 2024 and 2023.

2. Defined contribution plan

The Company's defined contribution plan is based on the Labor Pension Act, and the Company makes monthly contributions equal to 6% of employees' monthly salaries to their individual pension accounts held under the Bureau of Labor Insurance. Under this plan, the Company has no legal or constructive obligation to make extra payments after appropriating a fixed amount to the Bureau of Labor Insurance.

The pension expenses under the defined contribution plan of the Company

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

in 2024 and 2023 were NTD 1,557 thousand and NTD 2,048 thousand, respectively, and have been appropriated to the Bureau of Labor Insurance.

(XV) Income tax

1. Income tax expense

The Company's income tax expenses in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Current income tax expense	\$ (7)	2,057
Deferred income tax expense	19,027	9,206
Income tax expenses of continuing operations	<u><u>\$ 19,020</u></u>	<u><u>11,263</u></u>

The relationship between the Company's income tax expenses and net income (loss) before tax in 2024 and 2023 is adjusted as follows:

	<u>2024</u>	<u>2023</u>
Net profit (loss) before tax	<u><u>\$ (113,811)</u></u>	<u><u>(13,046)</u></u>
Income tax calculated based on the domestic income tax rate where the Company is located	\$ (22,762)	(2,609)
Integrated tax on building and land	-	2,057
Tax-exempt income	133	(8,066)
Permanent difference	6	780
Current tax losses of unrecognized deferred income tax assets	20,750	7,982
Unrecognized changes in temporary differences	20,900	11,119
Over-estimation in the previous period	(7)	-
Income tax expense	<u><u>\$ 19,020</u></u>	<u><u>11,263</u></u>

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets

Items that the Company has not recognized as deferred income tax assets are as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Deductible temporary differences	\$ 6,581	3,939
Tax loss	48,527	26,401
	<u><u>\$ 55,108</u></u>	<u><u>30,340</u></u>

These items are not recognized as deferred income tax assets because the probability of the Company generating taxable income in the future to realize the benefit is not likely. In addition, according to the Income Tax Act,

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

the Company's income tax losses from the last ten years audited and approved by the tax authorities can be deducted from the current year's net income before the income tax is assessed. These items are not recognized as deferred income tax assets because the Company is not likely to have sufficient taxable income in the future.

As of December 31, 2024, the Company's tax losses, the deduction period is as follows, and the deferred income tax assets recognized is NTD 22,160 thousand:

<u>Year of loss</u>	<u>Outstanding losses</u>	<u>Last year for deduction</u>
2015	\$ 59,408	2025
2016	38,122	2026
2017	29,743	2027
2018	14,806	2028
2019	23,509	2029
2020	4,619	2030
2022	43,247	2032
2023	36,231	2033
2024	<u>103,750</u>	2034
Total	<u><u>\$ 353,435</u></u>	

(2) Deferred income tax assets and liabilities recognized

Changes in deferred income tax assets in 2024 and 2023 are as follows:

	<u>Loss carryforwards</u>
Deferred income tax assets:	
Balance on January 1, 2024	\$ 41,187
(Debit) Credit income statement	<u>(19,027)</u>
Balance on December 31, 2024	<u><u>\$ 22,160</u></u>
Balance on January 1, 2023	\$ 50,393
(Debit) Credit income statement	<u>(9,206)</u>
Balance on December 31, 2023	<u><u>\$ 41,187</u></u>

3. Income tax audit status

The Company's income tax returns have been audited and approved by the tax authorities up to 2022.

(XVI) Capital and other equity

1. Issuance of common shares

On December 31, 2024 and 2023, the Company's authorized capital stock

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

amounted to NTD 4,000,000 thousand, with 400,000 thousand shares issued at NTD 10 per share. The number of issued common stock shares was 85,500 thousand shares and 43,748 thousand shares, respectively. All the proceeds from the issued shares were collected.

The Company's shareholders' meeting on June 29, 2018 approved the private placement of new shares within the quota of 21,000 thousand shares, and may be divided into installments within one year. After the first private placement of 3,000 thousand shares and the second private placement of 3,500 thousand shares, the paid-in capital became NTD 335,112 thousand.

The Company's shareholders' meeting on June 27, 2019 resolved to approve the private placement of new shares within the amount of 14,500 thousand shares, and may be done in installments within one year. The first private placement of 3,225 thousand shares was made, and the paid-in capital was reduced to NTD 367,362 thousand.

The Company's 2020 general shareholders' meeting resolved to authorize the Board of Directors to conduct a private placement of shares within the scope of no more than 11,000 thousand shares within one year after the resolution of the shareholders' meeting. The first private placement of 3,012 thousand shares was made, and the paid-in capital was reduced to NTD 397,482 thousand.

The Company's Board of Directors was authorized to conduct a private placement within one year after the resolution of the general shareholders' meeting in one or two installments within 8,000 thousand shares, upon resolution of the general shareholders' meeting on June 30, 2022. The first private placement of 4,000 thousand shares was made, and the paid-in capital was reduced to NTD 437,482 thousand.

On June 4, 2024, the Company's shareholders resolved at the annual general meeting to authorize the Board of Directors to conduct a private placement of up to 4,000 thousand common shares in one or two tranches within one year from the date of the resolution. Subsequently, on June 14, 2024, the Board of Directors resolved to issue 2,000 thousand common shares through a private placement at a price of NTD 17.8 per share, with a par value of NTD 10 per share, totaling NTD 35,600 thousand. If the full 2,000 thousand shares are not subscribed in this round, the remaining unsubscribed shares will be included in the second tranche of the private placement. The first private placement consisted of 1,752 thousand newly issued shares, with June 27, 2024, set as the record date for the capital

Notes to the parent company only financial statements of AbonMax Co., Ltd
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increase. The placement was approved by the competent authority on July 10, 2024, and the change in registration was completed with the Department of Commerce, Ministry of Economic Affairs.

The transfer of the aforementioned private placement of common shares and the distribution of bonus shares shall be handled in accordance with Article 43-8 of the Securities and Exchange Act, and shall be publicly issued to the Financial Supervisory Commission before being listed on the Taipei Exchange after three years from the date of delivery of the private placement of common shares.

On March 5, 2024, the Company's Board of Directors resolved to issue 40,000 thousand common shares at a price of NTD 18.5 per share, with a par value of NTD 10 per share, totaling NTD 740,000 thousand. August 2, 2024 was set as the record date for the capital increase. All payments for the issued shares have been received, and the relevant legal registration procedures have been completed.

The Company's outstanding stock in 2024 and 2023 is adjusted as follows:
(expressed in thousand shares)

	Common stock	
	2024	2023
Beginning balance on January 1	43,748	43,748
Cash capital increase	41,752	-
Closing balance on December 31	85,500	43,748

2. Capital reserve

The balance of the Company's capital reserve is as follows:

	2024.12.31	2023.12.31
Share premium from issuance of shares	\$ 391,983	38,319
Employee share options exercised	24,000	-
Changes in ownership interests in subsidiaries	35,213	35,213
The Company exercises the right to return	3	3
	\$ 451,199	73,535

After the capital reserve is first used to offset a deficit, the remaining amount can then be distributed in the form of new shares or cash to shareholders based on their existing shareholding. The realized capital reserve referred to in the preceding paragraph includes the premium and the income from receiving gifts. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital reserve for capital increase may be

Notes to the parent company only financial statements of AbonMax Co., Ltd
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allocated. The total amount of the capital increase shall not exceed 10% of the paid-in capital.

3. Retained earnings

According to the Articles of Incorporation, the Company shall distribute no less than 4% of the current year's earnings as remuneration to employees and no more than 3% of the current year's earnings as remuneration to directors and supervisors. However, if the Company still has accumulated losses, it shall be compensated. Current year's profits as stated above refers to the profit before tax of the current year before the distribution of remuneration to employees, directors and supervisors. The distribution of remuneration to employees and directors shall be approved by a majority of the directors present at the meeting attended by two-thirds of the directors and reported to the shareholders' meeting. Remuneration to employees may be paid in the form of shares or cash. The Company may distribute remuneration to employees of affiliated companies that satisfy certain criteria.

If the Company has earnings in the annual final accounts, it shall first pay taxes, make up for the accumulated losses of previous years, then set aside 10% of the remaining balance as the legal reserve, and allocate or reverse the special reserve in accordance with the laws and regulations or the regulations of the competent authorities. If there are still earnings, the remaining balance shall be added to the accumulated undistributed earnings of previous years, and the Board of Directors shall prepare a distribution proposal and submit it to the shareholders' meeting for resolution before distribution.

The Company's 2023 and 2022 loss carryforwards were resolved in the shareholders' meetings on June 4, 2024 and June 29, 2023, respectively.

For the proposal of the Board of Directors and the resolution of the shareholders' meeting for the loss offsetting, please visit the MOPS of the Taiwan Stock Exchange.

4. Other equity (after tax)

Exchange differences from translation of foreign financial statements	Gains (losses) on equity instrument investments measured at fair value through other comprehensiv e income

Notes to the parent company only financial statements of AbonMax Co., Ltd
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	Exchange differences from translation of foreign financial statements	Gains (losses) on equity instrument investments measured at fair value through other comprehensiv e income
January 1, 2024	\$ (43)	(8,206)
Exchange differences from translation of foreign operations' net assets	43	-
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	-	(4,872)
Balance on December 31, 2024	<u><u>\$ -</u></u>	<u><u>(13,078)</u></u>
January 1, 2023	\$ (10)	(6,675)
Exchange differences from translation of foreign operations' net assets	(33)	-
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	-	335
Disposal of equity instruments at fair value through other comprehensive income	-	(1,866)
Balance on December 31, 2023	<u><u>\$ (43)</u></u>	<u><u>(8,206)</u></u>

(XVII) Share-based payment

The Company's Board of Directors resolved on March 5, 2024 to issue new shares for cash. Among them, 4,000 shares were reserved for employee subscription, and the relevant information is as follows:

Type	Cash capital increase reserved and employee subscription
Grant date	2024.6.17
Quantity granted	4,000 thousand shares
Grantee of authorization	Employees of the Company
Vested conditions	Vested immediately

The Company's cash capital increase was reserved for employee subscription, with the stock price on the grant date set at NTD 24.5 per share, and the exercise

Notes to the parent company only financial statements of AbonMax Co., Ltd
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price per share set at NTD 18.5. The fair value of each stock option unit was NTD 6. In 2024, the Company recognized a total compensation cost of NTD 24,000 thousand, which was recorded under operating expenses.

(XVIII) Loss per share

1. Basic (diluted) loss per share

The Company's basic (diluted) loss per share in 2024 and 2023 was calculated based on the net loss attributed to the Company's common stock shareholders and the weighted average number of outstanding common stock shares. The relevant calculation is as follows:

(1) Net loss attributable to the Company's common stock shareholders

	<u>2024</u>	<u>2023</u>
Net loss attributed to the Company's common stock shareholders	<u>\$ (132,831)</u>	<u>(24,309)</u>

(2) Weighted average outstanding common stock (thousand shares)

	<u>2024</u>	<u>2023</u>
Outstanding ordinary shares on January 1	43,748	43,748
Cash capital increase	<u>17,512</u>	<u>-</u>
Weighted average number of outstanding common stock shares as of December 31	<u>61,260</u>	<u>43,748</u>

2. Earnings (losses) per share are as follows:

	<u>2024</u>	<u>2023</u>
Basic (diluted) loss per share (NTD)	<u>\$ (2.17)</u>	<u>(0.56)</u>

The Company had net loss after tax in 2024 and 2023, and thus was excluded from the calculation of potential dilutive effect on the earnings per share.

(XIX) Revenue from customer contracts

1. Disaggregation of Revenue

	<u>2024</u>	<u>2023</u>
Major market by region:		
Taiwan	\$ 62,737	93,922
China	243,475	185,202
Other countries	<u>-</u>	<u>769</u>
	<u>\$ 306,212</u>	<u>279,893</u>

Main products:

Notes to the parent company only financial statements of AbonMax Co., Ltd
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Optical panel	\$	293,937	260,293
Others		<u>12,275</u>	<u>19,600</u>
	\$	<u>306,212</u>	<u>279,893</u>

2. Contract balance

Notes to the parent company only financial statements of AbonMax Co., Ltd
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	<u>2024.12.31</u>	<u>2023.12.31</u>	<u>January 1, 2023</u>
Notes and accounts payable (including related party)	\$ 7,397	12,572	30,740
Less: Allowance for losses	(3,549)	(3,887)	(2,029)
Total	<u>\$ 3,848</u>	<u>8,685</u>	<u>28,711</u>
Contract liabilities	<u>\$ 9,662</u>	<u>1,512</u>	<u>2,614</u>

Please refer to Note 6(4) for the disclosure of notes and accounts receivable and their impairment.

The balance of contract liabilities at the beginning of the period on January 1, 2024 and 2023 were recognized as income for 2024 and 2023, respectively, for an amount of NTD 1,512 thousand and NTD 2,614 thousand.

(XX) Remuneration to employees and directors

According to the Articles of Incorporation, the Company shall distribute no less than 4% of the earnings for the current year as remuneration to employees and no more than 3% of the earnings for the current year as remuneration to directors and supervisors. However, if the Company still has accumulated losses, it shall be compensated. Current year's profits as stated above refers to the profit before tax of the current year before the distribution of remuneration to employees, directors and supervisors. The distribution of remuneration to employees and directors shall be approved by a majority of the directors present at the meeting attended by two-thirds of the directors and reported to the shareholders' meeting. Remuneration to employees may be paid in the form of shares or cash. The Company may distribute remuneration to employees of affiliated companies that satisfy certain criteria.

The Company had accumulated losses in 2024 and 2023, and thus did not appropriate remuneration to employees and directors. For related information, visit the MOPS and other sources.

(XXI) Non-operating income and expenses

1. Interest income

The Company's interest income in 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Interest on bank deposits	\$ 2,319	743
Other interest income	100	74
Total interest income	<u>\$ 2,419</u>	<u>817</u>

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

2. Other income

The Company's other income in 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Rent income	\$ 967	2,454
Others	3,199	4,149
Total other income	<u>\$ 4,166</u>	<u>6,603</u>

3. Other gains and losses

The Company's other gains and losses in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Gain (loss) on lease modification	\$ (83)	6
Impairment of property, plant and equipment	(10,639)	(5,401)
Net foreign exchange gain	1,627	1,340
Loss (gain) on disposal of property, plant, and equipment	(314)	9,918
Disposal of investment gains	997	74,006
Impairment loss of non-financial assets	(6,271)	-
Impairment loss of financial assets	(2,970)	-
Other profits and losses	180	(918)
Other gains and losses, net	<u>\$ (17,473)</u>	<u>78,951</u>

4. Financial cost

The Company's financial costs in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Interest expense	<u>\$ 4,483</u>	<u>6,996</u>

(XXII) Financial instruments

1. Credit risk

(1) Exposure to credit risk

The book value of financial assets represents the maximum credit risk exposure.

(2) Concentration of credit risk

Approximately 56% of the Company's revenue in 2024 is from sales to a single customer, and there is no significant concentration of transactions with a single customer in 2023.

Please refer to Note 6(19) for the Company's main regional markets for revenue in 2024 and 2023.

Notes to the parent company only financial statements of AbonMax Co., Ltd
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2. Liquidity risk

The contractual maturity date of financial liabilities is shown in the following table, including estimated interest but excluding the effect of net agreement amount.

	<u>Book value</u>	<u>Contract cash flow</u>	<u>within 6 months</u>	<u>6-12 months</u>	<u>Over 1 years</u>
December 31, 2024					
Non-derivative financial liabilities					
Secured bank borrowings \$	32,089	32,604	26,046	2,459	4,099
Notes and accounts payable	7,158	7,158	7,158	-	-
Other notes and accounts payable	67,787	67,787	67,787	-	-
Lease liability	29,106	31,015	3,956	3,956	23,103
	<u>\$ 136,140</u>	<u>138,564</u>	<u>104,947</u>	<u>6,415</u>	<u>27,202</u>
December 31, 2023					
Non-derivative financial liabilities					
Unsecured loans \$	55,534	55,962	54,365	316	1,281
Secured bank borrowings	89,998	93,147	51,130	2,849	39,168
Notes and accounts payable	3,500	3,500	3,500	-	-
Other notes and accounts payable	11,865	11,865	11,865	-	-
Lease liability	13,283	14,282	7,973	2,595	3,714
	<u>\$ 174,180</u>	<u>178,756</u>	<u>128,833</u>	<u>5,760</u>	<u>44,163</u>

The Company does not expect the maturity analysis of cash flows will be significantly pre-matured or the actual amount will be significantly different.

3. Exchange rate risk

(1) Exposure to exchange rate risk

The financial assets and liabilities of the Company exposed to significant foreign exchange rate risk are as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

2024.12.31				
	Foreign currency (NTD thousand)		Exchange rate	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 900	USD : NTD	32.7350	29,462
JPY	17,806	JPY: NTD	0.2079	3,702
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	710	USD : NTD	32.7350	23,242
2023.12.31				
	Foreign currency (NTD thousand)		Exchange rate	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 358	USD : NTD	30.7050	10,992
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,167	USD : NTD	30.7050	35,833

(2) Sensitivity analysis

The exchange rate risk of the Company's monetary items mainly comes from foreign currency denominated cash and cash equivalents, accounts receivable and other receivables, borrowings, accounts payable and other payables, etc., resulting in foreign currency exchange gains and losses at the time of conversion. When the NTD depreciated or appreciated by 1% against the USD in 2024 and 2023, and all other factors remained unchanged, the net profit before tax for 2024 and 2023 would increase or decrease by NTD 99 thousand and NTD 248 thousand, respectively.

As the Company has a wide variety of functional currencies, the information about exchange gain or loss of monetary items is disclosed by summarization. The foreign currency exchange gain or loss (including realized and unrealized) in 2024 and 2023 were NTD 1,627 thousand and NTD 1,340 thousand, respectively.

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

4. Interest rate analysis

Please refer to Note 6 – Liquidity Risk Management for the interest rate risk exposure of the Company's financial assets and financial liabilities.

The following sensitivity analysis is based on the interest rate risk exposure of derivative and non-derivative instruments on the reporting date. The analysis of floating interest rate liabilities is based on the assumption that the amount of liabilities outstanding on the reporting date is outstanding throughout the year. The rate of change used in reporting interest rates to key management is a 0.5% increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased or decreased by 0.5%, with all other variables held constant, the Company's net income before tax for 2024 and 2023 would have increased by NTD 1,844 thousand and decreased by NTD 540 thousand, respectively, mainly due to the Company's deposits and borrowings with variable interest rates.

5. Information on fair value

(1) Types and fair value of financial instruments

Financial assets and liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The book value and fair value of various financial assets and financial liabilities (including fair value level information; for financial instruments not measured at fair value, the book value is a reasonable approximation of the fair value; and for lease liabilities, fair value information is not required to be disclosed according to the regulations) are listed as follows:

		2024.12.31			
		Fair value			Total
	Book value	Class I	Class II	Class III	
Financial assets measured at fair value through other comprehensive income					
Domestic and foreign non-listed stocks	\$ 9,915	-	-	9,915	9,915
Financial assets at amortized cost					
Cash and Cash Equivalents	400,518	-	-	-	-
Time deposit with the original maturity date over three months	4,583	-	-	-	-
Notes and accounts receivable	3,848	-	-	-	-

Notes to the parent company only financial statements of AbonMax Co., Ltd
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		2024.12.31			
		Fair value			
	Book value	Class I	Class II	Class III	Total
Other receivables and financial assets	36,648	-	-	-	-
Subtotal	445,597	-	-	-	-
Total	<u>\$ 455,512</u>	<u>-</u>	<u>-</u>	<u>9,915</u>	<u>9,915</u>
Financial liabilities measured at amortized cost					
Secured loan	\$ 32,089	-	-	-	-
Notes and accounts payable	7,158	-	-	-	-
Other notes and accounts payable	67,787	-	-	-	-
Lease liability	29,106	-	-	-	-
Total	<u>\$ 136,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		2023.12.31			
		Fair value			
	Book value	Class I	Class II	Class III	Total
Financial assets measured at fair value through other comprehensive income					
Domestic and foreign non-listed stocks	\$ 14,787	-	-	14,787	14,787
Financial assets at amortized cost					
Cash and Cash Equivalents	38,939	-	-	-	-
Notes and accounts receivable	8,685	-	-	-	-
Other receivables and financial assets	115,955	-	-	-	-
Subtotal	163,579	-	-	-	-
Total	<u>\$ 178,366</u>	<u>-</u>	<u>-</u>	<u>14,787</u>	<u>14,787</u>
Financial liabilities measured at amortized cost					
Unsecured loans	\$ 55,534	-	-	-	-
Secured loan	89,998	-	-	-	-
Notes and accounts payable	3,500	-	-	-	-
Other notes and accounts payable	11,865	-	-	-	-
Lease liability	13,283	-	-	-	-
Total	<u>\$ 174,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(2) Evaluation technology for fair value of financial instruments measured at fair value

(2.1) Non-derivative financial instruments

If there is an open quotation of the active market for the financial instruments, the open quotation of the active market is the fair value. The market prices announced by the Taiwan Stock

Notes to the parent company only financial statements of AbonMax Co., Ltd
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Exchange and the Taipei Exchange, which are regarded as the central government bonds of the hot stocks, serve as the basis for the fair value of listed (OTC) equity instruments and debt instruments with open quotations in the active market.

If the Company is able to obtain open quotations of financial instruments from the exchanges, brokers, underwriters, industry associations, pricing service agencies, or competent authorities in a timely and frequent manner, and the price represents the actual and fair market transaction that occurs frequently, the financial instruments have open quotations in an active market. If the above conditions are not met, the market is not active. Generally speaking, if the trading price spread is too great, the trading price spread is too great, or the trading volume is too small, it is an inactive market.

Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through evaluation techniques or reference to the counterparty's quotation. The fair value obtained through the evaluation technology can be based on the current fair value of other financial instruments with similar characteristics, the discounted cash flow method, or other evaluation technologies, including the market information utilization model available on the parent company only balance sheet date (such as the reference yield curve of the Taipei Exchange, Reuters commercial promissory interest rate average quotation).

If the financial instruments held by the Company are in the non-active market, the fair value is booked as follows by category and attribute:

- Equity instruments without open quotation: If there is no market for reference, the evaluation method is adopted to estimate. The estimates and assumptions used are consistent with the information used by market participants when pricing financial instruments, and the information is available to the Company.

(3) Transfer between Class I and Class II

No transfer in 2024 and 2023.

(4) Statement of Changes in Class III

Notes to the parent company only financial statements of AbonMax Co., Ltd
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Changes in the fair value of financial assets classified as Class III in 2024 are as follows:

	Measured at fair value through other comprehensive income Equity instruments without public quotation
Balance on January 1, 2024	\$ 14,787
Total profit or loss	
Recognized in other comprehensive income	(4,872)
Balance on December 31, 2024	<u><u>\$ 9,915</u></u>
Balance on January 1, 2023	\$ 16,318
Total profit or loss	
Recognized in other comprehensive income	(1,531)
Balance on December 31, 2023	<u><u>\$ 14,787</u></u>

The total profit or loss above is reported in the “Unrealized valuation gain (loss) on financial assets measured at fair value through other comprehensive income.” The assets related to the assets held in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Total profit or loss		
Recognized in other comprehensive income	\$ (4,872)	(1,531)
(presented as “Unrealized valuation gain (loss) on financial assets measured at fair value through other comprehensive income”)		

- (5) Quantitative information on the measurement of the fair value of the unobservable major input value (Class III) in the fair value measurement

The fair value of the Company classified as Class III includes financial assets measured at fair value through other comprehensive income – investment in equity instruments not listed on the Taiwan Stock Exchange.

Most of the fair values of the Company are categorized as Class III, which has only one unobservable major input value, and only the equity

Notes to the parent company only financial statements of AbonMax Co., Ltd
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instrument investment that is not listed on the TWSE or TPEx has multiple unobservable major input values. The significant unobservable inputs of the equity instrument investment not listed on the TWSE or TPEx are independent of each other and therefore are not interrelated.

The quantitative data of the unobservable major input are as follows:

Item	Evaluation techniques	Major unobservable inputs	Relationship between the unobservable major input and the fair value
Financial assets at fair value through other comprehensive income – equity instrument investment without active market	Comparable Company Act	• Price to net worth ratio (2.46-2.57 for 2024.12.31; 3.10-5.73 for 2023.12.31) • Price to operating ratio (3.76 for 2024.12.31; 3.48 for 2023.12.31) • Lack of market liquidity discount (10% to 20% for 2024.12.31; 20% for 2023.12.31)	• The higher the multiplier, the higher the fair value • The higher the multiplier, the higher the fair value • The higher the discount for lack of market liquidity, the lower the fair value.

- (6) For Class III fair value measurement, sensitivity analysis of fair value to reasonable and possible alternative assumptions

The fair value measurement of the Company's financial instruments is reasonable, but if different valuation models or parameters are used, the valuation results may be different. If the valuation parameter of the financial instrument classified as Class III is changed, the effect on the current profit or loss or other comprehensive income is as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

	Input value	Changes in the top or bottom	Changes in fair value reflected in other comprehensive income	
			Changes in favor	Unfavorable changes
December 31, 2024				
Financial assets measured at fair value through other comprehensive income				
Equity instrument investment in an inactive market	Price to net worth ratio	5%	\$ 466	(466)
	Lack of market liquidity discount	5%	570	(570)
	Price to operating revenue ratio	5%	29	(29)
			<u>\$ 1,065</u>	<u>(1,065)</u>
December 31, 2023				
Financial assets measured at fair value through other comprehensive income				
Equity instrument investment in an inactive market	Price to net worth ratio	5%	\$ 712	(712)
	Lack of market liquidity discount	5%	924	(924)
	Price to operating revenue ratio	5%	27	(27)
			<u>\$ 1,663</u>	<u>(1,663)</u>

(XXIII) Financial risk management

1. Summary

The Company is exposed to the following risks due to the use of financial instruments:

- (1) Credit risk
- (2) Liquidity risk
- (3) Market risk

The Company's risk exposure information, the Company's objectives, policies and procedures for measuring and managing risks are expressed in this note. Please refer to the notes to the parent company only financial statements for further quantified disclosure.

2. Risk management framework

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

The Board of Directors is fully responsible for the development and control of the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and supervise compliance with risks and risk limits. Risk management policies and systems are reviewed regularly to reflect market conditions and changes in the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines, and operating procedures to help all employees understand their roles and obligations.

The Board of Directors supervises the management how to monitor the compliance of the Company's risk management policies and procedures, and review the adequacy of the Company's risk management framework for the risk faced. The internal auditors assist the Board of Directors of the Company to play the supervisory role. These personnel conduct regular and extraordinary review of risk management control and procedures, and report the review results to the Board of Directors.

3. Credit risk

Credit risk is the risk that the Company suffers financial losses due to its customers or financial instrument counterparties being unable to fulfill their contractual obligations. It mainly comes from the Company's accounts receivable from customers and securities investment.

(1) Accounts receivable and other receivables

The Company's credit risk exposure is mainly affected by the condition of each individual customer. However, the management also considers the statistical data of the Company's customers, including the default risk of the industry and country the customer belongs to, because these factors may affect credit risk.

The Company has established credit policies. According to the policies, before the Company grants standard payment and delivery terms and conditions, it must analyze the credit ratings of each new customer. The Company's review includes external ratings, if available, and bank reference under certain circumstances. The limit of purchase is established for each customer, which represents the maximum amount not received that does not need to be approved by the Board of Directors. This limit is reviewed regularly. Customers that do not meet the Company's criteria for credit

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

rating may only trade with the Company on a prepayment basis.

The Company has an allowance account setup to reflect the estimated losses of accounts receivable and other receivables and investments. The main components of the allowance account include the specific loss components related to individual major exposures, as well as the components of the combined loss established for losses that have occurred but not yet been identified in the asset group. The loss allowance account for the portfolio is determined based on the historical payment statistics of similar financial assets.

(2) Bank deposits

The credit risk of bank deposits is measured and monitored by the Finance Department of the Company. Since the Company's trading counterparties and performing parties are all reputable banks with no significant performance concerns, there is no significant credit risk.

4. Liquidity risk

The liquidity risk is the risk that the Company is unable to deliver cash or other financial assets to settle financial liabilities and unable to perform its obligations. The Company's management of liquidity is to ensure that the Company has sufficient current funds to repay matured liabilities under general circumstances and when under pressure, without unacceptable losses or causing harm to the Company's reputation. The unused credit facilities of the Company as of December 31, 2024 and 2023 were NTD 37,198 thousand and NTD 2,192 thousand, respectively.

5. Market risk

Market risk is the risk that market price fluctuation, such as exchange rate, interest rate, and equity instrument price fluctuation, affects the Company's income or the value of financial instruments held. The goal of market risk management is to control the market risk exposure within an acceptable range and optimize the return on investment.

The Company is engaged in derivative instruments transactions for managing market risks, and thus generates financial liabilities. All transactions are executed in accordance with the guidelines of the Board of Directors.

(1) Exchange rate risk

The Company is exposed to exchange rate risk arising from the sale, purchase and loan transactions denominated in non-functional currency of

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

each group enterprise. The functional currency of the Group's enterprises is mainly NTD, and there are also USD, JPY, and RMB. These transactions are mainly denominated in NTD and USD. In addition, the consolidated company adopts the principle of natural hedging and conducts hedging based on the Company's capital needs in each currency and the net position (and the difference between foreign currency assets and liabilities) and the foreign exchange market conditions.

The interest of borrowings is denominated in the currency of the principal. Generally, the currency of the loan is the same as the currency of the cash flow generated from the Company's operations, mainly in NTD and USD. In this case, the Company provides economic hedging without the need to sign derivatives, so hedge accounting is not adopted.

When there is a short-term imbalance in monetary assets and liabilities denominated in foreign currencies, the Company uses the spot exchange rate to buy or sell foreign currencies to ensure that the net risk exposure is maintained at an acceptable level.

(2) Interest rate risk

Most of the Company's borrowings are based on floating interest rates. The Company does not have any interest rate swap contracts that convert floating interest rates into fixed interest rates. The Company's measures to respond to the risk of interest rate changes mainly involve regularly evaluating the interest rates of banks and loans in various currencies, maintaining good relationships with financial institutions to obtain lower financing costs, strengthening the management of working capital, and reducing dependence on bank loans to diversify the risk of interest rate changes.

(3) Other market price risks

In addition to meeting the expected consumption and sales needs, the Company did not sign any commodity contract and did not settle the contract amount on a net basis.

(XXIV) Capital management

The Company manages capital to ensure that it can maximize shareholder returns by optimizing debt and equity balances while continuing to operate.

The Company and the industry both have capital managed in accordance with the debt to equity ratio. The ratio is calculated by having net debt divided by total

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

capital. Net liabilities are the total liabilities less cash and cash equivalents on the balance sheet. Total capital is the entire equity (i.e. share capital, capital reserve, retained earnings and other equity) plus net debt.

The Company's management reviews the capital structure annually, and the review covers consideration for the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure by taking out short-term loans from financial institutions based on the suggestions of key management personnel.

The debt to equity ratio on the reporting date is as follows:

	2024.12.31	2023.12.31
Total Liabilities	\$ 150,101	179,973
Less: Cash and Cash Equivalents	<u>(400,518)</u>	<u>(38,939)</u>
Net liabilities	(250,417)	141,034
Total equity	<u>891,030</u>	<u>233,508</u>
Total capital	<u>\$ 640,613</u>	<u>374,542</u>
Debt to equity ratio	<u>- %</u>	<u>37.66%</u>

(XXV) Investment and financing activities of non-cash transactions

The Company's non-cash transactions, investments, and financing activities in 2024 and 2023 are as follows:

1. For the short-term loan repayment, please see Note 6(11).
2. For the repayment of long-term loans, please see Note 6(12).
3. For the right-of-use assets acquired by lease, please refer to Note 6(8).

The reconciliation of liabilities from financing activities is as follows:

	2024.1.1	Cash flow	Non-cash changes Others	2024.12.31
Short-term borrowings	\$ 100,205	(76,849)	-	23,356
Long-term loans	45,327	(36,594)	-	8,733
Lease liability	<u>13,283</u>	<u>(8,064)</u>	<u>23,887</u>	<u>29,106</u>
Total liabilities from financing activities	<u>\$ 158,815</u>	<u>(121,507)</u>	<u>23,887</u>	<u>61,195</u>

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	January 1, 2023	Cash flow	Non-cash changes Others	2023.12.31
Short-term borrowings	\$ 80,330	19,875	-	100,205
Long-term loans	58,070	(12,743)	-	45,327
Lease liability	26,896	(16,326)	2,713	13,283
Total liabilities from financing activities	<u>\$ 165,296</u>	<u>(9,194)</u>	<u>2,713</u>	<u>158,815</u>

VII. Related Party Transactions

(I) Parent company and ultimate controller

The Company is the ultimate controller of the Company and the group to which it belongs.

(II) Name of related party and relationship

The Company's subsidiaries and other related parties who have transactions with the Company are as follows:

<u>Name of related party</u>	<u>Relationship with the Company</u>
Liangwei Electricity Co., Ltd.	Subsidiaries of the Company (Note 1)
Xinli Energy Co., Ltd.	Subsidiaries of the Company (Note 2)
Abonmax Power One Energy Co., Ltd.	Subsidiary of the Company
Xing Da Wang Technology Co., Ltd.	Subsidiary of the Company
Mingwei Sunlight Co., Ltd.	Subsidiary of the Company
AbonMax Green Energy Co., Ltd.	Subsidiary of the Company
Abonmax Power Two Energy Co., Ltd.	Subsidiary of the Company
Ming Ding Energy Co., Ltd.	Subsidiary of the Company
Ming Yu Co., Ltd.	Subsidiary of the Company
Ming Ting Co., Ltd.	Subsidiary of the Company
Ming Chao Co., Ltd.	Subsidiary of the Company
Yun An Energy Development Investment Co., Ltd.	Subsidiary of the Company
Xu Wang Green Energy Co., Ltd.	Subsidiary of the Company
Liu Jia Yi Power Co., Ltd.	Subsidiary of the Company
Ririwang Renewable Energy Co., Ltd.	Subsidiary of the Company
Abon Touchsystems Inc.	Substantive related party (Note 3)
APOLLO PIONEER TECH CO., LTD.	Substantive related party (Note 4)
Xinjia Engineering Co., Ltd.	Substantive related party

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

<u>Name of related party</u>	<u>Relationship with the Company</u>
GINWIN TECHNOLOGY CO., LTD.	Substantive related party
J&V Energy Technology Co., Ltd.	Substantive related party
Chang, Chun-Hao	Substantive related party
Wu, Yi-Chen	Substantive related party
Wang, Wen-Yi	Substantive related party

Note 1: On November 7, 2024, the Company's Board of Directors resolved to acquire 49% equity interest in Liangwei Electricity Co., Ltd. from J&V Energy Technology Co., Ltd., with the transaction base date set as December 13, 2024. Subsequently, on December 25, 2024, the Board resolved to acquire the remaining 51% equity interest in Liangwei Electricity Co., Ltd. from Finocapital CO., LTD., with the transaction base date set as December 27, 2024. Following these transactions, the Company classified Liangwei Electricity Co., Ltd. as a subsidiary.

Note 2: On October 17, 2024, the Company's Board of Directors resolved to acquire 100% equity interest in Xinli Energy Co., Ltd. from CSPTUK 1 LTD., a UK-based company. The transaction base date was set as December 3, 2024. The Company classified Xinli Energy Co., Ltd. as a subsidiary after the transaction.

Note 3: On November 17, 2023, the Company's shareholders' meeting resolved to dispose of its significant subsidiary, Abon Touchsystems Inc. The transaction base date was December 30, 2023. From that date, the Company ceased to have control over the entity, and it is no longer classified as a subsidiary. However, the Company continues to regard the counterparty as a related party in substance following the transaction.

Note 4: On June 6, 2023, a re-election of directors and supervisors was conducted at the general shareholders' meeting of the subsidiary, Abon Touchsystems Inc. The original supervisor was relieved of duty.

(III) Major transactions with related parties

1. Operating revenue

The Company's significant sales to related parties are as follows:

	<u>2024</u>	<u>2023</u>
Substantive related party	<u>\$ 683</u>	<u>22,588</u>

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

The price of the Company's sale to subsidiaries and affiliated companies is not significantly different from the general selling price. No collateral is received for accounts receivable from related parties.

2. Procurement

The Company's purchase amount from related parties is as follows:

	<u>2024</u>	<u>2023</u>
Substantive related party	<u>\$ -</u>	<u>2,218</u>

In 2024, the Company entrusted a substantive related party to process motor motors. The Company purchased from the substantive related party and sold to external customers. The operating revenue was an agency transaction, and the purchase cost of NTD 8,724 thousand was written off and the purchase amount was NTD 0. There is no other transaction partner for comparison.

3. Accounts receivable – related party

The Company's receivables from related parties are stated as follows:

<u>Account in the book</u>	<u>Type of Related Party</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Accounts receivable	Substantive related party	\$ -	1,089
Other receivables	Substantive related party:		
	GINWIN TECHNOLOGY CO., LTD. (Note)	-	78,557
Other receivables	Substantive related party:		
	Xinjia Engineering Co., Ltd.	5,683	-
Other receivables	Substantive related party	<u>-</u>	<u>48</u>
		<u>\$ 5,683</u>	<u>79,694</u>

Note: Mainly refers to the receivable arising from the sale of equity in Abon Touchsystems Inc. on December 31, 2023, which was fully collected as of December 31, 2024.

4. Payables to related parties

The Company's payables to related parties are as follows:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

Account in the book	Type of Related Party	2024.12.31	2023.12.31
Accounts payable	Substantive related party: Abon Touchsystems Inc.	\$ 7,158	-
Other payables	Subsidiary: AbonMax Green Energy Co., Ltd.	4,777	-
Other payables	Substantive related party	35	-
		\$ 11,970	-

5. Advance receipts

The Company's advances from related parties are stated as follows:

	2024.12.31	2023.12.31
Subsidiary	\$ 60	-

6. Prepayment

The details of the Company's prepayment to related parties are as follows:

	2024.12.31	2023.12.31
Substantive related party	\$ -	7,466

(1) The Company's solar power generation system construction project, which spans from January 1 to December 31, 2023, was contracted to Xinjia Engineering Co., Ltd. under a turnkey engineering agreement. The Company has commissioned Xinjia Engineering Co., Ltd. to manage the construction of the ground-type solar power generation system. The contract price was NTD 24,448 thousand, and the capacity was 498.94 GW. On December 31, 2023, the prepayment for contract signing and the allowance for the merger of the case was NTD 6,112 thousand, which was booked in other non-current assets. It was originally scheduled to be completed on April 30, 2024. Due to the delay in construction progress and the inability to carry out the work, the contractor was unable to fulfill the contract as agreed. As a result, the contract was terminated, the paid investment was returned, and the penalty for breach of contract was incurred. The case was reported to the Board of Directors on May 9, 2024. As of December 31, 2024, the amount of NTD 1,100 thousand plus interest receivable of NTD 1,835 thousand and interest receivable of NTD 5,683 thousand had been recovered, and were booked in "Other receivables – related party – others."

7. Loan to related parties (recorded as other receivables)

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

The actual disbursement of the Company's loan to related parties is as follows:

	<u>2024.12.31</u>	<u>2023.12.31</u>
Subsidiary – Xinli Energy Co., Ltd.	<u>\$ 14,453</u>	<u>-</u>

The Company's loaning of funds to related parties accrues interest at the average interest rate of short-term loans received from financial institutions in the year of fund appropriation. All loans are unsecured loans and no impairment loss is recognized after assessment.

The interest receivable arising from loans to related parties amounted to NTD 58 thousand.

For details on the loaning of funds to others, please refer to Note 13(1).

8. Other

(1) The details of the Company's and related parties' income and expenses are as follows:

<u>Account in the book</u>	<u>Type of Related Party</u>	<u>2024</u>	<u>2023</u>
Operating expenses	Substantive related party	\$ 299	37
Other income	Subsidiary	67	3,115
Other income	Substantive related party	1,524	1,208
Interest expense	Substantive related party	1	-

(2) The refundable deposits received by the Company for the offices leased to the subsidiaries and the substantive related parties on December 31, 2024 and 2023 were NTD 12 thousand and NTD 100 thousand, respectively.

(3) The Company signed a construction contract with the subsidiary, Abonmax Power One Energy Co., Ltd. on August 15, 2024. Abonmax Power One Energy Co., Ltd. commissioned the Company to handle the construction of the roof-top solar power generation system. The contract price was NTD 60,037 thousand, and the capacity was 1,132.78 kW, and the payment was made in accordance with the terms of the contract.

9. Property transaction

(1) In order to develop consumer-type unmanned and vehicle-mounted modules, as well as customized products related to the vertical supply chain integration of unmanned devices, the Company signed a patent technology service contract with a substantive related party on April 22, 2024. The total contract

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

price was NTD 1,500 thousand. The content of the cooperation is that the substantive related party provides the complete design and production technology for unmanned devices, and authorizes and assists the Company in planning and sales. As of December 31, 2024, the Company has paid NTD 1,500 thousand for patent licensing and has obtained the patent license, which is recorded as intangible assets. The contract promises that the annual order amount and profit will not be less than the targets agreed upon by both parties. If the targets are higher, the Company shall provide performance bonuses to the substantive related parties, and return the authorized funds according to the agreement if the targets are not met.

(2) Equity transaction

In September 2023, the Company's Board of Directors resolved, and in November 2023 the shareholders' meeting approved, the sale of 13,745 thousand shares of Abon Touchsystems Inc. to GINWIN TECHNOLOGY CO., LTD. at a price of NTD 8.2 per share, for a total consideration of NTD 112,707 thousand. A securities transaction tax of NTD 338 thousand was incurred, and a gain on disposal of NTD 74,006 thousand was recognized. The transaction was settled on December 30, 2023. As of December 31, 2023, an amount of NTD 78,557 thousand was recorded under other receivables. As of December 31, 2024, the receivables had been fully collected.

The Company's Board of Directors resolved on November 7, 2024 to acquire 49% of the equity of Liangwei Electricity Co., Ltd. from J&V Energy Technology Co., Ltd. in the amount of NTD 84,867, and NTD 1,000, and the delivery was completed on December 13, 2024.

10. The Company's borrowings as of December 31, 2024 and 2023 were provided by the Company's substantive related parties with credit and real estate guarantees. The total amount of collateral was NTD 32,089 thousand and NTD 143,682 thousand, respectively.

11. Endorsement and guarantee

As of December 31, 2024, and 2023, the balance of the endorsement and guarantee provided by the Company to the substantive related party for loans was NTD 0 thousand and NTD 192,000 thousand, respectively. The amount of the endorsement and guarantee used by the Company was NTD 0 thousand and NTD 156,000 thousand, respectively.

As of December 31, 2024, and 2023, the balances of endorsements and

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

guarantees provided by a substantive related party for the Company's borrowings were NTD 0 thousand and NTD 80,000 thousand, respectively. The amounts utilized were NTD 0 thousand and NTD 48,353 thousand, respectively.

(IV) Transactions of key management personnel

The remuneration to the key management personnel includes:

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 23,059	19,274
Post-employment benefits	890	2,123
	<u>\$ 23,949</u>	<u>21,397</u>

VIII. Pledged assets

The book value of the assets pledged by the Company as collateral is as follows:

<u>Asset name</u>	<u>Collateral pledged</u>	<u>2024.12.31</u>	<u>2023.12.31</u>
Property, plant, and equipment	Bank loan guarantee	\$ 46,459	47,410
Inventory	Other financing loans	-	1,851
Restricted bank deposits-Other financial assets	Bank loan guarantee	12,337	17,464
Financial assets measured at amortized cost – current	R&D project grants	4,583	-
Refundable deposits	Lease payments and customs duties	2,609	5,591
		<u>\$ 65,988</u>	<u>72,316</u>

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

As of December 31, 2024, and 2023, except for those disclosed in other notes, the Company's significant commitments and contingencies are as follows:

- (I) As of December 31, 2024, and 2023, the refundable guarantee notes issued by the Company to the lessor for leasing plant facilities amounted to NTD 0 thousand and NTD 10,941 thousand, respectively.
- (II) On May 31, 2021, the Company entered into a cooperation agreement with Party A, with a total contract amount of NTD 33,000 thousand and service fees of NTD 10,000 thousand. The cooperation involved participation in Party A's electric two-wheeler motor business. Through the integration of both parties' resources, collaboration covered areas such as factory operations, equipment, production, and capital. As of December 31, 2024, and 2023, unpaid amounts included NTD 15,000 thousand for project payments and NTD 4,000 thousand for service fees. Revenue from sales is to be shared in

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

accordance with the cooperation agreement.

- (III) On July 1, 2024, the Company signed an electric bicycle R&D project agreement with the Taipei Computer Association. To obtain a government subsidy provided through the association on behalf of the Ministry of Economic Affairs, the Company issued a performance guarantee of NTD 4,000 thousand through a bank, and a refundable guarantee note of NTD 15,000 thousand.
- (IV) On July 15, 2024, the Company entered into a semiconductor testing interface circuit board packaging technology licensing agreement with Party B, with a total contract value of NTD 11,000 thousand. Under the agreement, Party B will provide packaging technology data, consulting services, guidance on production line setup, and consultation for raw material procurement. As of December 31, 2024, the Company had paid the first installment of NTD 5,000 thousand, which was recorded under other non-current assets. The contract includes a commitment that annual increases in operating revenue and gross profit shall not fall below mutually agreed targets; if such targets are not met, the licensing fees are to be refunded in accordance with the agreement.
- (V) On September 1, 2024, the Company entered into a project-based consulting agreement with Party C for indoor aquaculture business, with a total contract amount of NTD 1,000 thousand. Party C acted as a consultant on new agricultural technology, assisting with on-site inspections, development analysis, planning, and the preparation of a feasibility report. As of December 31, 2024, the Company had paid the first installment of NTD 300 thousand, which was recognized as operating expenses. However, after receiving Party C's preliminary assessment, the Company determined that the condition of the facility did not meet its actual operational needs. As a result, on February 19, 2025, both parties signed a termination agreement and agreed to settle the matter with a payment of NTD 100 thousand, thereby ending the original contractual relationship.
- (VI) As of December 31, 2024, and 2023, the lease contracts signed by the Company for the lease of the plant and office are as follows:

Lease subject	Lessor	Period	Rent
Plant	Yu Lin Co. Ltd.	2022.09.01–2024.04.30	NTD 1,250 thousand per month (before tax)
Office	Individual	2024.04.01–2024.10.31	NTD 86 thousand per month (before tax)

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

<u>Lease subject</u>	<u>Lessor</u>	<u>Period</u>	<u>Rent</u>
Office	Cai Jin Property Co., Ltd.	2024.10.15–2027.11.14	NTD 276 thousand per month (before tax)
Office	Li Pao Corporation	2024.08.01–2029.07.31	NTD 383–395 thousand per month (before tax)

- (VII) The Company signed a patent technical service contract with a related party for the development of consumer robots and vehicle modules, customized robots, and vertical integration of robots and machine tooling for the period of January 1 to December 31, 2024. Please refer to Note 8 for details.
- (VIII) From January 1 to December 31, 2024, the Company signed a turnkey engineering contract with Ding for the construction of the solar power generation system. The Company entrusted Ding to handle the construction of the rooftop solar power generation system, and the contract price was NTD 58,905 thousand, with a capacity of 1,132.78 kW. On December 31, 2024, the prepayment was NTD 14,726 thousand, and it was booked in other non-current assets.
- (IX) The Company signed a construction contract with the related party for the solar photovoltaic power generation system construction project from January 1 to December 31, 2023. Please refer to Note 7 for details.

X. Significant Losses from Disasters: None.

XI. Significant Subsequent Events

- (I) On December 25, 2024, the Board of Directors of the Company resolved to purchase the plant at Zhongli Road, Zhongli District, Taoyuan City from ReaLy Development & Construction Corp. for the need of future expansion of production capacity and business development. On December 31, 2024, the Company issued a guarantee note of NTD 8,250 thousand as the intention to purchase the plant, and on January 21, 2025, the Company signed a pre-arranged contract for the sale of the house and land, with a total contract price of NTD 275,000 thousand, and paid a sum of NTD 19,280 thousand.
- (II) The Company increased the capital of the subsidiary, Abonmax Power Two Energy Co., Ltd., by NTD 31,500 thousand on January 13, 2025, and the transaction was approved by the Board of Directors on February 7, 2025.
- (III) The Company's Board of Directors resolved on February 7, 2025, to loan the fund to the subsidiary, Abonmax Power Two Energy Co., Ltd., in the amount of NTD 23,100

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

thousand, with an interest rate of 5% per annum, and the expected repayment date is within one year from the date of the motion.

- (IV) The Company's Board of Directors resolved on March 13, 2025 to inject NTD 100,000 thousand into the subsidiary, Liangwei Electricity Co., Ltd. to meet the need for the consolidated company's future development and strategic layout of the green energy business.
- (V) The Company's Board of Directors resolved on March 13, 2025 to increase the endorsement and guarantee amount for the subsidiary, Xinli Energy Co., Ltd. to NTD 98,685 thousand to support the working capital.
- (VI) The Company's Board of Directors resolved on March 13, 2025, to loan the fund to the subsidiary Kai Fu Sheng Co., Ltd. in the amount of NTD 60,000 thousand with an interest rate of 5%, and the loan is expected to be repaid within one year from the date of the transfer.

XII. Others

- (I) The employee benefits, depreciation, depletion, and amortization expenses are summarized by function as follows:

By function	2024			2023		
	Classified as Operating Cost	Classified as Operating Expense	Total	Classified as Operating Cost	Classified as Operating Expense	Total
By nature,						
Employee benefit expense						
Payroll expense	123	56,768	56,891	16,461	25,290	41,751
Labor and health insurance expense	13	2,879	2,892	1,833	2,450	4,283
Pension expense	7	1,550	1,557	701	1,347	2,048
Remuneration to directors	-	2,181	2,181	-	1,835	1,835
Other employee benefit expenses	7	1,462	1,469	1,230	1,552	2,782
Depreciation expense	9,698	6,547	16,245	22,782	6,521	29,303
Amortization expenses	-	391	391	-	287	287

Additional information on the number of employees and employee benefit expenses of the Company in 2024 and 2023 is provided below:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

	<u>2024</u>	<u>2023</u>
Number of employees	<u>43</u>	<u>57</u>
Number of directors who are not also employees	<u>2</u>	<u>2</u>
Average employee benefit expenses	<u>\$ 1,532</u>	<u>925</u>
Average employee salary expense	<u>\$ 1,388</u>	<u>759</u>
Adjustment of average employee salary expenses	<u>82.87%</u>	<u>53.02%</u>
Remuneration to supervisors	<u>\$ -</u>	<u>-</u>

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

The remuneration to employees and managers is divided into fixed and floating ones. Fixed remuneration is paid monthly regardless of profit or loss and is determined based on the employee's job duties and ranks. Variable salary includes year-end bonus, performance bonus, and employee remuneration. The remuneration of employees and managers is determined based on the overall environment, the Company's profitability, performance, and special contributions, and is positively correlated to the Company's earnings and overall operating performance.

The remuneration of the change of managerial officers is determined by the Remuneration Committee based on the achievement rate and implementation status of the goals, and then submitted to the Board of Directors for resolution.

The remuneration to directors and supervisors is based on the Articles of Incorporation, and the remuneration is given according to the participation and contribution value of the directors and supervisors in the Company's operations, and the remuneration is determined by the Remuneration Committee and submitted to the Board of Directors for resolution.

XIII. Supplementary Disclosures

(I) Information on Major Transactions

The Company should have the following information on major transactions disclosed in 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers:

1. Loaning of Funds to Others:

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

Unit: NTD thousand

No. (Note 1)	The lender of funds	The borrower of funds	Accounting title	Related parties or not	Maximum amount in current period	Balance, end of period	Actual amounts drawn	Interest rate range	Nature of the loan (Note 2)	Amount of business transactions	Reasons for the necessity of short-term financing	Amount of allowance for losses	Collateral		Limit of financing to individual borrowers (Note 3)	Total limit of loans (Note 3)
													Name	Value		
0	AbonMax Co., Ltd.	Xinli Energy Co., Ltd.	Short-term borrowings	Y	15,000	15,000	14,453	5%	2	-	Repayment of loans	-	-	-	89,103	356,412
0	"	"	Short-term borrowings	Y	50,000	50,000	-	5%	2	-	Purchase of equipment	-	-	-	89,103	356,412

Note 1: The description of the number column is as follows:

1. Fill in "0".
2. The investees are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The nature of the loan is described as follows:

1. Please enter if there is business relationship.
2. If there is a need for short-term financing, please fill in 2.

Note 3: 1. The total amount of external loans of the Company shall not exceed 40% of the net value of the Company in the most recent financial statements.

2. The limit of funds lending to a single enterprise shall not exceed 10% of the net value of the Company in the latest financial statement.

2. Endorsements/guarantees for others:

Unit: NTD thousand

No.	Endorsing/ guaranteeing company	Endorsed/ guaranteed company		Limit of Endorsements/ Guarantees for a Single Enterprise (Note 3)	Current maximum guarantee/ guarantee balance	Current endorsement/ guarantee balance – ending	Actual amounts drawn	Endorsement/ guarantee amount secured with property	Ratio of the cumulative endorsement/ guarantee amount to the net worth in the most recent financial statements	The maximum amount of endorsements/ guarantees (Note 3)	Endorsements/ guarantees made by the parent company for its subsidiaries	Endorsements/ guarantees made by the subsidiaries for its parent company	Endorsements/ guarantees made for the operations in Mainland China
		Company name	Relationship (Note 2)										
0	AbonMax Co., Ltd.	Abon Touchsystems Inc.	1	8,724	192,000	-	-	-	- %	1,336,545			
1	Abon Touchsystems Inc.	AbonMax Co., Ltd.	1	8,724	80,000	-	-	-	- %	298,358			

Note 1: 0 refers to the Company.

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee is classified into 7 categories as follows. It is only necessary to mark the type:

1. A business associated company.
2. Companies in which the Company directly and indirectly holds more than 50% of the voting shares under the standard.
3. Companies with more than 50% shareholdings with voting rights of the Company directly and indirectly.
4. Between companies in which the Company directly and indirectly holds more than 90% of the voting shares.
5. The company needing mutual guarantee pursuant to an agreement in the same industry or between joint proprietors for undertaking engineering projects.
6. The company received endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.
7. Escrow and joint and several guarantee of the contracts in the same industry that involve transaction of pre-sale houses according to the Consumer Protection Act.

Note 3: According to the Company's Regulations for Endorsements/Guarantees, the limit of endorsements/guarantees for a single enterprise shall not exceed 60% of the Company's net worth as stated in the latest financial statement. However, for subsidiaries, the limit shall not exceed 150% of the net worth as stated in the latest financial statement. The maximum limit of endorsements/guarantees shall be 150% of the net worth as stated in the latest financial statement. For the endorsements and guarantees provided due to the business transactions with the Company, the amount of endorsements and guarantees provided by the Company shall not exceed the amount of business transactions between the two parties, except for the limits mentioned above. The term "business transaction amount" as used herein means the purchase or sale amount between the two parties, whichever is higher.

Note 4: The total amount of the endorsement/guarantee provided by Abon Touchsystems Inc. is limited to 200% of the net worth of the Company, the amount of the endorsement/guarantee provided to a single enterprise is also limited to 200% of the net worth of the Company. Additionally, the amount of the endorsement/guarantee provided to companies or firms having business transactions with the Company is limited to the value of those business transactions between the two parties. The mortgage cancellation was obtained on April 2, 2024, and the endorsement/guarantee was canceled.

Note 5: The Company disposed of all the equity of the subsidiary, Abon Touchsystems Inc. on December 30, 2023. The relationship between the two parties was changed to business transactions. Since the bank loan contract was still in existence and not yet due, the Company's endorsement and guarantee amount for Abon Touchsystems Inc. exceeded the limit. The Company and Abon Touchsystems Inc. have settled the bank loan at the end of March 2024. The Company's endorsement and guarantee for Abon Touchsystems Inc. has no balance, and the excessive endorsement and guarantee has been improved.

3. Securities held at the end of the period (excluding investment in subsidiaries,

Notes to the parent company only financial statements of AbonMax Co., Ltd (continued)

affiliates, and joint ventures):

Unit: NTD thousand

Companies held	Types and names of securities	Relationship with the securities issuer	Account in the book	End of the period				Remark
				Number of stocks	Book value	Shareholding ratio	Fair value	
AbonMax Co., Ltd.	Common stock of HUA I PRECISION TECHNOLOGY CO., LTD.	Non-related party	Financial assets measured at fair value through other comprehensive income – non-current	582,800	7,186	2.00%	7,186	
"	CAREMAN TECHNOLOGY CO., LTD. (Previous name: Da-Han Technology Co., Ltd.)	Non-related party	"	1,000,000	589	11.27%	589	
"	SYNCRISION TECHNOLOGY CORPORATION	Non-related party	"	400,000	2,140	3.27%	2,140	

4. Cumulative amount of the same securities purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital:

Unit: NTD thousand

Companies engaged in buying and selling	Types and names of marketable securities	Account in the book	Counterparty	Relationship	Beginning of period		Purchase		Sold				End of the period	
					Number of stocks	Amount	Number of stocks	Amount	Number of stocks	Price	Book value	Gain or loss on disposal	Number of stocks	Amount
AbonMax Co., Ltd.	Equity investment in unlisted companies: Liangwei Electricity Co., Ltd.	Investment accounted for using the equity method	-	-	-	-	8,000,000	173,197	-	-	-	-	8,000,000	173,197

5. The acquisition of real estate for an amount over NTD 300 million or 20% of the paid-in capital:

Unit: NTD thousand

Acquiring company of real estate property	Property name	Date of occurrence	Amount of transaction	Payment of consideration	Counterparty	Relationship	If the counterparty is a related party, the information of the previous transfer shall be provided				The reference for price determination	Purpose of acquisition and use	Other agreed matters
							All persons	Relations with the issuer of securities	Date of transfer	Amount			
AbonMax Co., Ltd.	Land and plant	113.12.25	275,000	-	ReaLy Development & Construction Corp.	Not a related party of the Company	-	-	-	-	Appraisal report	For the need of expansion of production capacity and business development in the future	

6. Disposal of real estate for an amount over NTD 300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital.
8. Receivables from related parties reaching NTD 100 million or more than 20% of the paid-in capital
9. Engaged in derivative transactions: None

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

(II) Information on reinvestments:

The Company's reinvestment in 2024 is as follows (excluding the reinvestment in China investees):

Unit: NTD thousand

Name of the investing company	Name of the investee	Location	Main business activities	Original investment amount		Ending balance			Current profit or loss of the investee	Profit (loss) from investments recognized in the current period	Remark
				End of period	End of last year	Number of shares	Ratio	Book value			
AbonMax Co., Ltd.	GOAL REACH HOLDINGS LIMITED	Samoa	-	-	-	-	100.00%	-	-	-	
"	AbonMax Green Energy Co., Ltd.	Taoyuan City	Renewable energy power generation	76,000	31,000	7,600,000	100.00%	74,219	(993)	(993)	
"	Abonmax Power One Energy Co., Ltd.	Taoyuan City	"	2,200	200	220,000	100.00%	2,043	(80)	(80)	
"	Mingwei Sunlight Co., Ltd.	Taoyuan City	"	15,000	-	1,500,000	100.00%	14,873	(127)	(127)	
"	Xing Da Wang Technology Co., Ltd.	Taoyuan City	Sales of electronic parts	5,100	-	510,000	51.00%	4,926	(342)	(174)	
"	Xinli Energy Co., Ltd.	Taoyuan City	Renewable energy power generation	20,257	-	-	100.00%	19,972	1,199	(285)	
"	Liangwei Electricity Co., Ltd.	Taoyuan City	"	173,197	-	8,000,000	100.00%	173,197	4,543	-	
"	Abonmax Power Two Energy Co., Ltd.	Taoyuan City	"	200	-	20,000	100.00%	197	(3)	(3)	
AbonMax Green Energy Co., Ltd.	Yun An Energy Development Investment Co., Ltd.	Taipei City	General investment	15,000	15,000	1,500,000	50.00%	13,287	(2,260)	(1,130)	
Yun An Energy Development Investment Co., Ltd.	Xu Wang Green Energy Co., Ltd.	Taipei City	Renewable energy power generation	17,000	17,000	1,700,000	100.00%	17,493	450	450	
"	Liu Jia Yi Power Co., Ltd.	Taipei City	"	10,000	10,000	1,000,000	100.00%	6,669	(2,361)	(2,361)	
"	Ririwang Renewable Energy Co., Ltd.	Taipei City	"	2,005	2,005	200,500	100.00%	1,842	(116)	(116)	
Abonmax Power Two Energy Co., Ltd.	Ming Ting Co., Ltd.	Taoyuan City	Renewable energy power generation	20	-	2,000	100.00%	20	-	-	
	Ming Ding Energy Co., Ltd.	Taoyuan City	"	20	-	2,000	100.00%	20	-	-	
	Ming Yu Co., Ltd.	Taoyuan City	"	20	-	2,000	100.00%	20	-	-	
	Ming Chao Co., Ltd.	Taoyuan City	"	20	-	2,000	100.00%	20	-	-	

(III) Information on investments in China: None.

(IV) Information on major shareholders:

Notes to the parent company only financial statements of AbonMax Co., Ltd
(continued)

Unit: shares

Information on major shareholders	Shares	Shareholding	Shareholding percentage
STAR TREND ENTERPRISE CORP.	10,545,000		12.33%
Seda Prosperity Co., Ltd.	7,751,800		9.06%

Note:(1) The information on major shareholders is acquired from the data of the Taiwan Depository & Clearing Corporation with respect to the shareholders holding aggregately 5% or more of the common and special stocks of the Company that have been registered and delivered in dematerialized form (including treasury stocks) on the last business day at the end of the current quarter. The capital stock stated in the Company's financial statements may differ from the actual number of shares registered and delivered in dematerialized form, due to differences in the basis of preparation or calculation.

(2) In case any shareholder transferred his stocks to a trustee, the information on such shareholder was disclosed based on the account of the principal subject to the trust account opened by the trustee. As for shareholders who are insiders with a 10% or more stake and declare their shareholdings pursuant to the Securities and Exchange Act, the number of shares held includes the shares of the shareholders and the shares that they transferred to a trustee and for which they have the right to determine the application. For more information on the declaration of insider shares, refer to the MOPS.

XIV. Segment Information

Please refer to the consolidated financial statements 2024.

AbonMax Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2024

Unit: NTD
thousand

Item	Summary	Amount
Cash	Cash on hand	\$ 77
Bank deposits	Demand deposits	377,459
	Deposits denominated in foreign currencies	19,280
	USD588,968.500.00 @32.735	
	Deposits denominated in foreign currencies	<u>3,702</u>
	JPY17,805,717.000.0000 @0.2079	
Total		<u><u>\$ 400,518</u></u>

Statement of Accounts Receivable

Name of Customer	Summary	Amount	Remark
Non-related party			
JI1002	Payment of goods	\$ 7,284	
Others	"	<u>113</u>	The customer amount is less than 5%
Subtotal		7,397	
Less: Allowance for bad debt		<u>(3,549)</u>	
Net amount		<u><u>\$ 3,848</u></u>	

AbonMax Co., Ltd.
Statement of Inventories

December 31, 2024

**Unit: NTD
thousand**

Item	Amount		Remark
	Cost	Net realizable value	
Raw materials	\$ 126	-	Raw materials and materials are replaced
Work in process	121	121	Cost is the net realizable value
Finished goods	480	-	Finished goods, merchandise, and work-in-progress
Inventory of goods	74,688	70,014	The net realizable value is calculated by the estimated selling price less the related costs.
Subtotal	75,415	<u>70,135</u>	
Less: allowance for inventory devaluation and obsolescence loss	<u>(5,280)</u>		
Net amount	<u>\$ 70,135</u>		

AbonMax Co., Ltd.

Statement of changes in investment under equity method

January 1 to December 31, 2024

Unit: NTD thousand

Name	Balance at beginning of period		Increase in the current period		Decrease in Current Period		Balance, end of period			Total market price or equity value			Remark
	Number of stocks	Amount	Number of stocks	Amount	Number of stocks	Amount	Number of stocks	Sharehol ding percenta ge	Amount	Unit price	Total price	Collateral or pledge	
GOAL REACH HOLDINGS LIMITED	-	\$ -	-	-	-	-	-	100.00%	-	-	-	-	
Shenzhen Sungsung Optoelectronics Co., Ltd	-	1,209	-	-	-	1,209	-	- %	-	-	-	-	
AbonMax Green Energy Co., Ltd.	3,100,000	30,212	4,500,000	45,000	-	993	7,600,000	100.00%	74,219	-	74,219	-	
Abonmax Power One Energy Co., Ltd.	20,000	124	200,000	2,000	-	81	220,000	100.00%	2,043	-	2,043	-	
Mingwei Sunlight Co., Ltd.	-	-	1,500,000	15,000	-	127	1,500,000	100.00%	14,873	-	14,873	-	
Xing Da Wang Technology Co., Ltd.	-	-	510,000	5,100	-	174	510,000	51.00%	4,926	-	4,926	-	
Xinli Energy Co., Ltd.	-	-	-	20,257	-	285	-	100.00%	19,972	-	(5,478)	-	Note 2
Liangwei Electricity Co., Ltd.	-	-	8,000,000	173,197	-	-	8,000,000	100.00%	173,197	-	91,291	-	Note 2
Abonmax Power Two Energy Co., Ltd.	-	-	20,000	200	-	3	20,000	100.00%	197	-	197	-	
		<u>\$ 31,545</u>		<u>260,754</u>		<u>2,872</u>			<u>289,427</u>		<u>182,071</u>		

Note 1: The “market price or total equity” column refers to the net equity value calculated based on the financial statements of the company.

Note 2: The difference between the purchase cost and the net equity value is due to goodwill.

AbonMax Co., Ltd.

**Statement of financial assets measured at fair value through other
comprehensive income – non-current**

January 1 to December 31, 2024

Unit: NTD thousand

Name	Beginning of period		Increase in the current period		Decrease in Current Period		End of the period		Collateral or pledge	Remark
	Number of shares or sheets	Fair value	Number of shares or sheets	Amount	Number of shares or sheets	Amount	Number of shares or sheets	Fair value		
HUAI I PRECISION TECHNOLOGY CO., LTD.	582,800	\$ 11,358	-	-	-	4,172	582,800	7,186	-	
CAREMAN TECHNOLOGY CO., LTD.	1,000,000	545	-	44	-	-	1,000,000	589	-	
SYNCVISION TECHNOLOGY CORPORATION	400,000	<u>2,884</u>	-	<u>-</u>	-	<u>744</u>	400,000	<u>2,140</u>	-	
		<u>\$ 14,787</u>		<u>44</u>		<u>4,916</u>		<u>9,915</u>		

AbonMax Co., Ltd.
Statement of short-term loans
December 31, 2024

Unit: NTD thousand

<u>Type of loan</u>	<u>Description</u>	<u>Balance, end of period</u>	<u>Contract period</u>	<u>Interest rate range</u>	<u>Financing facilities</u>	<u>Mortgage or Guarantee</u>	<u>Remark</u>
Bank loans	Bank A	\$ 23,356	113.10.28~114.2.25	6.45%	30,000	Yes	
	Bank B	-			30,000	Yes	
		<u><u>\$ 23,356</u></u>					

AbonMax Co., Ltd.
Statement of Other Payable Notes
December 31, 2024

Unit: NTD
thousand

Name of Customer	Summary	Amount	Remark
AO2128	Purchase of equity	<u><u>\$ 51,959</u></u>	

AbonMax Co., Ltd.
Statement of Long-term loans
December 31, 2024

Unit: NTD thousand

<u>Creditors</u>	<u>Summary</u>	<u>Amount of loan</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Mortgage or Guarantee</u>	<u>Remark</u>
Bank B	Financial	\$ 8,733		3.37%	Yes	
	institutions		113.10.30~115.10.30			
Less: Long-term borrowings with maturity of less than one year		<u>(4,697)</u>				
Total		<u><u>\$ 4,036</u></u>				

AbonMax Co., Ltd.
Statement of Operating Revenue
January 1 to December 31, 2024

Unit: NTD
thousand

Item	Quantity	Amount	Remark
Optical panel		\$ 293,937	
Others		<u>12,275</u>	
		<u>\$ 306,212</u>	

AbonMax Co., Ltd.
Statement of operating cost
January 1 to December 31, 2024

Unit: NTD
thousand

Item	Amount
A Cost of purchase and sale	
1. Inventory at the beginning of the period	\$ 36,860
2. Add: Current net purchase	313,784
3. Ending inventory	<u>(74,688)</u>
4. Cost of purchase and sale	<u>275,956</u>
B Production and sales cost	
(I) 1. Inventory at the beginning of period	4,314
2. Add: Net purchase in the current period	-
3. Less: Re-sale of materials	(2,914)
4. Less: Reclassified to expenses	(15)
5. Ending materials	<u>(126)</u>
6. Consumption of materials	<u>1,259</u>
(II) Direct labor	26
(III) Manufacturing cost	<u>2,111</u>
(IV) Production cost	3,396
(V) Inventory of work-in-progress at the beginning of the period	121
(VI) Inventory of work-in-progress at end of period	(121)
(VII) Add: Reclassification of finished goods	<u>-</u>
(VIII) Add: Merchandise transferred to production	<u>8,724</u>
(IX) Cost of finished goods	12,120
(X) Storage of finished goods at the beginning of period	2,102
(XI) Finished goods at the end of period	(480)
(XII) Less: Reclassified to expenses	(51)
Production and sales cost	13,691
C Other operating costs	
Reselling raw materials	2,914
Inventory devaluation and obsolescence loss	(2,798)
Income from selling waste scraps	(123)
Unallocated fees	<u>9,305</u>
Operating costs	<u><u>\$ 298,945</u></u>

AbonMax Co., Ltd.
Statement of marketing expenses
January 1 to December 31, 2024

Unit: NTD
thousand

Item	Summary	Amount	Remark
Payroll expense		\$ 14,341	
Depreciation of various items		2,980	
Warehouse and storage fees		2,816	
Others		<u>5,502</u>	The amount of a single transaction is less than 5%
Total		<u><u>\$ 25,639</u></u>	

Statement of Management Fees

Item	Summary	Amount	Remark
Payroll expense		\$ 40,667	
Labor service expense		5,988	
Miscellaneous expenses		5,704	
Depreciation of various items		3,516	
Others		<u>6,816</u>	The amount of a single transaction is less than 5%
Total		<u><u>\$ 62,691</u></u>	

AbonMax Co., Ltd.
Statement of R&D Expenditures
January 1 to December 31, 2024

Unit: NTD
thousand

Item	Summary	Amount	Remark
Payroll expense		\$ 3,941	
Miscellaneous purchases		3,753	
Labor service expense		3,639	
Others		<u>1,370</u>	The amount of a single transaction is less than 5%
Total		<u><u>\$ 12,703</u></u>	

Note 1: Please refer to Note 6(7) for the statement of changes in property, plant and equipment in detail.

Note 2: Please refer to Note 6(8) for the statement of changes in the right-of-use assets in detail.

Note 3: Please refer to Note 6(9) for the statement of other current assets and non-current assets in detail.

Note 4: For details of other receivables, other current and non-current financial assets, please refer to Note 6(10).