Stock Code: 3583

SCIENTECH CORPORATION

Parent Company Only Financial Statement and Independent Auditors' Report
2024 and 2023

Address:11th Floor, No. 208, Ruiguang Road,
Neihu District, Taipei City
Tel: (02)8751-2323

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

§Table of Contents§

Independent Auditors' Report

SCIENTECH CORPORATION The Board of Directors and Shareholders:

Audit opinion

SCIENTECH CORPORATION's Parent Company Only Balance Sheets as of December 31, 2024 and 2023, and the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows for the period from January 1 through December 31, 2024 and 2023, and the notes to the parent company only financial statements (including the summary of significant accounting policies), have been audited by our accountants.

In our opinion, the aforementioned parent company only financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and they fairly present the financial position of SCIENTECH CORPORATION as of 31 December 2024 and 2023, and its financial performance and cash flows for the periods from 1 January to 31 December 2024 and 2023.

Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Parent Company Only Financial Statements section of our report. The personnel of our affiliated firm have adhered to the International Code of Ethics for Professional Accountants (IESBA Code), maintaining impartial independence with SCIENTECH CORPORATION and fulfilling other responsibilities under the code. 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 matters that, in our professional judgment, were of most significance in the audit of the SCIENTECH CORPORATION parent company only financial statements for the year 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these issues.

The key audit matters of the individual financial statements of SCIENTECH CORPORATION for the year 2024 are stated as follows:

Revenue recognition

SCIENTECH CORPORATION in the year 2024, due to the operating revenue from agency and manufacturing of machines being significant to the overall financial statements, recognizes machine revenue upon fulfillment of performance obligations. Since the Company may recognize sales revenue without meeting the recognition criteria for souvenir (merchandise) revenue, it is classified as a key audit matter.

Our main audit procedures to address the said matter included testing the effectiveness of the design and implementation of the internal control system pertaining to the recognition of machinery sale and discussing with the management about whether the accounting policy for revenue recognition is appropriate and consistently adopted; we also sampled customer sales documents to verify the transaction terms on the order or sale contract and check the acceptance certificate signed off by customers, so as to assess the correctness of the recognized revenue.

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

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

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

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

Auditors' Responsibilities for the Parent Company Only Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also conduct the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the SCIENTECH CORPORATION′s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCIENTECH CORPORATION′s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor′s report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor′s report. However, future events or conditions may cause the SCIENTECH CORPORATION to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures and whether or not the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within SCIENTECH CORPORATION to express an opinion on the parent company only financial statements. The auditor is responsible for directing, supervising, and executing the audit engagement and for forming the audit opinion of SCIENTECH CORPORATION.

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

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

We determined the key audit matters for the audit of the 2024 individual financial statements of SCIENTECH CORPORATION from the matters communicated with those charged with governance. 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.

Deloitte & Touche Taiwan

CPA: HUI-MIN HUANG	CPA: YU-CHENG HSIN
Approval No. from the Financial Supervisory Commission Financial-Supervisory-Securities-Auditing-Order No.1070323246	Approval No. from the Financial Supervisory Commission Financial-Supervisory-Securities-Auditing-Order No.1120349008

27 February 2025

SCIENTECH CORPORATION

Parent Company Only Balance Sheets

December 31, 2024 and 2023

Unit: NT$ thousand

		31 December 2024		31 December 2023	
Code	Assets	Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 4,544,695	23	$ 2,948,723	20
1110	Current financial assets at fair value through profit or loss(Notes 4 and 7)	2,480	-	7,529	-
1170	Notes receivable and accounts receivable (Notes 4, 9, and 20)	510,990	3	534,241	4
1180	Accounts receivable - related parties (Notes 4, 9, 20, and 27)	5,312	-	11,797	-
130X	Inventories (Notes 4, 10, 24, and 27)	9,246,466	46	7,319,127	49
1410	Prepayments	666,527	3	730,499	5
1470	Other current assets (Notes 14, 27, and 28)	18,046	-	13,631	-
11XX	Total current assets	14,994,516	75	11,565,547	78
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (Notes 4 and 8)	279,028	2	210,136	1
1550	Investments accounted for using equity method (Notes 4 and 11)	2,350,648	12	1,278,290	9
1600	Property, plant and equipment (Notes 4, 12, and 24)	1,593,816	8	1,489,494	10
1755	Right-of-use assets (Notes 4 and 13)	77,314	-	69,012	1
1785	Patent right (Note 4)	1,698	-	2,036	-
1840	Deferred income tax assets (Notes 4 and 22)	241,405	1	156,534	1
1915	Prepayments for equipment (Note 12)	455,810	2	67,518	-
1975	Net defined benefit assets (Notes 4 and 18)	1,764	-	1,778	-
1990	Other non-current assets (Note 14)	50,265	-	39,553	-
15XX	Total non-current assets	5,051,748	25	3,314,351	22
1XXX	Total Assets	$ 20,046,264	100	$ 14,879,898	100
Code	Liabilities and Stockholders′ Equity				
	Current liabilities				
2100	Short-term borrowings (Note 15)	$ 563,221	3	$ 296,529	2
2130	Contract liability (Notes 4, 20 , and 27)	10,832,711	54	8,243,994	56
2170	Notes payable and accounts payable (Note 27)	1,206,423	6	1,346,615	9
2219	Other payables (Notes 12, 17, and 27)	642,326	3	466,934	3
2230	Current income tax liabilities (Notes 4 and 22)	92,387	1	126,254	1
2252	Short-term warranty provision (Note 4)	56,330	-	32,110	-
2280	Lease liabilities (Notes 4, 13, and 27)	14,363	-	9,169	-
2399	Other current liabilities	28,231	-	15,916	-
21XX	Total current liabilities	13,435,992	67	10,537,521	71
	Non-current liabilities				
2530	Bonds payable (Notes 4 and 16)	1,145,654	6	-	-
2570	Deferred income tax liabilities (Notes 4 and 22)	315,374	1	134,634	1
2580	Lease liabilities (Notes 4, 13, and 27)	66,333	-	62,718	-
2620	Long-term accounts payable to related parties (Notes 27)	120,906	1	155,772	1
25XX	Total non-current liabilities	1,648,267	8	353,124	2
2XXX	Total liabilities	15,084,259	75	10,890,645	73
	Equity (Notes 4 and 19)				
3110	Capital stock	803,280	4	803,280	5
3200	Capital surplus	917,777	5	685,901	5
	Retained earnings				
3310	Legal reserves	439,166	2	375,378	3
3320	Special reserve	-	-	33,380	-
3350	Unappropriated earnings	2,641,716	13	2,066,113	14
3300	Total retained earnings	3,080,882	15	2,474,871	17
	Other equity				
3410	exchange differences on translation of foreign financial statements	55,395	-	(10,578)	-
3420	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	104,671	1	35,779	-
3400	Total other equity interests	160,066	1	25,201	-
3XXX	Total stockholders′ equity	4,962,005	25	3,989,253	27
	Total Liabilities and Equity	$ 20,046,264	100	$ 14,879,898	100

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

Chairman of the Board: HUNG-LIANG HSIEH Manager: MING-CHI HSU Accounting Manager: SHAO-CHE CHUANG

SCIENTECH CORPORATION

Parent Company Only Statements of Comprehensive Income

From January 1 to December 31, 2024 and 2023

Unit: NTD Thousand, except Earnings per share is dollars

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Operating revenue (Notes 4, 20, and 27)				
4100	Goods sales revenue	$ 5,609,341	97	$ 3,800,173	96
4600	Services revenue	173,936	3	138,898	4
4800	Other operating revenue	10,430	-	9,151	-
4000	Total operating revenue	5,793,707	100	3,948,222	100
5000	Operating costs (Notes 10, 21, and 27)	4,204,993	72	2,596,663	66
5900	gross profit from operations	1,588,714	28	1,351,559	34
5910	Realized (unrealized) gains on transactions with associates (Notes 4 and 11)	5,154	-	(4,791)	-
5950	Realized operating gross profit	1,593,868	28	1,346,768	34
	Operating expenses (Notes 4, 9, 21, and 27)				
6100	Marketing expenses	810,002	14	532,868	14
6200	General and administrative expenses	154,391	3	136,554	3
6300	R&D expenses	376,687	6	340,589	9
6000	Total operating expenses	1,341,080	23	1,010,011	26
6900	Operating Income	252,788	5	336,757	8
	Non-operating income and expenses				
7010	Other income (Notes 4, 8, and 27)	14,216	-	34,758	1
7020	Other gains and losses (Note 4)	1,556	-	(2,542)	-

(Continued)

(Continued)

Code		2024 Amount	2024 %	2023 Amount	2023 %
7030	Gains on disposals of investments(Notes 11)	$ -	-	$ 80,634	2
7050	Financial cost (Notes 4, 21, and 27)	(20,347)	-	(4,529)	-
7070	Share of profit or loss of associates and subsidiaries accounted for using equity method (Notes 4 and 11)	772,773	13	268,068	7
7100	Interest revenue (Notes 4 and 27)	84,121	1	64,062	1
7630	Exchange gains or losses (Notes 4 and 30)	26,286	1	(7,617)	-
7670	Impairment loss (Notes 4 and 12)	-	-	(916)	-
7000	Total non-operating income and expenses	878,605	15	431,918	11
7900	Net profits before tax	1,131,393	20	768,675	19
7950	Income tax expenses (Notes 4 and 22)	204,410	4	118,373	3
8200	Net profit in the current year	926,983	16	650,302	16
	Other comprehensive income (Note 4)				
	Items that will not be reclassified to profit or loss				
8311	Re-measurements of defined benefit plans (Note 18)	426	-	(217)	-
8316	Unrealized valuation gains or losses on investment in equity instruments at fair value through other comprehensive income	68,892	1	71,574	2
8349	Income tax related to items that will not be reclassified (Note 22)	(86)	-	43	-
8310		69,232	1	71,400	2

(Continued)

(Continued)

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Items that will be reclassified to profit or loss				
8380	Share of other comprehensive income of associates and subsidiaries accounted for using equity method (Note 11)	$ 82,466	1	($ 16,389)	-
8399	Income tax related to items that might be reclassified (Note 22)	(16,493)	-	3,283	-
8360		65,973	1	(13,106)	-
8300	Other comprehensive income (net after tax)	135,205	2	58,294	2
8500	Total comprehensive income for the year	$ 1,062,188	18	$ 708,596	18
	Earnings per share (Note 23)				
9710	Basic	$ 11.54		$ 8.10	
9810	Diluted	$ 11.36		$ 8.05	

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

Chairman of the Board:	Manager:	Accounting Manager:
HUNG-LIANG HSIEH	MING-CHI HSU	SHAO-CHE CHUANG

SCIENTECH CORPORATION

Parent Company Only Statements of Changes in Equity

From January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

		Capital stock			Retained earnings			Other equity			
Code		Thousand shares	Amount	Capital surplus	Legal reserves	Special reserve	Unappropriated earnings	Foreign operations Translation of Financial Statements Exchange differences	Through other total Profit or loss at fair value Valuation of Equity instruments Unrealized investment Valuation gains or losses	Treasury stock	Total stockholders' equity
A1	January 1, 2023 balance	81,139	$ 811,390	$ 728,964	$ 318,368	$ 14,306	$ 1,793,497	$ 2,415	($ 35,795)	($ 50,659)	$ 3,582,486
M3	proceeds from disposal of investments accounted for using equity method	-	-	(12,761)	-	-	-	113	-	-	(12,648)
	Earning appropriation for 2022										
B1	Legal reserves	-	-	-	57,010	-	(57,010)	-	-	-	-
B3	special reserve appropriated	-	-	-	-	19,074	(19,074)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(289,181)	-	-	-	(289,181)
L3	Retirement of treasury share	(811)	(8,110)	(30,302)	-	-	(12,247)	-	-	50,659	-
D1	2023 net profit	-	-	-	-	-	650,302	-	-	-	650,302
D3	2023 other comprehensive income (loss), net of income tax	-	-	-	-	-	(174)	(13,106)	71,574	-	58,294
Z1	31 December 2023 balance	80,328	803,280	685,901	375,378	33,380	2,066,113	(10,578)	35,779	-	3,989,253
	2023 earning appropriation										
B1	Legal reserves	-	-	-	63,788	-	(63,788)	-	-	-	-
B3	Special reserve	-	-	-	-	(33,380)	33,380	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(321,312)	-	-	-	(321,312)
C5	Issuance of convertible corporate bonds recognized as part of equity item	-	-	231,876	-	-	-	-	-	-	231,876
D1	2024 net profit	-	-	-	-	-	926,983	-	-	-	926,983
D3	2024 other comprehensive income (loss), net of income tax	-	-	-	-	-	340	65,973	68,892	-	135,205
Z1	31 December 2024 balance	80,328	$ 803,280	$ 917,777	$ 439,166	$ -	$ 2,641,716	$ 55,395	$ 104,671	$ -	$ 4,962,005

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

Chairman of the Board: HUNG-LIANG HSIEH   Manager: MING-CHI HSU   Accounting Manager: SHAO-CHE CHUANG

SCIENTECH CORPORATION

Parent Company Only Statements of Cash Flows

From January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Net profits before tax	$ 1,131,393	$ 768,675
A20010	reconcile profit item		
A20100	Depreciation	127,347	113,237
A20200	Amortization expense	338	338
A20300	Expected credit reversal of impairment loss recognized in profit or loss	(7,559)	(7,449)
A20900	Financial cost	20,347	4,529
A21200	Income from interests	(84,121)	(64,062)
A21300	Dividend Income	(4,045)	(3,998)
A20400	Net loss (gain) of financial assets measured at fair value through profit or loss	(2,794)	248
A22300	Share of profit or loss of associates and subsidiaries accounted for using equity method	(772,773)	(268,068)
A22500	loss on disposal of property, plant and equipment	8	-
A23100	Gain on disposal of investments	-	(80,634)
A23700	Impairment loss on non-financial assets	436,917	202,135
A23900	Unrealized (Realized) losses (gains) on transactions with associates	(5,154)	4,791
A24100	Unrealized foreign exchange loss (Gain)	35,383	(53,306)
A29900	Defined benefit cost	599	(22)
A30000	Net changes in operating assets and liabilities		
A31150	notes and accounts receivable	39,481	120,639
A31160	Accounts receivable - related parties	7,554	(7,429)
A31200	Inventories	(2,395,136)	(3,855,221)
A31230	Prepayments	63,972	749,889
A31240	other current assets	(3,457)	(2,287)
A32125	Contract liabilities	2,588,717	3,774,702

(Continued)

(Continued)

Code		2024	2023
A32150	Notes payable and accounts payable	(168,896)	(391,479)
A32180	Other payables	145,318	29,983
A32200	short-term warranty provision	24,220	(450)
A32230	Other current liabilities	12,315	(1,189)
A32240	Net defined benefit liabilities (assets)	(159)	(131)
A33000	Cash flow from operating activities	1,189,815	1,033,441
A33100	Interest received	$ 84,121	$ 64,062
A33300	Interest paid	(7,594)	(4,583)
A33500	Income taxes paid	(158,987)	(133,328)
AAAA	Net cash flows from (used in) operating activities	1,107,355	959,592
	Cash Flow from Investing Activities		
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	7,385	38,716
B01800	Acquisition of long-term equity investments accounted for using the equity method	(215,133)	(9,970)
B01900	Disposal of long-term equity investments accounted for using the equity method.	3,167	48,940
B02700	Acquisition of property, plant and equipment	(546,555)	(56,659)
B06700	Increase in other non-current assets	(10,712)	(7,225)
B07600	Dividends received	4,045	3,998
BBBB	Net cash flows from (used in) investing activities	(757,803)	17,800
	Cash Flow from Financing Activities		
C00100	Increase in short-term borrowings	657,608	326,684
C00200	Decrease in short-term borrowings	(401,761)	(449,363)
C01200	proceeds from issuing bonds	1,365,243	-
C03700	increase in other payable to related parties (decrease)	(38,943)	198,207
C04020	Repayment of principal of lease liabilities	(14,415)	(7,618)
C04500	Cash dividends paid	(321,312)	(289,181)
CCCC	Net cash flows from financing activities (used in)	1,246,420	(221,271)

(Continued)

(Continued)

Code		2024	2023
EEEE	Increase in cash and cash equivalents	1,595,972	756,121
E00100	Cash and cash equivalents - beginning of year	2,948,723	2,192,602
E00200	Cash and cash equivalents - end of year	$ 4,544,695	$ 2,948,723

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

Chairman of the Board:	Manager:	Accounting Manager:
HUNG-LIANG HSIEH	MING-CHI HSU	SHAO-CHE CHUANG

SCIENTECH CORPORATION
Notes to the Parent Company Only Financial Statements
From January 1 to December 31, 2024 and 2023
(All amounts are in NT$ thousand unless otherwise specified)

1. Company History

SCIENTECH CORPORATION (the Company) was incorporated in October 1979. Mainly engaged in the research and development, production, sales, and maintenance of process equipment for semiconductors, liquid crystal displays (LCDs), light-emitting diodes (LEDs), and solar power generation; wafer reclaim; and general import and export, the Company was listed on the Taiwan Stock Exchange (TWSE) in March 2013.

The Parent Company Only Financial Statement is stated in the functional currency of the Company, which is New Taiwan Dollars.

2. Date and procedures of approval of the financial statements

The Parent Company Only Financial Statement was approved at the Board meeting on 27 February 2025.

3. Application of New Standards, Amendments, and Interpretations

(I) First-time application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations (IFRIC), and SIC interpretations (SIC) (hereinafter collectively referred to as "IFRSs") approved and promulgated by the Financial Supervisory Commission (hereinafter referred to as "FSC") won't cause any material changes to the Company's accounting policies.

(II) 2025 applicable IFRS Accounting Standards approved by the Financial Supervisory Commission

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

Note 1: The amendments shall apply to the annual reporting period beginning on or after January 1, 2025. When the amendment is applied for the first time, comparative periods should not be restated. Instead, the effect should be recognized in the retained earnings or exchange differences of foreign operations under equity (as appropriate) and the related affected assets and liabilities on the date of initial application.

Note 2: The amendments shall apply to the annual reporting period beginning on or after January 1, 2026, and companies may also choose to apply early on January 1, 2025. When the amendment is applied for the first time, it should be applied retrospectively without restating the comparative period, and the effect of the initial application is recognized on the date of initial application. However, if the entity can restate without the use of hindsight, it may choose to restate the comparative periods.

As of the date when the Parent Company Only Financial Statement was approved and issued, the Company assessed the said amended standards and interpretations and found them to have no significant effects on the Company′s financial position and financial performance.

(III) IFRS Accounting Standards issued by the IASB but not yet approved and promulgated by the FSC

Application of New Standards, Amendments, and Interpretations	Effective Date Announced by IASB (Note)
"Annual Improvements to IFRS Accounting Standards － Volume 11"	1 January 2026
Amendments to IFRS 9 and IFRS 7, "Amendments to Classification and Measurement of Financial Instruments" related to the application guidance on the derecognition of financial liabilities	1 January 2026
Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”	1 January 2026
Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023

Application of New Standards, Amendments, and Interpretations	Effective Date Announced by IASB (Note)
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	1 January 2027
IFRS 19 "Disclosure of Non-publicly Accountable Subsidiaries: Disclosure"	1 January 2027

Note: Unless specified, the above-mentioned new/amended/revised standards or interpretation shall become effective in the annual reporting periods beginning on or after each effective date.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1, "Presentation of Financial Statements," with the main changes including:

1. The income statement should categorize income and expense items into operating, investing, financing, income tax, and discontinued operations types.
2. The income statement should report operating profit and loss, pre-tax profit before financing, as well as subtotals and totals of profit and loss.
3. Provide guidance to enhance aggregation and disaggregation requirements: The Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics to ensure that each line item reported in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Company labels these items as "Others" only when no more informative labeling can be identified.
4. Increase disclosure of management-defined performance measures: The Company should disclose information related to management-defined performance measures in a single note to the financial

statements when engaging in public communication outside the financial statements and communicating management's perspective on a certain aspect of the Company's overall financial performance to users of the financial statements. This includes a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified by IFRS accounting standards, and the effects of related reconciliation items on income tax and non-controlling interests.

Up to the release date of the Parent Company Only Financial Statement, the Company continues to assess the effects of the amendments to various standards and interpretations on the financial position and performance. The relevant effects will be disclosed after the assessment.

4. Summary of significant accounting policies

(I) Compliance statement

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

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of the plan assets, the parent company only financial statements were prepared on the basis of historical cost.

Fair value measurements are classified into Level 1, 2, and 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: The quoted price in an active market for identical assets or liabilities that is accessible on the measurement date (before adjustment).
2. Level 2 inputs: Other than quoted prices included in Level 1, the inputs that are observable for assets or liabilities directly (i.e. the price) or indirectly (i.e. inferred from the price).

3. Level 3 inputs: The inputs that are not observable for assets or liabilities.

When preparing the parent company only financial statements, the Group accounted for subsidiaries and associates using the equity method. To align the profit or loss, other comprehensive income, and equity in the parent company only financial statements with those attributable to owners of the Company stated in the consolidated financial statements, any differences resulting from the difference between parent company only basis and consolidated basis are adjusted through "Investment accounted for using equity method", "Share of profit or loss of associates and subsidiaries", "Share of other comprehensive income of subsidiaries and associates accounted for using equity method", and other related equity items.

(III) Criteria for classification of assets and liabilities as current or non-current

Current assets include:

1. Assets that are held mainly for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding those that are restricted for being used for exchange or settlement of liabilities within 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities that are held mainly for trading purposes;
2. Liabilities that will be settled within 12 months after the balance sheet date; and
3. Liabilities for which there is no substantive right to extend the due date to more than 12 months after the balance sheet date.

Assets or liabilities that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

When preparing the financial statements, the Company translated the transactions denominated in currencies other than its functional currency (i.e., foreign currencies) into its functional currency by applying the exchange rate prevailing on the transaction date.

Monetary items in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized in the profit or loss of the period.

Non-monetary items in foreign currencies measured at fair value are translated at the exchange rate prevailing on the date the fair value was determined. The exchange differences resulting therefrom are recognized in profit or loss of the period, or in other comprehensive income when changes in fair value of such items were designated to be recognized in other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the date of transaction and are not retranslated.

During preparation of the parent company only financial statements, the assets and liabilities of the Company′s foreign operations (including the subsidiaries, associates, or branch companies of which the countries they operate or the currencies they use are different from those of the Company) are translated into NTD at the exchange rate prevailing on each balance sheet date. The income and expense items are translated at the average exchange rate of the period, and the exchange differences resulting therefrom are recognized in other comprehensive income.

(V) Inventories

Inventories include raw materials, work-in-progress, finished goods, and products. Inventories are measured at the lower of cost and net realizable value. Cost and net realizable values are compared on an item by item basis, except inventories of the same category. Net realizable value refers to the estimated selling price in a normal situation less the estimated cost needed to complete the work and the estimated cost needed to complete the sale. The weighted average method is used to calculate the inventory cost.

(VI) Investment in subsidiary

The Company accounted for investment in subsidiaries using the equity method.

A subsidiary refers to an entity controlled by the Company.

Under the equity method, the investment is initially recognized at its costs and the amount of increase or decrease in the carrying amount of such investment after the date of acquisition depends on profits distributed and the Company′s shares of profit/loss and other comprehensive income in the subsidiaries. In addition, changes in subsidiaries′ other equity attributable to the Company are recognized according to the shareholding percentage.

(VII) Investment in associates

An associate refers to a company over which the Company has a significant influence and which is not a subsidiary or joint venture.

The Company accounted for investments in associates using the equity method.

Under the equity method, the investment in associates is initially recognized at its costs and the amount of increase or decrease in the carrying amount of such investment after the date of acquisition depends on the profits distributed and the Company′s shares of profit/loss and other comprehensive income in the associates and joint ventures. In addition, changes to the Group′s equity in the associates are recognized based on our shareholding ratio.

When the affiliated enterprise issues new shares and the Company does not subscribe according to its shareholding ratio, resulting in a change in the shareholding ratio and consequently a change in the net equity value of the investment, the increase or decrease is adjusted in capital surplus — the change in net equity value of the affiliated enterprise recognized under the equity method and investments accounted for using equity method. However, if the failure to subscribe or acquire according to the shareholding ratio results in a reduction of ownership equity in the affiliated enterprise, the amounts recognized in other comprehensive income related to the affiliated enterprise are reclassified according to the reduction ratio. The accounting treatment is based on the same basis as that required for the direct disposal of relevant assets or liabilities by the affiliated enterprise. If the aforementioned adjustment requires a debit to capital surplus, and the balance of capital surplus generated from investments accounted for using equity method is insufficient, the difference is debited to retained earnings.

When the Company′s shares of losses in the associates are equal to or exceed its equity in the associates (including the carrying amount of investment in the associate under the equity method and other long-term equities that in nature are part of the net investment portfolio made by the Company in the associate concerned), the Company does not recognize further losses. The Company recognizes additional losses and liabilities only when any legal obligation or constructive obligation is incurred or the Company made payment on behalf of the associates.

For impairment evaluation, the Company tests the entire investment book value for impairment as a single asset by comparing the recoverable amount and book value of the investment. Any recognized impairment loss is also part of the investment book value. Any reversal of the impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

The Company ceases to adopt the equity method from the date its investment ceases to be an affiliate, and its retained interest in the former affiliate is measured at fair value. The difference between the fair value and the price of disposal and the carrying amount of the investment on the date of cessation of the equity method is stated as included in the current year's profit or loss. In addition, all amounts recognized in other comprehensive income related to the affiliated enterprise shall be accounted for on the same basis as the basis for the direct disposal of the relevant assets or liabilities by the affiliated enterprise.

The profit or loss generated from the upstream, downstream, and side stream transactions between the Company and the associates is recognized in the parent company only financial statements only when such profit or loss is irrelevant to the Company′s equity in the associates.

(VIII) Property, plant and equipment

Property, plant, and equipment are initially recognized at cost and subsequently at cost net of accumulated depreciation and accumulated impairment.

Except for the self-owned land, which is not depreciated, each significant part of the property, plants, and equipment is separately depreciated on the straight-line basis over their useful life. The Consolidated Company reviews the estimated useful life, residual value, and method of depreciation at least once before the end of each year and prospectively recognizes the effect from changes in accounting estimates.

When property, plant, and equipment is disposed of, the difference between the net disposal proceeds and the asset book value is recognized in profit or loss.

(IX) Patent right

Patent rights acquired separately are initially measured in accordance with the cost and subsequently based on the cost net of accumulated amortization and impairment losses. Patent rights are amortized on the straight-line basis over their useful life. The Company reviews the estimated useful life, residual value, and method of amortization at least once before the end of each year and prospectively recognizes the effects of changes in accounting estimates.

(X) Impairments of property, plant, and equipment, right-of-use assets, and intangible assets

The Company assesses whether there are any signs indicating that any property, plant, and equipment, right-of-use assets, or intangible assets might be impaired on each balance sheet date. If any such indication exists, then the asset′s recoverable amount is estimated. When the recoverable amount of individual assets cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong. Corporate assets are allocated on a reasonable and consistent basis to the smallest group of cash-generating units

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of any individual assets or cash-generating units is less than the book value, the book value of the individual assets or cash-generating units is adjusted down to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is reversed subsequently, the book value of the asset or cash-generating unit is adjusted up to the revised recoverable amount. However, the increased book value shall not exceed the book value that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are initially recognized in the parent company only balance sheet when the Company becomes a party to the instrument contract.

Financial assets or financial liabilities other than those measured at fair value through profit or loss are initially recognized at the fair value plus the transaction costs that can be directly attributed to acquisition or issuance of such financial assets or liabilities. Any transaction cost directly attributable to the acquisition or issuance of the financial assets or financial liabilities measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Routine transactions of financial assets are recognized and derecognized on the trade date accounting.

(1) Type of measurement

The Company′s financial assets include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and investment in equity instrument measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss refer to those mandatorily measured at fair value through profit and loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated to be measured at fair value through other comprehensive profit or loss, and investments in debt instruments not qualified for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value; the dividends and interest derived therefrom are recognized in other income and interest income, respectively. Gains or losses from re-measurement are recognized in other gains and losses.

B. Financial assets at amortized cost

When the Company's invested financial assets meet both of the following two conditions, they are classified as financial assets measured at amortized cost:

a. The financial assets are held within a business model whose objective is collecting contractual cash flows; and

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

After the initial recognition, the financial assets measured at amortized cost (including cash and cash equivalents and receivables [including those due from related party]) are measured at the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any gain or loss from foreign currency translation is recognized in profit or loss.

Interest income is calculated as the effective interest rate times the total book value of financial assets, except under the following two circumstances:

a. For purchased or originated credit-impaired financial assets, the interest income is calculated as the credit-adjusted effective interest rate times the amortized cost of the financial assets.

b. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, the interest income is calculated as the effective interest rate times the amortized cost of the financial assets, in all subsequent periods following the period in which the impairment occurred.

Financial assets are deemed to be credit-impaired upon the occurrence of significant financial difficulties confronting the issuer or debtor; default; or the circumstance that the debtor is likely to file for bankruptcy or other financial reorganization.

Cash equivalents include time deposits that are highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value, and that mature within three months after the acquisition date; cash equivalents are used to meet short-term cash commitments.

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

At initial recognition, the Company may make an irrevocable election to measure the investment in equity instruments that are held not for trading, that are not recognized by the acquirer in a business merger, and that have no consideration, at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity.

The dividends derived investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company′s right to receive dividends is determined, except under the circumstance that such dividends apparently represent a partial return of the investment cost.

(2) Impairment of financial assets

The Company assesses impairment losses on the financial assets (including accounts receivable [including those due from related parties]) measured at amortized cost based on the expected credit losses on each balance sheet date.

Receivables (including those due from related parties) are recognized with a loss allowance based on lifetime ECLs. The Group first assess whether the credit risk on other financial assets significantly has increased after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized at the 12-month expected credit losses; when the increase is significant, the loss allowance is recognized at the lifetime expected credit losses.

Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted when any of the following circumstance occurs, without consideration of the collaterals held:

A. Any internal or external information indicates that a debtor is impossible to pay off the debts.

B. Any contractual payment is overdue, unless any reasonable and supportable information demonstrates that a more lagging default criterion is more appropriate.

The impairment loss on all financial assets is deducted from the book value of the financial assets through their allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred to other entities.

For derecognition of the entire financial assets measured at amortized cost, the differences between the book value and the received consideration are recognized in profit or loss. For derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and not reclassified as profit or loss.

2. Equity instruments

Equity instruments issued by the Company are recognized as the amount of consideration received, less the direct cost of issuance.

When a reacquired equity instrument is originally owned by the Company, the re-acquisition is recognized as a deduction to equity. Purchase, sale, issuance, or cancelation of the equity instruments owned by the Company are not recognized in profit or loss.

3. Financial liabilities

(1)Subsequent measurement

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

(2) Derecognition of financial liabilities

For derecognition of financial liabilities, the differences between the book value and the consideration paid are recognized in profit or loss.

4. Convertible Bonds

The compound financial instruments (convertible bonds) issued by the Company are classified into their respective components as financial liability and equity at initial recognition according to the substance of the contractual agreement and the definition of financial liability and equity instruments.

At initial recognition, the fair value of the components of liabilities is estimated using the market rate of similar non-convertible instruments at that time, and is measured at amortized cost calculated using the effective interest method until conversion or maturity. The component of liabilities embedded with non-equity derivative instruments is measured at fair value.

The conversion rights classified as equity are recognized as the residual amount of the overall fair value of the compound instrument less the fair value of the separately determined liabilities component, after deducting the impact of income tax, and are not subsequently remeasured as equity. Upon the exercise of the conversion right, the relevant portion of the liabilities and the amount in equity will be reclassified into share capital and capital surplus, additional paid-in capital. If the conversion rights of convertible bonds are not exercised by the maturity date, the amount recognized in equity will be transferred to capital surplus, additional paid-in capital.

The transaction costs related to the issuance of convertible bonds are allocated according to the proportion of the total price to the liabilities (included in the book value of liabilities) and the equity component (included in equity).

(XII) Short-term warranty provision

The warranty obligation that ensures agreement between products and agreed specifications is management′s best estimate of the expenditure to settle the Company′s obligations, and is recognized at the time when revenue is recognized for underlying products.

(XIII) Revenue recognition

After identifying the performance obligations under a contract with customers, the Company allocates the transaction price to each performance obligation and recognizes the allocated amount as revenue after each performance obligation is fulfilled. The Company′s revenue comes from equipment trading and wafer reclamation, and is recognized when products are accepted by customers; or when they are shipped or delivered to the place designated by customers, depending on the contractual terms. Before being recognized as revenue, advance receipts are recognized as contract liability.

(XIV) Lease

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

1. The Company is a lessor.

   It is classified as operating lease. Lease payments from an operating lease are recognized as revenue on a straight line basis over the lease term.

2. The Company is a lessee

Lease payments for leases of low-value underlying assets and short-term leases to which the recognition exemption applies are recognized as expenses on a straight-line basis over the lease term, while other leases are recognized as right-of-use assets and lease liabilities at the commencement date of the lease.

The right-of-use assets are initially measured at cost (including the initial recognized amount of lease liabilities), and subsequently measured at the cost net of accumulated depreciation and accumulated impairment losses, adjusted for remeasurements of lease liabilities. Right-of-use assets are separately presented in the parent company only balance sheet.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities is initially measured at the present value of lease payment (fixed payments). If the interest rate implicit in a lease can be readily determined, the lease payments are discounted at the interest rate. When such interest rate cannot be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When future lease payments change as a result of a change in the lease term, the Company re-measures the lease liabilities and adjusts the right-of-use assets accordingly. Lease liabilities are separately presented in the parent company only balance sheet.

(XV) Government grants

Government grants may be recognized only when it is reasonable to ensure that the Company will comply with the conditions incidental to the government grants and the subsidies may be received affirmatively.

Government subsidies related to income are recognized in other income on a systematic basis in the period in which the relevant costs intended to compensate are recognized as expenses by the Company. Government subsidies that are conditioned on the company purchasing, constructing or otherwise acquiring non-current assets are recognized as deferred income, and are transferred to profit or loss during the useful life of the relevant assets on a reasonable and systematic basis.

If the government grants are intended to make up for the expenses or losses that have occurred, or immediately finance the Company without incurring any future cost, such grants are recognized in profit or loss during the period when they can be received.

(XVI) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at non-discounted amount expected to be paid in exchange for the services to be provided by the employees.

2. Post-employment benefit

The pension contributed under the Defined Contribution Pension Plan is recognized in expenses during the period when employees provide services.

Defined benefit cost under the Defined Benefit Pension Plan is calculated actuarially using the projected unit credit method. Service costs and net interest on net defined benefit liabilities are recognized as employee benefit expenses when they are incurred. Remeasurements are recognized in other comprehensive income and presented in retained earnings when they occurred, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit assets represent the appropriation surplus of the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of the refundable contributions from the plan or the reduced future contributions.

(XVII) Income tax

Tax expenses are the total of current income tax and deferred income tax.

1. Current income tax

The additional income tax on undistributed earnings that is calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders′ meeting.

The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the book value of assets and liabilities and the tax basis for calculation of taxable income.

Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when taxable income sufficiently enough to offset the deductible temporary differences is highly likely in the future.

Taxable temporary differences related to investment in subsidiaries and associates are recognized in deferred income tax liabilities except that the Company can control the timing of reversal of the taxable temporary differences and that such differences are not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investments are recognized as deferred tax assets only to the extent that they are likely to have sufficient taxable income to realize the temporary differences and are expected to reverse in the foreseeable future.

The book value of deferred income tax assets is reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have adequate taxable income necessary for the recovery of all or part of the assets anymore, the book value thereof is reduced. Those that are not originally recognized in deferred income tax assets are reviewed at each balance sheet date. When any of those is likely to generate taxable income necessary for the recovery of all or part of the assets in the future, the book value thereof is increased.

Deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized. The tax rate is subject to the tax rate and tax law legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax consequences on the balance sheet date arising from the method that the Company expects to use to recover or settle the book value of the liabilities and assets.

3. Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, or in other comprehensive income if they are related to the current and deferred income taxes designated to be recognized in other comprehensive income.

5. Significant Accounting Judgments, Assumptions, and Major Sources of Estimation Uncertainty

For adoption of the accounting policies, the management, based on historical experience and other relevant factors, must make judgments, estimates, and assumptions related to the information that cannot be readily acquired from other sources. The actual results may differ from those estimates.

When the Company develops significant accounting estimates, it takes the development of climate change and related government policies and regulations and their potential impact on the economic environment into account when making significant accounting estimates for cash flows, growth rate, discount rate, and profitability. The management will continue to review the estimates and basic assumptions.

Through an assessment, the management of the Company does not think an uncertainty exists in material accounting judgments, estimates, or assumptions.

6. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash on hand and working capital	$ 305	$ 305
Bank check and demand deposit	2,301,850	2,272,908
Cash equivalents		
Time deposit whose initial maturity date will be due within 3 months	2,242,540	675,510
	$ 4,544,695	$ 2,948,723

The annual interest rates for bank time deposits whose initial maturity date will be due within 3 months were 1.55% – 4.80% and 5.06% – 5.30% on December 31, 2024 and 2023, respectively.

7. Current financial assets at fair value through profit or loss

	31 December 2024	31 December 2023
Mandatorily at fair value through profit or loss		
Measurement		
Derivative instruments (not designated as hedges)		
- Convertible Bonds Redemption and Repurchase Rights	$ 2,480	$ -
Non-derivative instruments		
- Domestic the emerging stock market FORWARD SCIENCE CORPORATION	-	7,529
	$ 2,480	$ 7,529

In July 2023, the company resigned as the director representative of FORWARD SCIENCE CORPORATION and lost significant influence, thus reclassifying the original investments accounted for using equity method to financial assets measured at Fair value through profit or loss. For relevant information, please refer to Note 11.

8. Financial assets at fair value through other comprehensive income

	31 December 2024	31 December 2023
Investment in equity instruments measured at fair value through other comprehensive income		
Domestic investments		
Private placement shares of listed companies		
SPIROX CORP.	$ 218,098	$ 157,011
Overseas investments		
Shares not traded on TWSE or TPEx		
INFINITESIMA LIMITED	60,930	53,125
	$ 279,028	$ 210,136

The Company invested in the common shares of the aforementioned companies according to its medium-term and long-term strategies, and expected to gain profits through long-term investment. Since the Company's management deemed that the recognition of short-term changes in the investment′s fair value in profit or loss was not consistent with the said long-term investment plan, they opted to have the investment measured at fair value through other comprehensive income.

The Company recognized dividend revenue of NT$4,045 thousand and NT$3,998 thousand in 2024 and 2023, respectively (presented under other income), which is related to the shares held as of December 31, 2024 and 2023.

9. Notes receivable and accounts receivable (including those due from related parties)

	31 December 2024	31 December 2023
Notes receivable	$ 2,260	$ 4,214
Accounts receivable (including those due from related parties)	526,543	561,897
	528,803	566,111
Less: loss allowance	12,501	20,073
	$ 516,302	$ 546,038

The Company′s average credit period for sales of goods is 120 days on average. Accounts receivable paid within 60 days after the invoice date or the sale date won′t be charged any interest. If accounts receivable are not paid within 60 days, the Group will assess the credit status of each individual transaction party on a business month to measure possible gains or losses and reduce possible losses.

The Company recognizes the loss allowance for notes receivable and accounts receivable (including those due from related parties) based on the lifetime expected credit losses. The lifetime expected credit losses are calculated by considering the customer′s default record and current financial position, and the industrial and economic conditions. When there is any evidence showing that the trading counterparty is facing serious financial difficulties and the Company cannot estimate a reasonable recoverable amount, the Company directly writes off related notes receivable and accounts receivable, but will continue recourse activities. Any recovered amount through the recourse activities is recognized in profit or loss.

The Company recognizes the loss allowance for notes receivable and accounts receivable (including those due from related parties) as follows:

31 December 2024

	0～180 天	181～273 天	274～365 天	366～540 天	541～730 天	More than 731 days	T o t a l
Total book value	$ 471,557	$ 23,858	$ 13,914	$ 16,738	$ 1,170	$ 1,566	$ 528,803
Loss allowance (lifetime ECLs)	-	(1,193)	(1,391)	(7,532)	(819)	(1,566)	(12,501)
Amortized cost	$ 471,557	$ 22,665	$ 12,523	$ 9,206	$ 351	$ -	$ 516,302

31 December 2023

	0～180 天	181～273 天	274～365 天	366～540 天	541～730 天	More than 731 days	T o t a l
Total book value	$ 478,853	$ 23,046	$ 41,168	$ 10,929	$ 7,430	$ 4,685	$ 566,111
Loss allowance (lifetime ECLs)	-	(1,152)	(4,117)	(4,918)	(5,201)	(4,685)	(20,073)
Amortized cost	$ 478,853	$ 21,894	$ 37,051	$ 6,011	$ 2,229	$ -	$ 546,038

Notes and accounts receivable (including those due from related parties) information on changes in loss allowance is as follows:

	2024	2023
Balance - beginning of period	$ 20,073	$ 27,522
Less: Reversal of impairment loss for the year	(7,559)	(7,449)
Less: Actual amount written off in the year	(13)	-
Balance - end of year	$ 12,501	$ 20,073

The Company did not hold any collateral against the balance of notes receivables and accounts receivables (including those due from related parties).

Customers who individually account for 10% of the Company's total accounts receivable (including those due from related parties) balance are as follows:

31 December 2024	31 December 2023
Company A	Company A
Company B	-

10. Inventories

	31 December 2024	31 December 2023
Products	$ 7,245,136	$ 5,877,850
Finished-goods	614,282	286,228
Work-in-process	735,288	697,636
Raw materials	651,760	457,413
	$ 9,246,466	$ 7,319,127

	2024	2023
Cost of sales related to inventories	$ 4,204,993	$ 2,596,663
Loss on inventory devaluation	$ 436,917	$ 201,219

11. Investments accounted for using equity method

	31 December 2024	31 December 2023
Investment in subsidiary	$ 2,130,710	$ 1,271,776
Investment in associates	219,938	6,514
	$ 2,350,648	$ 1,278,290

(I) Investment in subsidiary

	31 December 2024	31 December 2023
Non-listed company		
SCIENTECH GMBH	$ 1,676,920	$ 827,309
TRANSCEND CAPITAL CORP.	429,894	416,932
SCIENTECH GMBH	19,932	20,971
ACROMASS TECHNOLOGIES INC.	3,357	3,317
SCIENTECH MATERIALS CORPORATION	-	3,168
NATGEM INC.	607	79
	$ 2,130,710	$ 1,271,776

Except for the profit or loss of SCIENTECH MATERIALS CORPORATION for 2024 and 2023, which was computed based on the financial statements for the same period that were not audited by CPAs, the profit or loss of subsidiaries accounted for using the equity method for 2024 and 2023 was recognized based on their financial statements for the same periods that were audited by CPAs. The management of the Company did not think that not having SCIENTECH MATERIALS CORPORATION's financial statements audited by CPAs would cause any material impact.

The Company approved the liquidation of the subsidiary TRANSCEND CAPITAL CORP through a resolution at the Board meeting in January 2025.

Below are the Company′s ownership interests in subsidiaries and holding of voting shares in percentage terms on the balance sheet date:

	31 December 2024	31 December 2023
SCIENTECH GMBH	100%	100%
TRANSCEND CAPITAL CORP.	100%	100%
SCIENTECH GMBH	100%	100%
ACROMASS TECHNOLOGIES INC.	100%	100%
SCIENTECH MATERIALS CORPORATION (Note)	-	100%
NATGEM INC.	100%	100%

Note：SCIENTECH MATERIALS was dissolved through a resolution reached at the Board of Directors meeting dated 31 August 2021, and the liquidation was completed in May 2024.

(II) Investment in associates

	31 December 2024	31 December 2023
Individually insignificant associates	$ 219,938	$ 6,514

In December 2024, the Company subscribed for 6,723 thousand ordinary shares of YAYA TECHNOLOGIES CORPORATION (YAYA TECHNOLOGIES CORPORATION) with cash of 215,133 thousand, holding a shareholding ratio of 40.34%. The Company's shareholding in

YAYA TECHNOLOGIES CORPORATION did not reach 50%, but it is individually the largest shareholder. After considering the number and dispersion of voting shares held by other shareholders, the Company assessed that the shareholdings are not diffuse. As a result, the Company is not yet able to direct the corporation's relevant activities and thus has only significant influence over it. Therefore, it is regarded as an associate and accounted for using the equity method.

The Company, in January 2025, obtained a majority of board seats at YAYA TECHNOLOGIES CORPORATION, and judged to have substantive control over YAYA TECHNOLOGIES CORPORATION, thus constituting a parent-subsidiary relationship.

Although holding less than 20% of the shares of some individually insignificant associates, the Company has a representative in their board of directors and thus has significant influence over them.

The Company disposed of 936 thousand shares of FORWARD SCIENCE CORPORATION from January to July 2023, with disposal proceeds of 48,940 thousand, and recognized gains on disposals of investments of 35,276 thousand. In July 2023, the Company resigned as a director representative of FORWARD SCIENCE CORPORATION and lost significant influence. The fair value of the remaining 3.25% equity held by the Company as of the disposal date was NT$52,736 thousand. It was reclassified as financial assets measured at Fair value through profit or loss, and a disposal gain of NT$51,600 thousand was recognized.

The said investment accounted for using equity method, and the Company′s share of profit or loss and other comprehensive income in them were computed based on the financial statements not audited by CPAs. However, the management of the Company did not think that not having the financial statements audited by CPAs would cause any material impact.

	2024	2023
The Company′s share		
Net profit (loss) for the year	($ 1,709)	($ 2,836)
Other comprehensive income	-	27
Total comprehensive income	($ 1,709)	($ 2,809)

12. Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction	Total
Cost						
January 1, 2024 balance	$ 582,262	$ 959,538	$ 498,779	$ 55,249	$ 19,736	$ 2,115,564
Increase	-	67,770	97,070	21,031	-	185,871
Decrease	-	(6,155)	(64,016)	(10,574)	-	(80,745)
Reclassification	-	-	30,880	-	-	30,880
31 December 2024 balance	$ 582,262	$ 1,021,153	$ 562,713	$ 65,706	$ 19,736	$ 2,251,570
Accumulated depreciation						
January 1, 2024 balance		$ 378,961	$ 223,256	$ 23,853	$ -	$ 626,070
Depreciation		36,859	63,187	12,375	-	112,421
Decrease		(6,155)	(64,016)	(10,566)	-	(80,737)
31 December 2024 balance		$ 409,665	$ 222,427	$ 25,662	$ -	$ 657,754
Balance as of December 31, 2024	$ 582,262	$ 611,488	$ 340,286	$ 40,044	$ 19,736	$ 1,593,816
Cost						
January 1, 2023 balance	$ 582,262	$ 952,511	$ 483,088	$ 40,869	$ 19,736	$ 2,078,466
Increase	-	22,058	16,825	15,228	-	54,111
Decrease	-	(15,031)	(46,528)	(1,185)	-	(62,744)
Reclassification	-	-	45,394	337	-	45,731
31 December 2023 balance	$ 582,262	$ 959,538	$ 498,779	$ 55,249	$ 19,736	$ 2,115,564
Accumulated depreciation						
January 1, 2023 balance		$ 361,675	$ 206,702	$ 14,340	$ -	$ 582,717
Impairment loss recognized		-	916	-	-	916
Depreciation		32,317	62,166	10,698	-	105,181
Decrease		(15,031)	(46,528)	(1,185)	-	(62,744)
31 December 2023 balance		$ 378,961	$ 223,256	$ 23,853	$ -	$ 626,070
Balance as of December 31, 2023	$ 582,262	$ 580,577	$ 275,523	$ 31,396	$ 19,736	$ 1,489,494

The Company′s property, plant, and equipment is solely for own use.

In 2023, the Company assessed that some of the equipment has no future use demand, so the recoverable amount was assessed as zero. Based on the future recoverable amount of the property, plant and equipment, the Company recognized impairment loss of NT$916 thousand in 2023.

Depreciation is provided on a straight line basis over the following useful lives:

Buildings and structures	
Plant and main structures	20–50 years
Electrical, plumbing & air conditioning equipment	3–10 years
Machinery and equipment	5–10 years
Other facilities	3–5 years

The Company assessed the useful life of each significant component of property, plant, and equipment, and depreciated them individually.

Proceeds for acquisition of property, plant, and equipment include prepayments for equipment and equipment payables;

	2024	2023
Increase in property, plant and equipment	$ 185,871	$ 54,111
increase in prepayments for business facilities	388,292	53,026
Payable on machinery and equipment (presented under other payables) increase	(27,608)	(50,478)
	$ 546,555	$ 56,659

13. Lease agreement

(I) Right-of-use assets

	31 December 2024	31 December 2023
Right-of-use assets, net		
Land	$ 67,190	$ 60,006
Buildings and structures	10,124	8,065
Other facilities	-	941
	$ 77,314	$ 69,012

	2024	2023
Increase in right-of-use assets	$ 23,369	$ 10,596
Depreciation expenses - Right-of-use assets		
Land	$ 5,508	$ 4,578
Buildings and structures	8,477	1,637
Other facilities	941	1,841
	$ 14,926	$ 8,056

Except for the additions and recognized depreciation expense listed above, there was no significant sublease or impairment of the Company's Right-of-use assets in 2024 and 2023.

(II) Lease liabilities

	31 December 2024	31 December 2023
Book value of lease liabilities		
Current	$ 14,363	$ 9,169
Non-current	$ 66,333	$ 62,718

The range of discount rates for lease liabilities is as follows:

	31 December 2024	31 December 2023
Land	2.00%～3.00%	2.00%～3.00%
Buildings and structures	1.50%	0.78%～1.50%
Other facilities	-	0.78%～0.92%

(III) Material lease activities and terms

The Company leased land from Chairman HUNG-LIANG HSIEH to construct buildings as offices under a lease contract that has a lease term of 5 years, will automatically renew upon expiration of a lease term, and gives the Company the option right to rent and buy the buildings. The Company may not sublease or consign the underlying assets of the lease, in whole or in part, unless otherwise agreed by the Lessor.

(IV) Other lease information

	2024	2023
Short-term lease expense	$ 8,056	$ 8,315
Total cash outflow from leases	$ 24,017	$ 17,272

For property, plant, and equipment leases which qualify as a short-term lease, the Company elected to apply the recognition exemption to them and thus did not recognize right-of-use assets and lease liabilities for them.

14. Other assets

	31 December 2024	31 December 2023
Long-term prepayments	$ 30,559	$ 35,795
Restricted assets	3,878	4,415
Guarantee deposits paid	17,874	1,925
Other receivables	6,191	1,565
Others	9,809	9,484
	$ 68,311	$ 53,184
Current	$ 18,046	$ 13,631
Non-current	50,265	39,553
	$ 68,311	$ 53,184

15. Short-term borrowings

	31 December 2024	31 December 2023
Unsecured loans		
Credit loans	$ 400,000	$ 100,000
Loans against letter of credits	163,221	196,529
	$ 563,221	$ 296,529
Annual interest rate	1.525%～1.58%	1.38%

The terms pertaining to the credit limits of some of the Company′s bank borrowings mentioned above stipulate financial restrictions, with which the Company fully complied.

16. Bonds payable

	31 December 2024
Domestic unsecured convertible bonds	
2024 first time	$ 200,000
2024 second time	1,000,000
	1,200,000
Less: Corporate bond discount	(54,346)
	$ 1,145,654

2024 Domestic First Unsecured Convertible Bonds

On 29 February 2024, the Company, through a resolution approved by the Board of Directors, resolved to raise and issue the first domestic unsecured convertible bonds. This case was declared effective by the Financial Supervisory Commission on 21 May 2024, under the FSC Securities Issuance No. 1130342373, and was issued on 7 June 2024. The bonds were issued at face value, with a total face value of 200,000 thousand, a coupon rate of 0%, and a term of three years. The total issuance amount was 200,000 thousand, and it was fully paid on 5 June 2024.

Bondholders may request the conversion of their bonds into the Company's common stock at a conversion price of NTD 359.7 per share, in accordance with the conversion method, at any time from the day following the completion of three months after the issuance of this convertible bond until the maturity date. The conditions for the conversion price of this convertible bond include that when the Company distributes cash dividends of ordinary share, the conversion price should be adjusted downward on the ex-dividend date according to the percentage of the market price per share.

Due to the distribution of cash dividends from the Company's earnings, the conversion price should be adjusted according to the regulations of bond issuance and conversion. Therefore, starting from 4 July 2024, the conversion price will be reduced from the original NT$359.7 per share to NT$354.5 per share.

From the day following the completion of three months from the issuance date of these convertible bonds until 40 days before the end of the issuance period, if the closing price of the company's common stock at the securities firm's business premises exceeds the then conversion price by 30% (inclusive) or more for 30 consecutive business days, or if the outstanding balance of these convertible bonds falls below 10% of the original total issuance amount, the company may notify bondholders to redeem all outstanding convertible bonds in cash at face value.

The redemption date for bondholders to sell back the convertible bonds to the Company is the second anniversary of the issuance of these convertible bonds. Bondholders may request the Company to redeem their convertible bonds at 100% of the bond's face value.

This convertible bond includes liability and equity components, with the equity component expressed under equity as capital surplus, share options. Liabilities component initially recognized at an effective interest rate of 1.9553%. Redemption rights and put options derivatives are measured at Fair value through profit or loss.

	Amount
Issuance proceeds (less transaction costs of 915 thousand)	$ 199,085
Redemption option derivative instruments	(160)
Equity component (net of allocated transaction costs of 47 thousand)	(10,212)
Issue date liabilities components (less apportioned transaction costs of 867 thousand)	188,713
Interest calculated at an effective interest rate of 1.9553%	2,144
31 December 2024 liabilities components	$ 190,857

2024 Domestic Second Unsecured Convertible Bonds

On February 29, 2024, the Company approved the fundraising and issuance of the second domestic unsecured convertible bonds through a resolution at the Board of Directors meeting. This case was declared effective by the Financial Supervisory Commission on May 21, 2024, under the reference number 11303423731, and was issued on June 19, 2024. The total face value issued was 1,000,000 thousand, with a coupon rate of 0%, and a term of 3 years. It was issued at 117.07% of the face value, with a total issuance amount of 1,170,733 thousand, and was fully paid on June 17, 2024.

Bondholders may, from the day following the three-month anniversary of the issuance of these convertible bonds until the maturity date, request the conversion of their bonds into the Company's common stock at a conversion price of NTD 347.5 per share, in accordance with the conversion terms. The conditions for the conversion price of this convertible bond include that when the Company distributes cash dividends of ordinary share, the conversion price should be adjusted downward on the ex-dividend date according to the percentage of the market price per share.

Due to the distribution of cash dividends from the company's earnings, the conversion price should be adjusted according to the provisions of the corporate bond issuance and conversion method. Therefore, starting from 4 July 2024, the conversion price was adjusted from the original NT$347.5 per share to NT$342.5 per share.

From the day following the completion of three months from the issuance date of these convertible bonds until 40 days before the end of the issuance period, if the closing price of the company's common stock at the securities firm's business premises exceeds the then conversion price by 30% (inclusive) or more for 30 consecutive business days, or if the outstanding balance of these convertible bonds falls below 10% of the original total face value issued, the company may notify bondholders to redeem all outstanding convertible bonds in cash at face value.

The redemption date for bondholders to sell back the convertible bonds to the Company at face value is the second anniversary of the issuance of these convertible bonds. Bondholders may request the Company to redeem the convertible bonds they hold at face value.

This convertible bond includes liability and equity components, with the equity component expressed under equity as capital surplus, share options. Liabilities component initially recognized at an effective interest rate of 1.9325%. Redemption rights and put options derivatives are measured at Fair value through profit or loss.

	Amount
Issuance proceeds (less transaction costs of 4,575 thousand)	$ 1,166,158
Redemption option derivative instruments	(298)
Equity component (net of allocated transaction costs of 870 thousand)	(221,664)
Issue date liabilities component (net of amortized transaction costs 3,704 thousand)	944,196
Interest calculated at an effective interest rate of 1.9325%	10,601
31 December 2024 liabilities components	$ 954,797

17. Other accounts payable

	31 December 2024	31 December 2023
Salary and bonus payable	$ 165,131	$ 134,928
Remuneration payable to employees and directors	122,700	79,000
Equipment payable	94,141	66,533
Others	260,354	186,473
	$ 642,326	$ 466,934

18. Post-employment benefit plan

(I) Defined contribution plan

The pension system that is specified in the "Labor Pension Act" and adopted by the Company is the defined contribution pension plan managed by the government. A pension equal to 6% of employee's monthly wage shall be contributed to the personal labor pension account with the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension system adopted by the Company according to the "Labor Standards Act" is the defined benefit pension plan managed by the government. The years of service rendered and the average wage of six months prior to the approved retirement date shall be the reference for calculation of the pension to be paid to the employee. The Company appropriates 3% of the total monthly wage of an employee as the pension and remits the amount to the Labor Pension Fund Supervisory Committee, which will deposit the amount in a dedicated account under its name with the Bank of Taiwan. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who may meet the retirement conditions in the next year, the Company will make up the difference in one appropriation before the end of March in the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor, so the Company does not have the right to influence the investment management strategies.

The amounts of the defined benefit plan included in the parent company only balance sheet are listed as follows:

	31 December 2024	31 December 2023
Present value of defined benefit obligations	$ 6,346	$ 5,444
Fair value of plan assets	(8,110)	(7,222)
Net defined benefit liabilities (assets)	($ 1,764)	($ 1,778)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2024 balance	$ 5,444	($ 7,222)	($ 1,778)
Service cost			
Current service cost	620	-	620
interest expense (revenue)	62	(83)	(21)
Recognized in profit or loss	682	(83)	599
Remeasurements			
Return on plan assets (excluding the amount included in net interest)	$	($ 645)	($ 645)
Actuarial gain - change in financial assumption	(222)	-	(222)
Actuarial loss - change in demographic assumption	6	-	6

(Continued)

(Continued)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Actuarial loss - experience adjustment	435	-	435
Recognized in other comprehensive income	219	(645)	(426)
Contribution by employer	-	(159)	(159)
31 December 2024 balance	$ 6,345	($ 8,109)	($ 1,764)
January 1, 2023 balance	$ 5,103	($ 6,945)	($ 1,842)
Service cost			
Recognized in profit or loss - interest expense (income)	58	(80)	(22)
Remeasurements			
Return on plan assets (excluding the amount included in net interest)	-	(66)	(66)
Actuarial gain - change in demographic assumption	(25)	-	(25)
Actuarial loss - experience adjustment	308	-	308
Recognized in other comprehensive income	283	(66)	217
Contribution by employer	-	(131)	(131)
31 December 2023 balance	$ 5,444	($ 7,222)	($ 1,778)

The Company is exposed to the following risks due to the pension system under the “Labor Standards Act”:

1. Investment risk：The Bureau of Labor Funds, Ministry of Labor separately has invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Company’s plan assets shall be calculated with an interest rate not below the interest rate for a 2-year time deposit with local banks.
2. Interest rate risk: A decrease in the interest rates of government bonds leads to an increase in the present value of the defined benefit obligation, and the return on debt investment of the plan

assets will be increased accordingly. The net defined benefit liabilities may be partially offset by both increases.

3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salary of the plan participants. Therefore, the present value of the defined benefit obligation would be increased by an increase in the plan participants′ salary.

The Company′s present value of the defined benefit obligation was calculated actuarially by a qualified actuary. The major assumptions on the date of measurement are as follows:

	31 December 2024	31 December 2023
Discount rate	1.60%	1.15%
Rate of expected salary increase	3.00%	3.00%

If there was any reasonably possible change to the major actuarial assumptions separately, the resulting increase (decrease) in the present value of the defined benefit obligation in the situation where all the other assumptions remained the same is as follows:

	31 December 2024	31 December 2023
Discount rate		
Increase by 0.25%	($ 116)	($ 77)
Decrease by 0.25%	$ 121	$ 80
Rate of expected salary increase		
Increase by 0.25%	$ 115	$ 73
Decrease by 0.25%	($ 110)	($ 71)

Since the actuarial assumptions might be correlated to each other and it is unlikely that a single assumption changes alone, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	31 December 2024	31 December 2023
Expected contribution within 1 year	$ 181	$ 176
Average maturity of defined benefit obligations	7 years	5 years

19. Equity

(I) Common shares

	31 December 2024	31 December 2023
Number of authorized shares (thousand shares)	100,000	100,000
Authorized capital	$ 1,000,000	$ 1,000,000
Number of issued shares fully paid (thousand shares)	80,328	80,328
Issued capital	$ 803,280	$ 803,280

A share of issued common stock had a par value of NTD 10 and was entitled to one voting right and dividends.

(II) Capital surplus

	31 December 2024	31 December 2023
1. The portion that may be used to offset deficits, distributed as cash dividends, or transferred to share capital		
Share premium	$ 464,029	$ 464,029
Consolidation excess	29,831	29,831
	493,860	493,860
2. May only be used to make up for losses		
Changes in the equity of associates recognized using the equity method	192,041	192,041
3. Must not be used for any purpose		
Convertible Bond Warrants	231,876	-
	$ 917,777	$ 685,901

1. These capital reserves may be used to make up losses, to distribute cash dividends, or to be transferred into the capital if the Company is not in the red. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital in every year.
2. This type of capital surplus is the impact amount of equity transactions recognized due to changes in the equity of the investee company when the Company has not actually acquired or disposed of the equity of the investee company, or the adjustment amount of

capital surplus recognized by the Company using the equity method for the investee company.

(III) Retained earnings and dividend policy

According to the earning distribution policy stipulated in the Articles of Incorporation, if there is a surplus in the annual accounts, after paying the taxes according to law and making up for accumulated losses, 10% shall be allocated to the legal reserve. However, if the legal reserve has reached the paid-in capital of the company, no further allocation is required. The remaining amount shall be allocated or reversed as special reserve according to legal provisions. If there is still a balance, it shall be combined with the accumulated unappropriated retained earnings, and a proposal for earning appropriation shall be drafted by the board of directors. The board is authorized to make a special resolution to distribute all or part of the dividends and bonuses in cash, and report to the shareholders' meeting. However, dividend distribution in the form of new shares shall be subject to a resolution of the Shareholders' Meeting. For the distribution policy governing employee and director remuneration that is prescribed in the Company's Articles of Incorporation, please refer to Note 21(4) Remuneration to employees and directors.

The Company′s dividend policy considers the environment it is in and the growth stage it is at. To cope with future capital requirements and long-term financial planning while maintaining shareholder interests and a balanced dividend policy, shareholder dividends will be distributed in shares or in cash, as appropriate, based on future capital expenditure requirements and the extent of dilution effect on earnings per share. Of the shareholder dividends distributed, no less than 10% shall be in cash. The actual distribution percentage shall be determined by the Board of Directors by considering the Company′s business planning, investment plan, capital planning, and the changes in internal and external environment.

Legal reserves may be used to make up for losses. Where the Company does not sustain loss, the part of the legal reserves that exceeds the total paid-in capital by no greater than 25% may be appropriated as capital or distributed in cash.

According to the Financial Supervisory Commission's letter No. 1090150022, the Company allocates and reverses the special reserve.

The Company's 2023 and 2022 earning appropriation proposals are as follows:

	2023	2022
Legal reserves	$ 63,788	$ 57,010
Provision (Reversal) special reserve	($ 33,380)	$ 19,074
Cash dividends	$ 321,312	$ 289,181
Cash dividends per share (NT$)	$ 4.00	$ 3.60

The said cash dividends were distributed through a resolution at the Board of Directors meetings in February 2024 and March 2023, respectively. Other earning appropriation items were also resolved at the Shareholders′ Meetings in June 2024 and 2023, respectively.

The Board of Directors of the Company proposed the earning appropriation proposals for 2024 on February 27, 2025 as follows:

	2024
Legal reserves	$ 92,732
Cash dividends	$ 361,476
Cash dividends per share (NT$)	$ 4.50

The said cash dividends had been approved through a resolution at a Board of Directors meeting. Other distribution items are still pending a resolution at the Shareholders′ Meeting to be held in May 2025.

(IV) Treasury stock

Through a resolution at the Board of Directors meeting in September 2018, the Company decided to buy back 811 thousand treasury shares to transfer them to employees. The buyback was completed in October 2018, with an average buyback price of 62.47 dollars.

In August 2023, the Company's Board of Directors approved the cancelation of all treasury shares for capital reduction in accordance with Article 28-2, paragraph 4 of the Securities and Exchange Act, and the record date for the capital reduction was set as 17 October 2023.

According to the Securities and Exchange Act, the treasury shares held by the Company may not be pledged; nor may they be entitled to dividend distribution or voting rights.

20. Revenue

	2024	2023
Goods sales revenue		
Manufacturing	$ 3,328,789	$ 2,149,779
Agent	2,280,552	1,650,394
	5,609,341	3,800,173
Services revenue		
Commission	84,280	81,987
Maintenance	76,137	47,437
Others	13,519	9,474
	173,936	138,898
Other operating revenue	10,430	9,151
	$ 5,793,707	$ 3,948,222

Contract balance

	31 December 2024	31 December 2023	January 1, 2023
Notes and accounts receivable (including those due from related parties) (Notes 9 and 27)	$ 516,302	$ 546,038	$ 653,849
Contract liabilities	$ 10,832,711	$ 8,243,994	$ 4,469,292

Changes in contract liabilities mainly come from the difference between the points in time when the Company fulfills obligations and when customers make payments.

The amount that comes from the contract liabilities at the beginning of the year and the amount that comes from the revenue recognized in the year in which performance obligations were fulfilled are as follows:

	2024	2023
Goods sales	$ 2,040,365	$ 1,445,556

21. Net profit

(I) Financial cost

	2024	2023
Interest on convertible bonds	$ 12,745	$ -
Interest on borrowings (including those due from related parties) (Note 27)	6,018	3,190
Interest on lease liabilities	1,546	1,339
Others	38	-
	$ 20,347	$ 4,529

(II) Depreciation and amortization

	2024	2023
Property, plant and equipment	$ 112,421	$ 105,181
Right-of-use assets	14,926	8,056
	$ 127,347	$ 113,237
Summary of depreciation expenses by function		
Operating cost	$ 47,197	$ 34,881
Operating expenses	80,150	78,356
	$ 127,347	$ 113,237
Summary of amortization by function		
General and administrative expenses	$ 338	$ 338

(III) Employee benefit expenses

	2024	2023
Short-term employee benefits	$ 939,978	$ 772,184
Post-employment benefit		
Defined contribution plan	30,414	25,512
Defined benefit plan	599	(22)
	31,013	25,490
	$ 970,991	$ 797,674
Summary by function		
Operating cost	$ 272,995	$ 236,266
Operating expenses	697,996	561,408
	$ 970,991	$ 797,674

(IV) Remuneration to employees and directors

According to its Articles of Incorporations, the Company shall take the pre-tax profits inclusive of employee remuneration and director remuneration and allocate 5% – 15% of such profits as employee remuneration and another 2% or less as director remuneration. The employee remuneration and director remuneration estimated for 2024 and 2023 were resolved by the Board of Directors in February 2025 and 2024, respectively, as follows:

Amount

	2024	2023
Employee remuneration	$ 108,700	$ 70,000
Directors' remuneration	14,000	9,000

Any amount that changes after the approval and publication date of the annual parent company only financial statements is accounted for as changes in accounting estimates, and will be adjusted and recognized in the following year.

The actually distributed amount of employee remuneration and director remuneration for 2023 and 2022 tallied with the amount recognized in the Parent Company Only Financial Statement for 2023 and 2022.

The information about remuneration to employees and directors determined by the Board of Directors may be viewed at TWSE′s Market Observation Post System (MOPS).

22. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses:

	2024	2023
Current income tax		
Producer in the current year	$ 160,400	$ 132,545
Adjustments for the previous year	(35,280)	(29,460)
	125,120	103,085
Deferred income tax		
Producer in the current year	79,290	15,288
Income tax expenses recognized in profit or loss	$ 204,410	$ 118,373

Reconciliation of accounting income and income tax expenses is as follows:

	2024	2023
Net profits before tax	$ 1,131,393	$ 768,675
Income tax expense derived from applying the pre-tax profit to the statutory tax rate	$ 226,279	$ 153,735
Expense and loss not deductible from tax	2,409	74
Tax exempt income	(1,140)	(16,218)
Additional levy on undistributed earnings	14,308	10,242
Adjustments for the previous year	(35,280)	(29,460)
Others	(2,166)	-
Income tax expenses recognized in profit or loss	$ 204,410	$ 118,373

(II) Income tax recognized in other comprehensive income

	2024	2023
Deferred income tax		
Current year generated		
- Translation of foreign operations	($ 16,493)	$ 3,283
－Re-measurements of defined benefit plans	(86)	43
	($ 16,579)	$ 3,326

(III) Current income tax liabilities

	31 December 2024	31 December 2023
Current income tax liabilities		
Income tax payable	$ 92,387	$ 126,254

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

	2024			
	Balance - beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Balance - end of year
Deferred income tax assets				
Temporary differences				
Allowance for inventory write-down	$ 95,585	$ 87,384	$ -	$ 182,969
Undistributed earnings of subsidiaries	28,137	4,226	(1,876)	30,487
Unrealized gains on transactions with associates	10,188	(1,030)	-	9,158
provisions - liability	6,422	4,844	-	11,266
Unrealized exchange losses	7,243	(7,243)	-	-
Allowance for bad debts	2,900	(1,437)	-	1,463
Others	6,059	89	(86)	6,062
	$ 156,534	$ 86,833	($ 1,962)	$ 241,405
Deferred income tax liabilities				
Temporary differences				
Unrealized foreign exchange gains	$ -	$ 7,113	$ -	$ 7,113
Undistributed earnings of subsidiaries	134,634	159,010	14,617	308,261
	$ 134,634	$ 166,123	$ 14,617	$ 315,374

	2023			
	Balance - beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Balance - end of year
Deferred income tax assets				
Temporary differences				
Allowance for inventory write-down	$ 55,341	$ 40,244	$ -	$ 95,585
Undistributed earnings of subsidiaries	20,679	5,582	1,876	28,137
Unrealized gains on transactions with associates	9,230	958	-	10,188
provisions - liability	6,512	(90)	-	6,422
Unrealized exchange losses	8,263	(1,020)	-	7,243
Allowance for bad debts	4,159	(1,259)	-	2,900
Others	5,863	153	43	6,059
	$ 110,047	$ 44,568	$ 1,919	$ 156,534
Deferred income tax liabilities				
Temporary differences				
Undistributed earnings of subsidiaries	$ 76,185	$ 59,856	($ 1,407)	$ 134,634

(V) Deductible temporary differences of deferred tax assets unrecognized in the parent company only balance sheets

	31 December 2024	31 December 2023
Deductible temporary differences	$ 7,000	$ 7,000

(VI) Authorization of income tax

The Company's profit-seeking business income tax filings up to the year 2022 have been approved by the taxes authority.

23. Earnings per share

Unit: NT$

	2024	2023
Basic earnings per share	$ 11.54	$ 8.10
Diluted earnings per share	$ 11.36	$ 8.05

Net profit in the current year

	2024	2023
Net profit of the Company	$ 926,983	$ 650,302
Effect of potential diluted common shares:		
Convertible bond interest after tax	10,196	-
Used for calculating continuing operations unit diluted earnings per share of net profit.	$ 937,179	$ 650,302

Thousand shares

	2024	2023
Weighted average number of common shares used for calculating basic earnings per share	80,328	80,328
Effect of potential diluted common shares:		
Convertible bonds	1,880	-
Employee remuneration	317	465
Weighted average number of common shares used for calculating diluted earnings per share	82,525	80,793

Where the Company may elect to distribute employee remuneration in shares or in cash, when calculating diluted earnings per share, it is assumed that all employee remuneration is distributed in shares and the potentially dilutive common shares are included in the weighted average number of shares outstanding when deemed dilutive, to calculate diluted earnings per share. In the following year, before determining the number of shares for employee remuneration in the resolution, the calculation of diluted earnings per share will continue to consider the dilutive effect of these potential common shares.

24. Non-cash transactions

In the years 2024 and 2023, the Company transferred inventories for own use into property, plant and equipment amounting to 30,880 thousand and 45,731 thousand (see Note 12).

25. Capital risk management

The Company conducts capital management to ensure it can continue as a going concern while maximizing shareholders′ return by optimizing the liability and equity balances.

The Company′s capital structure is composed of its net debt and equity.

The key management of the Company reviews its capital structure every year in terms of the cost and risks of each capital category. Based on the recommendation of the key management, the Company will balance its overall capital structure by paying dividends and issuing new debts or paying existing debts.

26. Financial instruments

(I) Fair value information — financial instruments not measured at fair value

31 December 2024

	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost					
- Convertible bonds	$1,145,654	$ -	$ -	$1,147,560	$1,147,560

(II) Fair value information — financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative Instruments - Convertible Bond Redemption and Put Option	$ -	$ -	$ 2,480	$ 2,480
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic TWSE-listed companies' private placement shares	$ -	$ 218,098	$ -	$ 218,098
Foreign shares not traded on an exchange or OTC	-	-	60,930	60,930
	$ -	$ 218,098	$ 60,930	$ 279,028

31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic emerging company stocks	$ 7,529	$ -	$ -	$ 7,529
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic TWSE-listed companies' private placement shares	$ -	$ 157,011	$ -	$ 157,011
Foreign shares not traded on an exchange or OTC	-	-	53,125	53,125
	$ -	$ 157,011	$ 53,125	$ 210,136

There were no transfers between Level 1 and Level 2 Fair value measurements for the years 2024 and 2023.

2. Reconciliation of the financial instruments measured at Level 3 fair value

2024

Financial assets	Through other comprehensive income measured at fair value Of financial assets Equity instruments
Balance - beginning of period	$ 53,125
Recognized in other comprehensive income	7,805
Balance - end of year	$ 60,930

2023

Financial assets	Through other comprehensive income measured at fair value Of financial assets Equity instruments
Balance - beginning of period	$ 49,357
Recognized in other comprehensive income	3,768
Balance - end of year	$ 53,125

3. Level 2 fair value valuation techniques and inputs

If there is no quoted price for the common shares issued by domestic TWSE-listed companies through a private placement, such common shares are evaluated by using valuation techniques. The assumptions and estimates used by the Company for the valuation techniques are the same as the assumptions and estimates accessible to the Company that are used by market participants for quoting a price for financial products.

The valuation technique the Company used for measuring the fair value is the Black-Scholes pricing model.

4. Level 3 fair value valuation techniques and inputs

(1) The redemption and put options of the convertible bonds issued by the Company are evaluated for fair value using the two trees convertible bond valuation model. The significant unobservable inputs adopted are stock price volatility.

When the volatility of stock prices increases, the fair value of such derivatives will change. The stock price volatility adopted on 31 December 2024 was 56.31%

(2) When valuing the foreign shares not traded on an exchange or OTC, the Group used the income approach by which the present value of benefits expected to be derived from such investment is calculated by discounting the cash flows. Significant unobservable inputs are as follows. When liquidity discount decreases, the fair value of such investment will increase.

	31 December 2024	31 December 2023
Liquidity discount	32.26%	32.24%

If the following inputs are changed to reflect reasonably possible alternative assumptions while other inputs are held constant, the amount of the fair value of equity investment will increase (decrease) by:

	31 December 2024	31 December 2023
Liquidity discount		
Increase by 1%	($ 900)	($ 784)
Decrease by 1%	$ 900	$ 784

(III) Type of financial instruments

	31 December 2024	31 December 2023
Financial assets		
Mandatorily measured at Fair value through profit or loss financial assets.	$ 2,480	$ 7,529
Financial assets at amortized cost (Note 1)	5,088,940	3,502,666
Financial assets at fair value through other comprehensive income	279,028	210,136
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	3,678,530	2,265,850

Note 1: The balance included financial assets measured at amortized cost such as cash and cash equivalents, notes receivable and accounts

receivable (including those due from related parties), other receivables (presented under other current assets), restricted assets (presented under other current assets), and guarantee deposits paid (presented under other non-current assets).

Note 2: The balance included short-term borrowings, bonds payable, notes payable and accounts payable, and other payables, which are financial liabilities measured at amortized cost.

(IV) Financial risk management purpose and policy

The Company′s financial instruments mainly comprise equity investment, receivables, payables, borrowings, and lease liabilities. The financial management department of the Company provides services for each type of business and supervises and manages the financial risks incidental to the Company′s operations by referencing the internal risk report in which risk exposure is analyzed based on the extent and extensiveness of risks. Such risks include market risk, credit risk, and liquidity risk.

The financial management department provides a report to the key management of the Company quarterly to reduce risk exposure.

The Company did not adopt hedge accounting.

1. Market risk

(1) Exchange rate risk

The Company is engaged in sales and purchase denominated in foreign currency, and thus is exposed to the exchange rate fluctuation risk.

For the book value of the Company′s monetary assets and monetary liabilities denominated in a currency other than the functional currency on the balance sheet date, refer to Note 31.

Sensitivity analysis

The Company is affected primarily by fluctuation in the exchange rate of USD.

The sensitivity analysis includes only the foreign currency monetary items outstanding, which are translated at the end of year by using an exchange rate that could be adjusted by a maximum of 1%. When the New Taiwan Dollar appreciates/depreciates by 1% against the USD, it will cause the profit before tax for 2024 and 2023 to change by 17,341 thousand and 13,559 thousand, respectively.

The exchange rate fluctuation mainly affects the Company′s bank deposits, as well as the payables and receivables denominated in USD that were still outstanding and were not hedged with a cash flow hedge on the balance sheet date.

(2) Interest rate risk

The interest rate risk facing the Company mainly comes from the Company′s floating-rate bank deposits.

The book value of the financial assets and liabilities of the Company that were exposed to the interest rate risk on the balance sheet date is as follows:

	31 December 2024	31 December 2023
With cash flow interest rate risk		
- Financial assets	$ 2,301,850	$ 2,272,908
- Financial liabilities	400,000	100,000
With fair value interest rate risk		
- Financial assets	2,245,540	675,510
- Financial liabilities	1,308,875	196,529
- Lease liabilities	80,696	71,887

Sensitivity analysis

The following sensitivity analysis is based on the interest risk exposure of non-derivatives on the balance sheet date. Floating-rate liabilities are analyzed based on the assumption that the liability amount outstanding on the balance sheet date remains outstanding throughout the reporting period.

If interest rate increases/decreases by 1%, held other variables constant, the Company′s individual profit before tax for 2024 and 2023 will change by 19,019 thousand and 21,729 thousand, respectively.

2. Credit risk

The credit risk means the risk of causing financial loss to the Company because the trading counterparty defaults on contractual obligations. As of the balance sheet date, the Company′s maximum credit exposure to the financial loss caused by a trading counterparty′s defaulting on his/her performance obligations mainly lies in the book value of the financial assets recognized in the parent company only balance sheet.

According to its policy, the Company only trades with reputational counterparties and requires provision of collateral where necessary to reduce the risk of financial loss due to default. The Company exposes to the credit risk, which mainly comes from the customers who individually account for 10% or more of the Company′s total accounts receivables. Refer to Note 9 for details.

3. Liquidity risk

The Company manages and maintains sufficient cash to support business operations and reduce the effect of the fluctuating cash flow. The management of the Company monitors the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank loans are one of the Company′s important sources of liquidity. For the bank financing facility that the Company has not used, refer to relevant descriptions in (2) below.

(1) Liquidity and interest rate risks of non-derivative financial liabilities

The maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date.

31 December 2024

	1–3 months	4 months – 1 year	More than 1 year
Non-derivative financial liabilities			
Non-interest bearing debt	$ 2,009,412	$ 2,531	$ -
Floating rate	400,762	-	-
Fixed rate	-	42,720	124,533
bonds payable	-	-	1,200,000
Lease liabilities	4,465	10,569	74,843
	$ 2,414,639	$ 55,820	$ 1,399,376

More information on the maturity analysis of lease liabilities:

	Less than 1 year	2–5 years	6–10 years	11–15 years	16–20 years
Lease liabilities	$ 15,034	$ 29,623	$ 22,800	$ 22,420	$ -

31 December 2023

	1–3 months	4 months – 1 year	More than 1 year
Non-derivative financial liabilities			
Non-interest bearing debt	$ 1,998,239	$ 11,839	$ 155,772
Floating rate	100,332	-	-
Lease liabilities	2,741	7,728	71,898
	$ 2,101,312	$ 19,567	$ 227,670

More information on the maturity analysis of lease liabilities:

	Less than 1 year	2–5 years	6–10 years	11–15 years	16–20 years
Lease liabilities	$ 10,469	$ 22,118	$ 22,800	$ 22,800	$ 4,180

(2) Credit limit of financing facilities

	31 December 2024	31 December 2023
Unsecured bank loan limit (extendable upon mutual agreement)		
- Employed capital	$ 613,011	$ 336,805
- Unemployed capital	966,989	1,083,195
	$ 1,580,000	$ 1,420,000

27. Related Party Transactions

In addition to those disclosed in other notes, transactions between the Company and related parties are described as follows.

(I) Name and relationship of related party

Name of related party	Relationship with the Company
ACROMASS TECHNOLOGIES INC.	Subsidiary
NATGEM INC.	Subsidiary
SCIENTECH GMBH	Subsidiary
SCIENTECH ENGINEERING USA CORP. (SCU)	Subsidiary
TRANSCEND CAPITAL CORP.	Subsidiary
SCIENTECH ENGINEERING CORP.(SHANGHAI) (SHANGHAI)	Subsidiary
HUNG-LIANG HSIEH	Chairperson
XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. (XTEK SEMICONDUCTOR)	Associates
FORWARD SCIENCE PTE.LTD.	Associates
HONG LUN CULTRUAL CREATIVITY FUNDATION	Same key management

(II) Operating revenue

Presented under item	Name and type of related party	2024	2023
Goods sales revenue	Subsidiary	$ 6,880	$ 2,655
	Associates	9,380	110,443
		$ 16,260	$ 113,098
Services revenue	Subsidiary	$ 133	$ 33
	Associates	517	16
		$ 650	$ 49
Other operating revenue	Subsidiary	$ 806	$ 2,043
	Associates	-	79
		$ 806	$ 2,122

The price and payment terms for a sale transaction between the Company and related parties are determined based on the terms mutually agreed upon.

(III) Purchase

Name and type of related party	2024	2023
Subsidiary		
SCU	$ 13,976	$ 32,879
Others	10,797	922
	$ 24,773	$ 33,801

The price and payment terms for a purchase transaction between the Company and related parties are determined based on the terms mutually agreed upon.

(IV) Contract liabilities

Name and type of related party	31 December 2024	31 December 2023
Associates	$ 1,843	$ 1,843

(V) Receivables due from related parties (excluding funds loaned to related parties)

Presented under item	Name and type of related party	31 December 2024	31 December 2023
Accounts receivable	Subsidiary		
	SHANGHAI	$ 5,312	$ 788
	Associates		
	XTEK SEMICONDUCTOR	-	11,009
		$ 5,312	$ 11,797
Other receivables (presented other current assets)	Subsidiary	$ 299	$ 19
	Same key management	4	8
		$ 303	$ 27

No guarantee was requested for the outstanding receivables due from related parties. The balance of receivables due from related parties as of December 31, 2024 and 2023 was balance of 0 thousand and 828 thousand, respectively. The allowance for doubtful accounts on receivables due from related parties for 2024 and 2023 was (828) thousand and 451 thousand, respectively.

(VI) Payables due to related parties

Presented under item	Name and type of related party	31 December 2024	31 December 2023
Payables due to related parties (presented under notes payable And accounts)	Subsidiary		
	SCU	$ 1,860	$ 2,137
	Others	-	86
		$ 1,860	$ 2,223
Other payables	Subsidiary		
	SHANGHAI	$ 40,302	$ 39,239
	Others	-	83
		40,302	39,322
	Associates	376	99
		$ 40,678	$ 39,421
long-term accounts payable item - Guan Is a person	Subsidiary		
	SHANGHAI	$ 120,906	$ 155,772

The outstanding balance of the payables due to related parties was not secured against collateral.

(VII) Lease agreements

Presented under item	Name and type of related party	31 December 2024	31 December 2023
Lease liabilities	Chairperson	$ 58,868	$ 62,221

Presented under item	Name and type of related party	2024	2023
Interest expenses (presented under financial cost)			
	Chairperson	$ 1,206	$ 1,273

The lease contract between the Company and related parties is negotiated with reference to market conditions, and follows general payment terms.

(VIII) Funds loaned to related parties

Income from interests

Name and type of related party	2024	2023
Subsidiary	$ 5	$ -

Loans between the Company and subsidiaries are unsecured loans with an interest rate close to the market interest rate. Such loans are expected to be repaid in full within one year. Through an assessment, there are not expected credit losses.

(IX) Others

Presented under item	Name and type of related party	2024	2023
Rental income (presented under other income)			
	Subsidiary	$ 36	$ 36
	Same key management	24	24
		$ 60	$ 60
Operating expenses	Subsidiary	$ 3,375	$ 3,900
	Associates	646	1,133
		$ 4,021	$ 5,033
Interests expenses	Subsidiary	$ 2,721	$ 283

(X) Remuneration to key management

	2024	2023
Short-term employee benefits	$ 75,010	$ 55,105
Post-employment benefit	928	850
	$ 75,938	$ 55,955

The remuneration to directors and other key management was decided by the Remuneration Committee according to personal performance and market trends.

28. Pledged and Mortgaged Assets

The following assets were provided to the Custom Office as collateral against the bonded goods and the payments and performance obligation of manufacturers.

	31 December 2024	31 December 2023
Pledged certificates of deposits (presented under other current assets)	$ 3,878	$ 4,415

29. Significant Commitments

As of December 31, 2024 and 2023, the Company had unused letters of credit amounting to NT$0 thousand and NT$276 thousand for the purchase of goods, machinery and equipment, and as performance guarantees.

30. Information on foreign currency assets and liabilities with significant effects

The following information is summarized and stated based on the foreign currencies other than the functional currency of the Company, and the disclosed exchange rates refer to the rates at which those foreign currencies are converted into the functional currency. Foreign currency assets and liabilities with significant effects are as follows:

31 December 2024

	Foreign currency	Exchange rate		Book value
Foreign currency assets				
Monetary items				
USD	$ 75,374	32.785	(USD:TWD)	$ 2,471,149
CNY	10,723	4.478	(CNY:TWD)	48,020
EUR	3,946	34.14	(EUR:TWD)	134,718
JPY	568,880	0.2099	(JPY:TWD)	119,408
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	65,658	32.785	(USD:TWD)	2,152,603
EUR	584	34.14	(EUR:TWD)	19,932
Foreign currency liabilities				
Monetary items				
USD	22,480	32.785	(USD:TWD)	737,009
CNY	36,084	4.478	(CNY:TWD)	161,584
JPY	225,214	0.2099	(JPY:TWD)	47,272
EUR	1,563	34.14	(EUR:TWD)	53,369

(Continued)

(Continued)

31 December 2023

	Foreign currency	Exchange rate		Book value
Foreign currency assets				
Monetary items				
USD	$ 74,629	30.705	(USD:TWD)	$ 2,291,493
CNY	40,006	4.327	(CNY:TWD)	173,107
EUR	4,685	33.98	(EUR:TWD)	159,184
JPY	455,386	0.217	(JPY:TWD)	98,819
Non-monetary items				
Subsidiaries accounted for using the equity method				
USD	42,182	30.705	(USD:TWD)	1,295,184
EUR	617	33.98	(EUR:TWD)	20,971
Foreign currency liabilities				
Monetary items				
USD	30,471	30.705	(USD:TWD)	935,624
CNY	45,068	4.327	(CNY:TWD)	195,011
JPY	356,942	0.217	(JPY:TWD)	77,456
EUR	1,342	33.98	(EUR:TWD)	45,607

The realized and unrealized foreign exchange gains (losses) of the Company in 2024 and 2023 were 26,286 thousand and (7,617) thousand, respectively. However, it was not feasible to disclose the exchange loss and gain of each significant foreign currency because the number of foreign currencies involved in foreign currency transactions varied.

31. Supplementary Disclosures

Except those disclosed in Appendix Table 1 through 8, there were no required disclosures.

SCIENTECH CORPORATION and its subsidiaries

Loans to others

2024

Appendix Table 1

Unit: Unless otherwise specified, For NTD Thousand

No.	Lending company	Borrowing company	Business transaction Account Name	Whether Related party	In the current year Highest balance (Note 3)	Balance - end of year (Note 3)	Actual Amount of funds utilized (Note 3)	Interest rate range (%)	Loaning of funds Nature	Business transaction amount	Short-term financing Reasons for the need of financing	Provision for allowance for doubtful accounts	Collateral		Limit of loans to a single borrower Loan limit (Note 1 and 3)	Loaning of funds Total Limit (Note 2 and 3)
													Name	Value		
0	The Company	NATGEM INC.	Other receivables － Related party	Yes	$ 2,000	$ 2,000	$ -	1.2	Short-term financing	$ -	Working capital	$ -	—	$ -	$ 496,201	$ 1,984,802
1	SCIENTECH ENGINEERING (HONG KONG) LIMITED	SCIENTECH ENGINEERING CORP.(SHANGHAI)	Other receivables － Related party	Yes	26,228 (US$800 thousand)	-	-	-	Short-term financing	-	Working capital	-	—	-	26,228 (US$800 thousand)	645,595 (HKD152,912 thousand)
		SCIENTECH ENGINEERING USA CORP.	Other receivables － Related party	Yes	32,785 (US$1,000 thousand)	-	-	-	Short-term financing	-	Working capital	-	—	-	32,785 (US$1,000 thousand)	645,595 (HKD152,912 thousand)
		SCIENTECH GMBH	Other receivables － Related party	Yes	32,785 (US$1,000 thousand)	-	-	-	Short-term financing	-	Working capital	-	—	-	32,785 (US$1,000 thousand)	645,595 (HKD152,912 thousand)
2	SCIENTECH ENGINEERING CORP.(SHANGHAI)	The Company	Other receivables － Related party	Yes	201,510 (CNY$45,000 thousand)	201,510 (CNY$45,000 thousand)	161,208 (CNY$36,000 thousand)	1.5	Short-term financing	-	Working capital	-	—	-	201,510 (CNY$45,000 thousand)	657,758 (CNY146,887 thousand)

Note 1: The limit of loans to a single borrower is as follows:

1. For companies having business transactions with the Company, the limit shall not exceed the transaction amount between both parties. The term 'transaction amount' refers to the higher of the purchase or sales amount between the parties.
2. Limit of loaning of funds to a company in need of short-term financing should not exceed 10% of the Company's net worth.
3. Limit of loaning of funds to a foreign operation whose voting shares are fully held by the Company, either directly or indirectly, should exceed neither the amount approved by the Board of Directors nor the amount equal to 80% of the lending company's net worth.

Note 2: The limit of total funds loaned to others is as follows:

1. Limit of the Company should not exceed 40% of the Company's net worth.
2. SCIENTECH ENGINEERING (HONG KONG) LIMITED for foreign companies in which the Company directly or indirectly holds 100% of the voting shares, should not exceed 80% of the company's net worth.
3. Foreign companies in which SCIENTECH ENGINEERING CORP. (SHANGHAI) directly or indirectly holds the voting shares or directly or indirectly holds 100% of the voting shares of SCIENTECH ENGINEERING CORP. (SHANGHAI) via the Company should not exceed 40% of the foreign operation' s net worth.

Note 3: Converted at the exchange rate of US$1＝$32.785, HKD$1=$4.222, and RMB$1=$4.478 on December 31, 2024.

SCIENTECH CORPORATION and its subsidiaries

Making endorsements/guarantees for others

2024

Appendix Table 2

Unit: Unless otherwise specified, For NTD Thousand

No.	Endorser/guarantor Company name	Party being endorsed/guaranteed		For a single enterprise Limit on endorsement/guarantees (Notes 1 and 2)	Highest endorsement in the year Guarantee balance (Note 2)	End of year endorsement Guarantee balance (Note 2)	actual amount drawn down (Note 2)	Collateralized by properties Endorsement/guarantee amount (Note 2)	Accumulated endorsement/guarantee Amount per latest Net worth of the financial statements Percentage (%)	Ceiling on Total Endorsement/Guarantee (Note 2 and 3)	Parent company Subsidiary Endorsement/guarantee	Subsidiary To the parent company Endorsement/guarantee	Belonging to Mainland China Geographic endorsement Guarantee
		Company name	Relationship										
0	The Company	SCIENTECH ENGINEERING (HONG KONG) LIMITED	Subsidiary	$ 2,481,002	$ 49,178 (US$1,500 thousand)	$ 49,178 (US$1,500 thousand)	$ -	$ -	0.99%	$ 4,962,005	Y	N	N
1	SCIENTECH ENGINEERING (HONG KONG) LIMITED	SCIENTECH ENGINEERING CORP.(SHANGHAI)	Parent company	403,497 (HKD95,570 thousand)	3,279 (US$100 thousand)	-	-	-	—	806,994 (HKD191,140 thousand)	N	Y	Y

Note 1: The Company and its subsidiaries should not exceed 50% of each respective company's net worth for a single enterprise.

Note 2: Converted at the exchange rate of US$1 against NT$32.785 and HKD$1 against NT$4.222 on December 31, 2024.

Note 3: Should not exceed 100% of the Company's or a subsidiary's net worth stated on the financial statements.

SCIENTECH CORPORATION and its subsidiaries

Marketable Securities Held at the End of Period

31 December 2024

Appendix Table 3

Unit: NT$ thousand

Holder	Type and name of marketable securities	With marketable securities Relationship with the issuer	Account Name	End of year				
				Shares	Book value	Shareholding Percentage (%)	Fair value	Remarks
SCIENTECH CORPORATION	Shares							
	HITEKCORPS CO., LTD.	—	Financial assets at fair value through profit or loss	225,000	$ -	3.19	$	—
	AUENTER TECHNOLOGY CORP.	—	Financial assets at fair value through profit or loss	600,000	-	13		—
	AMCHAEL-GRAPHICS CORP.	—	Financial assets at fair value through profit or loss	700,000	-	33		—
	PROMOS TECHNOLOGIES INC.	—	Financial assets at fair value through profit or loss	4,662	-	-		—
	INFINITESIMA LIMITED	—	Financial assets at fair value through other comprehensive income - non-current	6,111,111	60,930	9.30	60,930	—
	SPIROX CORP.	—	Financial assets at fair value through other comprehensive income - non-current	4,000,000	218,098	3.50	218,098	—
SCIENTECH INVESTMENT CORP.	Shares							
	SIGLAZ	—	Financial assets at fair value through profit or loss	1,100,000	-	15.80	-	—

Note: For information on investment in subsidiaries and associates, refer to Appendix Tables 6 and 7.

SCIENTECH CORPORATION and its subsidiaries

The accumulated purchase or sale amount of the same marketable securities reaching 300 million or more than 20% of the paid-in capital

2024

Appendix Table 4

Unit: NT$ thousand

Buying and selling company	Marketable securities Type and name	Account Name	Transaction Counterparty	Relationship	Beginning of year		Purchase		Sell				Other adjustments (Note)	End of year	
					Shares	Amount	Shares	Amount	Shares	Selling price	Book cost	Gain on disposal		Shares	Amount
	Common stock														
The Company	YAYA TECHNOLOGIES CORPORATION	Investments accounted for using equity method	—	—	-	$ -	6,722,905	$ 215,133	-	$ -	$ -	$ -	($ 447)	6,722,905	$ 214,686
TRANSCEND CAPITAL CORP.	XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.	Investments accounted for using equity method	SCIENTECH ENGINEERING CORP.(SHANGHAI)	Associates	14,268,388.4	US$15,226 thousand	-	-	14,268,388.4	US$14,536 thousand	US$14,536 thousand	-	(US$690 thousand)	-	-
SCIENTECH ENGINEERING CORP.(SHANGHAI)	XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.	Investments accounted for using equity method	TRANSCEND CAPITAL CORP.	Associates	-	-	14,268,388.4	US$14,536 thousand	-	-	-	-	(US$420 thousand)	14,268,388.4	US$14,116 thousand

Note: This refers to the share of profit or loss of associates accounted for using the equity method and exchange differences on translation of foreign financial statements.

SCIENTECH CORPORATION and its subsidiaries

Acquisition of property reaching NT$3 billion or more than 20% of paid-in capital

2024

Appendix Table 5

Unit: NT$ thousand

Acquisition of property Of the company	Property Name	Date of Transaction	Transaction amount	Payment Status	Transaction Counterparty	Relationship	Previous Transfer Data if the Transaction Counterparty Is a Related Party				Price determination Reference basis	Acquisition purpose and Usage details	Other agreements Matters
							Owner	With the issuer Relationship	Transfer Date	Amount			
SCIENTECH CORPORATION	Buildings	2024/12/13 (Note)	$ 900,000 (Note)	Handled according to contract terms	(Note)	—	—	—	—	$ -	(Note)	From the local committee construction, prosper Construct plants for operation Freight charges	None

Note: It is based on the expected transaction information approved by the Board of Directors, and the actual transaction information shall be subject to the contract.

SCIENTECH CORPORATION and its subsidiaries

Name and Territory of Investees and Other Relevant Information

2024

Appendix Table 6

Unit: Unless otherwise specified, For NTD Thousand

Name of investor	Investee	Region	Main business line	Original investment amount 31 December 2024	Original investment amount January 1, 2024	Held at the end of year Shares	Held at the end of year Percentage	Held at the end of year Book value	Investee Profit or loss in the period	Recognized in the period Investment gains or losses	Remarks
SCIENTECH CORPORATION	SCIENTECH GMBH	Mauritius	Investment	$ 171,775	$ 171,775	5,540,000	100	$ 1,676,920	$ 796,205	$ 796,205	—
	ACROMASS TECHNOLOGIES INC.	Taipei City	General instrument and precision instrument manufacturing	270,000	270,000	27,000,000	100	3,357	40	40	—
	SCIENTECH MATERIALS CORPORATION	Taipei City	Manufacturing and sale of energy-efficient products	-	205,000	-	-	-	-	-	(Notes 1, and 2)
	NATGEM INC.	Taipei City	Sale of food and supplies	33,000	33,000	800,000	100	607	528	528	—
	SCIENTECH GMBH	Austria	International trade	10,672	10,672	-	100	19,932	(1,157)	(1,157)	—
	TRANSCEND CAPITAL CORP.	British Virgin Islands	Investment	417,289	417,289	14,290,000	100	429,894	(21,134)	(21,134)	(Note 4)
	RENORIGIN INNOVATION INSTITUTE CO., LTD.	Taipei City	Sale of biotech products	14,030	14,030	1,121,000	20	5,252	(5,864)	(1,262)	(Note 2)
	FORWARD SCIENCE PTE. LTD.	Singapore	Trading and maintenance of semiconductor equipment and peripherals	11,944	11,944	500,000	21				(Note 2)
	YAYA TECHNOLOGIES CORPORATION	Hsinchu City	Trading of semiconductor equipment and peripherals	215,133	-	6,722,905	40	214,686	(63,224)	(447)	—
SCIENTECH GMBH	SIMPLE INVESTMENT CORP.	Mauritius	Investment	160,827 (US$4,906 thousand)	160,827 (US$4,906 thousand)	4,905,500	100	1,643,791 (US$50,139 thousand)	795,280 (US$24,766 thousand)	795,280 (US$24,766 thousand)	(Note 3)
	SCIENTECH ENGINEERING USA CORP.	California, US	Trading of semiconductor equipment and peripherals	9,836 (US$300 thousand)	9,836 (US$300 thousand)	300,000	100	30,352 (US$926 thousand)	(902) (US$28 thousand)	(902) (US$28 thousand)	(Note 3)
SCIENTECH ENGINEERING CORP.(SHANGHAI)	SCIENTECH ENGINEERING (HONG KONG) LIMITED	Hong Kong	International trade	6,063 (CNY$1,354 thousand)	6,063 (CNY$1,354 thousand)	-	100	806,994 (CNY$180,213 thousand)	316,905 (CNY71,151 thousand)	316,905 (CNY71,151 thousand)	(Note 3)

Note 1: SCIENTECH MATERIALS CORPORATION was dissolved through a resolution reached at the Board of Directors meeting dated 31 August 2021. The liquidation was completed by May 2024.

Note 2: It was calculated based on financial statements in the same period that were not audited by CPAs.

Note 3: The amount was converted using the exchange rate of US$1 = $32.785 and RMB$1 = $4.478 on December 31, 2024. Investment gains or losses were converted using the average exchange rate of US$1=32.112 and RMB$1=4.454 during January 1, 2024 and December 31, 2024.

Note 4: The Company approved the liquidation of the subsidiary TRANSCEND CAPITAL CORP through a resolution at the Board meeting in January 2025.

SCIENTECH CORPORATION and its subsidiaries

Information on Investment in Mainland China

2024

Appendix Table 7

Unit: Unless otherwise specified, For NTD Thousand

Mainland investee Company name	Main business line	paid-in capital (Note 1)	Method of investment	At the beginning of the year from Taiwan Remitted accumulated Investment amount (Note 1)	Amount of investments remitted or recovered in current year		End of year from Taiwan Remitted accumulated Investment amount (Note 1)	Investee Profit or loss in the period	The Company's shareholding of direct or indirect investment (%)	Recognized in the year Investment gains or losses	Investment at the end of the year Book value	As of the end of current year Profit received from investments
					Remitted	Recovered						
SCIENTECH ENGINEERING CORP.(SHANGHAI)	Trading and maintenance of semiconductor equipment and peripherals	$ 159,663 (US$4,870 thousand)	Investment in Mainland China companies through the establishment of companies in third regions (Note 3)	$ 159,663 (US$4,870 thousand)	$ -	$ -	$ 159,663 (US$4,870 thousand)	$ 795,279	100	$ 795,279	$ 1,644,395	$ -
XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD.	Trading of semiconductor equipment and peripherals	2,717,419 (US$82,886 thousand)	Investment in Mainland China companies through the establishment of companies in third regions (Note 4)	467,789 (US$14,268 thousand)	-	-	467,789 (US$14,268 thousand)	(122,037)	17.21	(21,008)	416,994	-

Accumulated amount of investments from Taiwan to Mainland China at the end of current period (Note 1)	Investment amount approved by the Investment Commission, MOEA (Note 1)	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA
$ 627,452 (US$19,138 thousand)	$ 627,452 (US$19,138 thousand)	$ 2,977,203

Note 1: Converted at the exchange rate of US$1 against NT$32.785 on December 31, 2024.

Note 2: It was calculated based on financial statements in the same period that were audited by CPAs.

Note 3: Through SIMPLE INVESTMENT CORP. Investment in SCIENTECH ENGINEERING (SHANGHAI) LIMITED.

Note 4: Originally invested in XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. via TRANSCEND CAPITAL CORP. For the consideration of the overall investment strategy, the Company's Board of Directors reached a resolution in November 2024 to transfer all shares held by TRANSCEND CAPITAL CORP in XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. to SCIENTECH ENGINEERING CORP. (SHANGHAI).

Note 5: The balance of unrealized gains as of 31 December 2024 arising from the sale of machinery and equipment and provision of services to XTEK SEMICONDUCTOR (HUANGSHI) CO., LTD. was NT$45,789 thousand. Realized gross profit during 1 January 2024 and 31 December 2024 was NT$5,154 thousand.

SCIENTECH CORPORATION

Information on Major Shareholders

31 December 2024

Appendix Table 8

Name of major shareholder	Shares	
	Number of shares held (shares)	Ownership
HUNG-LIANG HSIEH	7,822,390	9.73%
FEN-CHING HSIEH-CHIU	5,974,007	7.43%

Note: The information on major shareholders are acquired from the data of the Taiwan Depository & Clearing Corporation with respect to the shareholders holding aggregately 5% or more of the common and preferred stocks of the Company that have been registered and delivered (including treasury stock) in dematerialized form on the last business day at the end of the current quarter. The share capital stated in the consolidated financial statements of the Company may be different from the number of shares that have been actually registered and delivered in dematerialized form due to different bases of compilation and calculation.

§ SCHEDULE OF MAJOR ACCOUNTS §

SCIENTECH CORPORATION

Schedule of Cash and Cash Equivalents

31 December 2024

Table 1

Unit: Unless otherwise specified, as NTD Thousand

Item	Maturity Date	Annual Interest Rate	Amount
Cash			
Cash on hand and working capital			$ 305
Bank check and demand deposit(Note 1)			2,301,850
			2,302,155
Cash equivalents			
Bank time deposit whose initial maturity date will be due within 3 months (Note 2)	2025.1.4-2025.1.30	1.55%～4.80%	2,242,540
			$ 4,544,695

Note 1:Including JPY565,870 thousand, RMB10,723 thousand, USD21,643 thousand, and EUR3,946 thousand, which were converted at the exchange rates of JPY$1＝$0.2099, RMB$1＝$4.478, US$1＝$32.785, and EUR$1 ＝$34.14, respectively.

Note 2: Including USD 44,000 thousand, which were converted at the exchange rate of US$1＝$32.785.

SCIENTECH CORPORATION

Schedule of Notes Receivables and Accounts Receivables

31 December 2024

Table 2 Unit: NT$ thousand

Customer name	Amount
Notes receivable (Note)	$ 2,260
Accounts receivable	
Company A	74,454
Company B	57,295
Company C	32,647
Company D	27,884
Company E	27,707
Others (Note)	301,244
	521,231
Receivables due from related parties	5,312
Less: allowance for doubtful debts	12,501
	$ 516,302

Note: The balance of each individual customer did not exceed 5% of this account.

SCIENTECH CORPORATION

Schedule of Inventories

31 December 2024

Table 3 Unit: NT$ thousand

Item	Amount	
	Cost	Net realizable value
Products	$ 7,882,224	$ 9,254,513
Finished-goods	650,511	771,037
Work-in-process	838,515	1,114,469
Raw materials	790,062	1,253,152
	10,161,312	$ 12,393,171
Less: Allowance for devaluation loss (Note)	914,846	
	$ 9,246,466	

Note: The allowance for devaluation loss covers the allowance for products in the amount of NT$637,088 thousand, for finished goods in the amount of NT$36,229 thousand, for work in progress in the amount of NT$103,227 thousand, and for raw materials in the amount of NT$138,302 thousand.

SCIENTECH CORPORATION

Schedule of Investments Accounted for Using Equity Method

2024

Table 4

Unit: NT$ thousand

Investee	Balance - beginning of period		New additions in the current year		Dispose of investment	Accounted for using equity method Recognized subsidiaries And associates Capital surplus	Foreign operations Translation of Financial Statements Exchange differences	Others	Balance - ending of period			Remarks
	Shares	Amount	Shares	Amount					Shares	Shareholding %	Amount	
Investment in subsidiary												
SCIENTECH GMBH	5,540,000	$ 827,309	-	$ -	$ -	$ 796,205	$ 44,023	$ 9,383	5,540,000	100	$ 1,676,920	(Note 2)
TRANSCEND CAPITAL CORP.	14,290,000	416,932	-	-	-	(21,134)	38,325	(4,229)	14,290,000	100	429,894	(Note 2)
SCIENTECH GMBH	-	20,971	-	-	-	(1,157)	118	-	-	100	19,932	
ACROMASS TECHNOLOGIES INC.	27,000,000	3,317	-	-	-	40	-	-	27,000,000	100	3,357	
SCIENTECH MATERIALS CORPORATION	1,400,000	3,168	-	-	(3,168)	-	-	-	1,400,000	100	-	(Note 1)
NATGEM INC.	800,000	79	-	-	-	528	-	-	800,000	100	607	
		1,271,776		-	(3,168)	774,482	82,466	5,154			2,130,710	
Investment in associates												
YAYA TECHNOLOGIES CORPORATION	-	-	6,722,905	215,133	-	(447)	-	-	6,722,905	40	214,686	(Note 3)
RENORIGIN INNOVATION INSTITUTE CO., LTD.	1,121,000	6,514	-	-	-	(1,262)	-	-	1,121,000	20	5,252	(Note 1)
FORWARD SCIENCE PTE. LTD.	500,000	-	-	-	-	-	-	-	500,000	21	-	(Note 1)
		6,514		215,133	-	(1,709)	-	-			219,938	
Investments accounted for using equity method		$ 1,278,290		$ 215,133	($ 3,168)	$ 772,773	$ 82,466	$ 5,154			$ 2,350,648	

Note 1: It was calculated based on financial statements in the same period that were not audited by CPAs.

Note 2: Others are the realized gains from downstream transactions of the current year and capital surplus - adjustments for changes in percentage of ownership interest in subsidiaries.

Note 3: The Company newly acquired YAYA TECHNOLOGIES CORPORATION for 215,133 thousand (6,722,905 shares) in December 2024.

SCIENTECH CORPORATION

Schedule of Notes Payables and Accounts Payables

31 December 2024

Table 5 Unit: NT$ thousand

Name of manufacturer	Amount
notes payable	$ 97
Accounts payable	
Company A	139,470
Company B	108,726
Company C	84,728
Company D	84,422
Company E	62,454
Others (Note)	724,666
	1,204,466
Payables due to related parties (Note)	1,860
Total	$ 1,206,423

Note: The balance of each individual customer did not exceed 5% of this account.

SCIENTECH CORPORATION

Schedule of Short-term Borrowings

31 December 2024

Table 6 Unit: NT$ thousand

Name	Borrowing period	Balance	Credit limit of financing facilities	Pledged or collateralized	Remarks
Bank loans against a letter of credit					
Bank Sinopac Company Limited		$ 163,221	$ 163,221	None	Note 2
CTBC Bank		-	680,000	None	Note 3
		$ 163,221	$ 843,221		
Bank credit loans					
Bank Sinopac Company Limited	2024.9.27-2025.3.26	$ 200,000	$ 436,779	None	Note 1 and 2
DBS Bank (Taiwan) Limited	2024.10.4-2025.1.3	200,000	300,000	None	Note 1
		$ 400,000	$ 736,779		

Note 1: The interest rate range is 1.525% to 1.58%.

Note 2: The mid-term loans, loans against a letter of credit, bid bond guarantees, and performance bond limits of Bank Sinopac Company Limited are accumulative, amounting to NT$600,000 thousand.

Note 3: The credit limit of CTBC Bank credit loans and CTBC Bank loans against a letter of credit is accumulative, and amounted to NT$680,000 thousand.

SCIENTECH CORPORATION

Schedule of Contract Liability

31 December 2024

Table 7 Unit: NT$ thousand

Customer name	Amount
Company F	$ 587,580
Others (Note)	10,245,131
Contract liabilities	$ 10,832,711

Note: The balance of each individual customer did not exceed 5% of this account.

SCIENTECH CORPORATION

Bonds Payable Schedule

31 December 2024

Table 8

Unit: NT$ thousand

Bond name	Trustee	Issue date	Interest Payment Date	Interest rate (%)	Amount: Total issuance amount	Amount: Amount repaid	Amount: Balance - end of year	Amount: Unamortized surplus (Discount) Price	Amount: Book value	Repayment method	Collateral situation
Domestic corporate bonds											
2024 First Unsecured Convertible Bonds	Taipei Fubon Commercial Bank Co., Ltd.	2024/06/07	Issued at face value, with a coupon rate of 0%	-	$ 200,000	$ -	$ 200,000	($ 9,143)	$ 190,857	Except for conversion into the Company's common shares according to the conversion terms or early redemption by the Company, the principal is repaid in full at maturity.	None
2024 second unsecured convertible bonds	Taipei Fubon Commercial Bank Co., Ltd.	2024/06/19	Issued at 117.07% of the face value, with a coupon rate of 0%	-	1,000,000	-	1,000,000	(45,203)	954,797	Except for conversion into the Company's common shares according to the conversion terms or early redemption by the Company, the principal is repaid in full at maturity.	None
					$ 1,200,000	$ -	$ 1,200,000	($ 54,346)	$ 1,145,654		

SCIENTECH CORPORATION

Schedule of Net Operating Income

2024

Table 9 Unit: NT$ thousand

Name	Amount	Amount
Manufacturing	1,756,796	$ 3,328,789
Agent	22,654	2,280,552
Commission		84,280
Maintenance		76,137
Others		23,949
		$ 5,793,707

SCIENTECH CORPORATION

Schedule of Operating Costs

2024

Table 10

Unit: NT$ thousand

Name	Amount
Cost to manufacture and cost of goods sold	
Beginning of year raw supplies	$ 559,282
Add: Current year purchase	2,103,887
Transferred to work in progress	1,612,604
finished goods transferred in	1,323,990
Others	155,530
Less: End of year supplies	790,062
Transferred goods	48,785
Research and development requisition, etc.	170,739
Direct raw supplies consumption	4,745,707
Direct labor	210,607
Manufacturing overheads	483,044
Cost	5,439,358
Add: Beginning of year work in progress	789,701
Less: End of year work in progress	838,515
Transferred to raw materials	1,612,604
Cost of finished-goods	3,777,940
Add: beginning of year finished goods	321,366
Others	10,586
Decrease: End of year finished goods	650,511
Transferred to raw materials	1,323,990
Others	50,257
	2,085,134
Cost of goods sold	
Goods - beginning of period	6,126,707
Add: Purchases in the current year	3,574,718
Transferred supplies to products	48,785
Less: End of year goods	7,882,224
Others	188,518
	1,679,468
Add: Loss on inventories devaluation	436,917
Add: Retirement of inventories	3,474
	$ 4,204,993

SCIENTECH CORPORATION

Schedule of Operating Expenses

2024

Table 11 Unit: NT$ thousand

Item	Marketing expenses	General and administrative expenses	R&D expenses	Expected credit Impairment loss	Total
Salary expenses	$ 310,560	$ 100,165	$ 199,531	$ -	$ 610,256
Commission	168,133	-	-	-	168,133
Depreciation	21,591	6,009	52,550	-	80,150
Service fees	43,142	8,178	5,116	-	56,436
Material cost	18,572	-	34,685	-	53,257
Insurance premium	29,466	6,989	16,250	-	52,705
Freight charges	41,330	289	408	-	42,027
Others (Note)	184,767	32,761	68,147	(7,559)	278,116
	$ 817,561	$ 154,391	$ 376,687	($ 7,559)	$1,341,080

Note: No amount individually exceeds 5% of this account.

SCIENTECH CORPORATION

Summary Table by Function of Employee Benefits, Depreciation, and Amortization Incurred in the Year

2024 and 2023

Table 12

Unit: NT$ thousand

	2024			2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expenses						
Salary expenses	$ 223,000	$ 595,026	$ 818,026	$ 193,925	$ 478,332	$ 672,257
Labor insurance and health insurance expenses	22,680	41,695	64,375	20,224	36,036	56,260
Pension expenses	6,594	24,419	31,013	5,737	19,753	25,490
Directors' remuneration	-	15,230	15,230	-	12,010	12,010
Other employee benefit expenses	20,721	21,626	42,347	16,380	15,277	31,657
	$ 272,995	$ 697,996	$ 970,991	$ 236,266	$ 561,408	$ 797,674
Depreciation	$ 47,197	$ 80,150	$ 127,347	$ 34,881	$ 78,356	$ 113,237
Amortization expense	$ -	$ 338	$ 338	$ -	$ 338	$ 338

Note 1: The number of the Company's employees in 2024 and 2023 is 739 and 659, respectively, of whom the number of directors not concurrently serving as an employee is both 6.

Note 2: (1) The average employee benefit expenses in 2024 and 2023 were NT$1,304 thousand and NT$1,203 thousand, respectively.

(2) The average employee salary expenses in 2024 and 2023 were 1,116 thousand and 1,029 thousand, respectively.

(3) The extent of average employee salary adjustment was 8.45%.

Note 3: In 2024 and 2023, the Company did not have supervisors, so there is no related remuneration for supervisors.

Note 4: The Company's independent directors are entitled to a fixed amount of remuneration. Other directors are entitled to no compensation other than the reimbursement of transportation expenses required for attending a Board meeting. In addition, according to Article 20 of the Company's Articles of Incorporation, no less than 2% of the annual earnings may be allocated as directors' remuneration. Such remuneration is firstly proposed to the Remuneration Committee in accordance with the Company's remuneration distribution principles; if the committee gives the approval, such remuneration proposal is then summited to the Board of Directors and, if approved, implemented.

Note 5: The salary structure of the Company's employees and managers mainly comprises base salary, job pay differentials, bonus, and monetary perks. The salary adjustment, year-end bonus, and bonus distribution therefor are determined based on the "Employee Promotion Regulations" and "Employee Bonus Distribution Principles", and are firstly proposed by the management executives with consideration given to personal performance and the Company's operational performance, then approved by the executives with the authority, then submitted to the Remuneration Committee for consideration, and, if approved, implemented.