

Lemtech Holdings Co., Limited and its subsidiaries

Consolidated Financial Report and Independent Auditors'
Report

For the Years Ended December 31, 2024 and 2023

Address: Suite 102, Cannon Place, P.O. Box 712, North
Sound Rd., Grand Cayman, KY1-9006
Cayman Islands
Phone: (+886) 2-8684-1618

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

Table Of Contents

Contents	Page
1. Cover Page	1
2. Table Of Contents	2
3. Independent Auditors' Report	3 ~ 6
4. Consolidated Balance Sheets	7
5. Consolidated Statements Of Comprehensive Income	8 ~ 9
6. Consolidated Statements Of Changes In Equity	10
7. Consolidated Statements Of Cash Flows	11 ~ 12
8. Notes To The Consolidated Financial Statements	
(1) History And Organization	13
(2) The Date Of Authorization For Issuance Of The Consolidated Financial Statements And Procedures For Authorization	13
(3) Application Of New Standards, Amendments And Interpretations	13 ~ 16
(4) Summary Of Material Accounting Policies	16 ~ 28
(5) Significant Accounting Judgements, Estimates And Key Sources Of Assumption Uncertainty	28 ~ 29
(6) Details Of Significant Accounts	29 ~ 61
(7) Related Party Transactions	61 ~ 62
(8) Pledged Assets	63
(9) Significant Contingent Liabilities And Unrecognized Contract Commitments	63
(10) Significant Disaster Loss	63
(11) Others	63
(12) Significant Events After The Balance Sheet Date	63
(13) Information on Foreign Currency-denominated Assets and Liabilities of Significant Influence	63 ~ 64
(14) Supplementary Disclosures	
(I) Significant Transactions	64 ~ 65
(II) Investees	64 ~ 65
(III) Information on investments in China	65
(IV) Information on major shareholders:	65
(15) Segment Information	65 ~ 67

Independent Auditors' Report

Lemtech Holdings Co., Limited public notice:

Audit opinion

Lemtech Holdings Co., Limited (Lemtech Holding Group) and its subsidiaries' Consolidated Balance Sheets as of December 31, 2024 and 2023, in addition to the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statements of Cash Flows, and Notes for Consolidated Financial Statement (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023, have been audited by the CPAs.

In our opinion, the consolidated financial statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Lemtech Holding Group and its subsidiaries as of December 31, 2024 and 2023, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2024 and 2023.

Basis for Auditor's Opinions

We conducted review work in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards, we implemented the review work. Our responsibilities required under said standards will be detailed in the paragraph about the external auditor's responsibility on auditing consolidated financial statements. We are independent of the company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other obligations under the Norm. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

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

Key audit matters for the consolidated financial statements of Lemtech Holding Group and its subsidiaries for the year ended December 31, 2024 are stated as follows:

Key Audit Matters: Revenue recognition authenticity of specific customer

The revenue of Lemtech Holding Group includes electronic components, automotive parts, and connected fitness equipment. Since the materiality and the Statements on Auditing Standards has defaulted revenue recognition as a significant risk. Therefore, the assessment of the authenticity of sales transactions with major customers meeting certain conditions was listed as a key audit matter. For details of the revenue recognition policy, please refer to Note 4 and 25 of the consolidated financial report.

In addition to testing related internal control, our major audit procedures executed on the key audit matter are as follows.

1. Sampling check the details of sales revenue transactions of specific customer groups and the corresponding sales orders, bills of offset and receipts to confirm that sales transactions have actually occurred.
2. Confirm the authenticity of the foregoing transactions after the implementation of the balance sheet date that whether there is a major sales return and discount test and whether the return discount is reasonable.

Responsibility of the management and the governing body for the consolidated financial statements

It is the management's responsibility to fairly present the consolidated financial statements in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRS, IAS, IFRIC, and SIC endorsed by the FSC, and to sustain internal controls respecting preparation of the consolidated financial statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing the company's ability to continue as a going concern, disclosing going concern related matters, as well as adopting going concern basis of accounting unless the management intends to liquidate the company or terminate the business, or has no realistic alternative but to do so.

The governing bodies of the company (including the audit committee) have the responsibility to oversee the procedures for financial reporting.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work according to the auditing standards in the Republic of China. We also execute the following tasks:

1. Identify and assess the risks of material misstatement within the consolidated financial statements, whether due to fraud or error; design and execute countermeasures in response to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances. However, the purpose is not to express an opinion on the effectiveness of the company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, to conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the company to no longer continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them on all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

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

Deloitte & Touche

Taipei, Taiwan (Republic of China)

March 18, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Units: NT\$1,000

Code	Total assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6 and 34)	\$ 1,915,075	23	\$ 1,459,029	20
1136	Financial assets at amortized cost - Current (Note 7, 8, and 34)	26,000	-	210,147	3
1150	Note receivables (Note 9, 23, and 34)	113,480	1	5,181	-
1170	Account receivables (Note 9, 23, and 34)	1,662,627	20	1,464,780	20
1200	Other receivables (Note 9 and 34)	52,035	1	23,736	1
1220	Current tax assets (Note 27)	13,750	-	10,512	-
130X	Inventory (Note 10)	996,681	12	813,058	11
1460	Non-current assets held for sale (Note 11)	1,038,147	12	-	-
1410	Prepayments (Note 19)	116,024	2	82,159	1
1470	Other current assets (Note 19)	<u>2,610</u>	<u>-</u>	<u>667</u>	<u>-</u>
11XX	Total Current Assets	<u>5,936,429</u>	<u>71</u>	<u>4,069,269</u>	<u>56</u>
	Non-current assets				
1550	Investment using equity method (Note 13)	-	-	44,511	1
1600	Real estate, plant, and equipment (Note 14, 32 and 36)	1,767,026	21	1,542,958	21
1755	Right-of-use assets (Note 15)	394,897	5	324,505	4
1760	Investment property, net (Note 16)	-	-	988,452	14
1805	Goodwill (Note 17)	4,628	-	4,335	-
1821	Other intangible assets (Note 18)	12,973	-	17,779	-
1840	Deferred tax assets (Note 27)	49,114	-	37,168	1
1915	Prepayments for equipment (Note 19)	232,191	3	229,922	3
1920	Refundable deposits (Note 19 and 34)	<u>17,268</u>	<u>-</u>	<u>10,227</u>	<u>-</u>
15XX	Total Non-current Assets	<u>2,478,097</u>	<u>29</u>	<u>3,199,857</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 8,414,526</u>	<u>100</u>	<u>\$ 7,269,126</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 20 and 34)	\$ 1,026,072	12	\$ 817,712	11
2130	Contract liabilities - Current (Note 25)	93,061	1	35,549	1
2150	Note payables (Note 22 and 34)	110,012	1	118,305	2
2170	Account payables (Note 21 and 34)	1,147,255	14	892,220	12
2219	Other payables (Note 23 and 34)	459,779	6	362,605	5
2230	Current tax liabilities (Note 27)	50,077	1	9,912	-
2280	Lease liabilities (Note 15, 32 and 34)	77,796	1	65,905	1
2321	Corporate bonds payable - Current (Note 21 and 34)	-	-	17,913	-
2322	Current portion of long-term borrowings (Note 20, 34, and 36)	25,881	-	-	-
2399	Other current liabilities (Note 23)	<u>17,805</u>	<u>-</u>	<u>20,271</u>	<u>-</u>
21XX	Total Current Liabilities	<u>3,007,738</u>	<u>36</u>	<u>2,340,392</u>	<u>32</u>
	Non-current liabilities				
2540	Long-term borrowings (Note 20 and 34)	852,336	10	850,000	12
2570	Deferred tax liabilities (Note 27)	397,396	5	366,406	5
2580	Lease liabilities - Non-current (Note 15, 32 and 34)	235,014	3	182,798	3
2645	Deposited Margin (Note 34)	<u>15,935</u>	<u>-</u>	<u>12,736</u>	<u>-</u>
25XX	Total non-current liabilities	<u>1,500,681</u>	<u>18</u>	<u>1,411,940</u>	<u>20</u>
2XXX	Total Liabilities	<u>4,508,419</u>	<u>54</u>	<u>3,752,332</u>	<u>52</u>
	Equity attributable to owners of the company (Note 24)				
	Equity				
3110	Ordinary stock	<u>621,934</u>	<u>7</u>	<u>621,928</u>	<u>9</u>
3200	Capital surplus	<u>1,463,061</u>	<u>17</u>	<u>1,462,967</u>	<u>20</u>
	Retained earnings				
3320	Special reserve	59,066	1	-	-
3350	Unappropriated retained earnings	<u>1,577,800</u>	<u>19</u>	<u>1,389,191</u>	<u>19</u>
3300	Total Retained Earnings	<u>1,636,866</u>	<u>20</u>	<u>1,389,191</u>	<u>19</u>
3410	Exchange differences on translation of foreign financial statements	<u>93,456</u>	<u>1</u>	<u>(59,066)</u>	<u>(1)</u>
31XX	Equity attributable to shareholders of the parent	3,815,317	45	3,415,020	47
36XX	Non-controlling interests	<u>90,790</u>	<u>1</u>	<u>101,774</u>	<u>1</u>
3XXX	Total equity	<u>3,906,107</u>	<u>46</u>	<u>3,516,794</u>	<u>48</u>
	Total Liabilities and Equity	<u>\$ 8,414,526</u>	<u>100</u>	<u>\$ 7,269,126</u>	<u>100</u>

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

Chairman: Hsu, Chi-Feng
Manager: Eu, Ricky
Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statement of Comprehensive Income
Jan. 1 to Dec. 31, 2024 and Jan. 1 to Dec. 31, 2023

(Units: NT\$1,000, Except Earnings Per Share)

Code		2024		2023	
		Amount	%	Amount	%
	Operating revenue (Note 25 and 35)				
4110	Sales	\$ 5,862,662	101	\$ 4,734,673	102
4190	Sales returns and allowances	(62,951)	(1)	(70,449)	(2)
4000	Total operating revenue	5,799,711	100	4,664,224	100
5000	Operating cost (Note 10)	(4,413,097)	(76)	(3,639,661)	(78)
5900	Gross profit	<u>1,386,614</u>	<u>24</u>	<u>1,024,563</u>	<u>22</u>
	Operating expenses (Note 26 and 35)				
6100	Selling expenses	(240,114)	(4)	(150,652)	(3)
6200	Administrative expenses	(373,463)	(6)	(337,294)	(7)
6300	Research and development expenses	(229,225)	(4)	(210,569)	(5)
6450	Expected credit impairment loss	<u>16,272</u>	<u>-</u>	<u>2,475</u>	<u>-</u>
6000	Total operating expenses	(826,530)	(14)	(696,040)	(15)
6900	Net operating profit	<u>560,084</u>	<u>10</u>	<u>328,523</u>	<u>7</u>
	Non-operating income and expenses (Note 26)				
7100	Interest income	42,691	1	48,657	1
7010	Other income	73,098	1	67,468	1
7020	Other gains and losses	(67,497)	(1)	(75,285)	(2)
7050	Finance costs	(73,532)	(1)	(63,916)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	(832)	-	(5,877)	-
7000	Total non-operating income and expenses	(26,072)	-	(28,953)	(1)

(Continued)

(Continued from previous page)

Code		2024		2023	
		Amount	%	Amount	%
7900	Net income before taxes from continuing operations	\$ 534,012	10	\$ 299,570	6
7950	Income tax expenses (Note 27)	(104,867)	(2)	(25,071)	-
8200	Net profit for the period	<u>429,145</u>	<u>8</u>	<u>274,499</u>	<u>6</u>
	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to gain or loss:				
8361	Exchange differences on translation of foreign financial statements	<u>122,288</u>	<u>2</u>	(49,154)	(1)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>122,288</u>	<u>2</u>	(49,154)	(1)
8500	Total comprehensive income	<u>\$ 551,433</u>	<u>10</u>	<u>\$ 225,345</u>	<u>5</u>
	Net income attributable to				
8610	Shareholders of the parent	\$ 401,977	7	\$ 260,095	6
8620	Non-controlling interests	<u>27,168</u>	<u>-</u>	<u>14,404</u>	<u>-</u>
8600		<u>\$ 429,145</u>	<u>7</u>	<u>\$ 274,499</u>	<u>6</u>
	Total comprehensive income (loss) attributable to				
8710	Shareholders of the parent	\$ 554,499	10	\$ 215,025	5
8720	Non-controlling interests	(3,066)	-	<u>10,320</u>	<u>-</u>
8700		<u>\$ 551,433</u>	<u>10</u>	<u>\$ 225,345</u>	<u>5</u>
	Earnings per share (Note 27)				
	From continuing business				
9710	Basic	<u>\$ 6.46</u>		<u>\$ 4.18</u>	
9810	Diluted	<u>\$ 6.45</u>		<u>\$ 4.18</u>	

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statement of Changes in Equity
Jan. 1 to Dec. 31, 2024 and Jan. 1 to Dec. 31, 2023

Units: NT\$1,000

Code		Equity attributable to owners of the Company								
		Share capital		Retained earnings			Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
		Number of shares	Amount	Capital reserve	Special reserve	Unappropriated earnings				
A1	Balance as of January 1, 2023	62,193	\$ 621,928	\$ 1,462,846	\$ -	\$ 1,215,668	(\$ 13,996)	\$ 3,286,446	\$ 92,549	\$ 3,378,995
B5	Appropriation of earnings									
	Cash dividend attributable to shareholders	-	-	-	-	(86,572)	-	(86,572)	-	(86,572)
O1	Other changes in capital surplus									
	Non-controlling interests	-	-	121	-	-	-	121	(1,095)	(974)
D1	2023 Net Profit	-	-	-	-	260,095	-	260,095	14,404	274,499
D3	2023 Other Comprehensive Income (Loss) after tax	-	-	-	-	-	(45,070)	(45,070)	(4,084)	(49,154)
D5	Total comprehensive income (loss) in 2023	-	-	-	-	260,095	(45,070)	215,025	10,320	225,345
Z1	Balance as of December 31, 2023	62,193	621,928	1,462,967	-	1,389,191	(59,066)	3,415,020	101,774	3,516,794
B3	Appropriation of earnings									
	Special reserve	-	-	-	59,066	(59,066)	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(154,302)	-	(154,302)	-	(154,302)
I1	Conversion of convertible bonds	-	6	94	-	-	-	100	-	100
M3	Disposals of subsidiaries	-	-	-	-	-	-	-	(7,918)	(7,918)
D1	2024 Net profit	-	-	-	-	401,977	-	401,977	27,168	429,145
D3	2024 other comprehensive income after tax	-	-	-	-	-	152,522	152,522	(30,234)	122,288
D5	2024 total comprehensive profit and loss	-	-	-	-	401,977	152,522	554,499	(3,066)	551,433
Z1	Balance as of December 31, 2024	62,193	\$ 621,934	\$ 1,463,061	\$ 59,066	\$ 1,577,800	\$ 93,456	\$ 3,815,317	\$ 90,790	\$ 3,906,107

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

Chairman: Hsu, Chi-Feng
Manager: Eu, Ricky
Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Lemtech Holdings Co., Limited and its subsidiaries

Consolidated Statement of Cash Flows

Jan. 1 to Dec. 31, 2024 and Jan. 1 to Dec. 31, 2023

Units: NT\$1,000

Code		2024	2023
	Cash flows from operating activities		
A10000	Net income before tax of the current year	\$ 534,012	\$ 299,570
A20010	Income Charges (Credits):		
A20100	Depreciation expenses	414,642	346,361
A20200	Amortization expense	7,867	14,233
A20300	Gain on reversal of expected credit loss	(16,272)	(2,475)
A20400	Financial assets and liabilities measured at fair value through profit and loss	-	(2,015)
A20900	Finance costs	73,532	63,916
A21200	Interest income	(42,691)	(48,657)
A22300	Share of profit (loss) of associates and joint ventures accounted for using the equity method	832	5,877
A22900	Gain on lease modification	-	(5)
A22500	Gains on disposal of real estate, plant, and equipment	2,756	3,542
A23200	Loss on disposal of investments accounted for using equity method	10,538	-
A23700	Goodwill impairment loss	-	68,155
A23700	Allowance for inventories	1,046	7,997
A24100	Net loss (gain) on foreign currency exchange	(9,392)	20,223
A23700	Impairment loss of property, plant and equipment	4,809	-
A29900	Loss on disposal of subsidiaries	23,116	-
A29900	Impairment loss of investments accounted for using equity method	8,610	-
A24200	Loss from redemption and reversal of corporate bonds payables	-	9,509
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(108,369)	(3,638)
A31150	Accounts receivable	(215,578)	405,062
A31180	Other receivables	(76)	(1,045)
A31200	Inventories	(190,423)	104,663
A31230	Prepayments	(37,113)	658
A31240	Other current assets	(1,943)	4,734
A32125	Contract liabilities	57,512	(19,303)
A32130	Notes payable	(8,293)	(71,007)
A32150	Accounts payable	262,454	50,324
A32180	Other payables	10,750	21,421
A32230	Other current liabilities	(2,348)	3,222
A33000	Cash from operating activities	779,978	1,281,322
A33300	Interest paid	(62,693)	(40,821)
A33500	Income tax paid	(60,410)	(116,077)
AAAA	Net cash flows from operating activities	656,875	1,124,424

(Continued)

(Continued from previous page)

Code		2024	2023
	Cash flows from investing activities		
B00050	Disposal of financial assets at amortized cost	\$ 184,147	\$ 94,247
B00200	Disposal of financial assets at fair value through profit or loss	-	130,056
B02700	Purchase of real estate, plant, and equipment	(466,464)	(472,311)
B02800	Disposal of real estate, plant, and equipment	16,317	2,200
B03700	Refundable deposits paid	(8,443)	(767)
B04500	Purchase of intangible asset	(2,570)	(5,687)
B01900	Net cash inflows from disposal of associates	27,988	-
B07100	Increase Prepayments for business facilities	(89,983)	(108,723)
B06100	Decrease in long-term lease and installment receivables	-	1,978
B07500	Interest received	42,691	48,638
B02300	Net cash outflows from disposal of subsidiaries	(6,684)	-
BBBB	Net cash generated from/(used in) investing activities	(303,001)	(310,369)
	Cash flows from financing activities		
C00100	Increases in short-term borrowings	208,360	42,938
C01300	Repayments of bonds	(18,000)	(1,589,825)
C01600	Guarantee deposits received	28,217	850,000
C03000	Guarantee deposits received return	3,199	166
C04020	Cash payments for the principal portion of the lease liability	(87,313)	(77,974)
C05400	Acquisition of ownership interests in subsidiaries	-	(974)
C04500	Dividend paid to shareholders	(108,218)	(32,182)
CCCC	Net cash inflow (outflows) from fundraising activities	26,245	(807,851)
DDDD	Effect of exchange rate changes on cash and cash equivalents	75,927	(24,866)
EEEE	Net increase (decrease) in cash and cash equivalents	456,046	(18,662)
E00100	Cash and cash equivalents at beginning of year	1,459,029	1,477,691
E00200	Cash and cash equivalents at end of year	\$ 1,915,075	\$ 1,459,029

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

Lemtech Holdings Co., Limited and its subsidiaries
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Lemtech Holdings Co., Limited (hereinafter referred to as "the company") was established in the British Cayman Islands in September 2009. It was founded during organizational restructuring mainly to apply for registration with the Taipei Exchange to facilitate stock trading. After the restructuring, the company became the controlling company of Lemtech Global Solution Co. Ltd. (hereinafter referred to as "Global Solution"), and obtained shares of Global Solution at a conversion ratio of 24.99: 1. The company, Global Solution and its subsidiaries (hereinafter referred to as the "consolidated company") mainly engaged in the production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins and the sales of self-produced products. The company's stock has been traded in the Taipei Exchange since Apr. 29, 2011, and it was listed and traded in the Taiwan Stock Exchange Corporation since May 21, 2015.

The company's functional currency is New Taiwan Dollars.

II. Approval Date and Procedures of the Financial Statements

The Consolidated Financial Statements have been approved by the Board of Directors on March 4, 2025.

III. Application of New and Amended Standards and Interpretations

(I) The first application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations Committee (SIC) approved and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") and effective. These standards are collectively referred to as "IFRS accounting standards."

The application of the revised IFRS accounting standards approved and issued by the FSC, which are effective, will not result in significant changes to the accounting policies of the consolidated company:

(II) The IFRS accounting standards approved by the FSC and applicable in the year 2025 are:

Newly issued/amended/revised standards and interpretations	Effective dates issued by the IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments", amendments to application guidance regarding classification of financial assets	January 1, 2026 (Note 2)

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

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

1. Amendments to IAS 21 “Lack of Exchangeability”

The amendments specify that a currency is considered exchangeable when an entity can exchange on currency for another through a transaction with an enforceable right and obligation established by the market or exchange mechanism within a normal administrative delay. When a currency is not exchangeable as of the measurement date, the consolidated company shall estimate the spot exchange rate to reflect the rate that market participants would use in an orderly transaction on the measurement date, considering the prevailing economic conditions. In such cases, the consolidated company shall also disclose information that enables financial statement users to assess how the lack of exchangeability affects or is expected to affect its operating performances, financial position, and cash flows.

2. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”, amendments to application guidance regarding classification of financial assets

The amendments primarily amend the requirements for the classification of financial assets, which include:

- (1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
 - (2) The amendments address that a financial asset has non-recourse features if an entity’s contractual right to receive cash flows is limited to the cash flows generated by specified assets.
 - (3) The amendments clarify that the prioritization of payments of contractually linked instruments to holders of these tranches is established through a waterfall payments structure. That payment structure creates concentration of credit risk and result in a disproportionate allocation of losses between the holders of different tranches.
- The consolidated company is assessing whether to apply the amendments earlier.

(III) IFRS accounting standards issued by the IASB but not yet approved and effective by the FSC:

Newly issued/amended/revised standards and interpretations	Effective dates issued by the IASB (Note 1)
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments,” amendments associated with application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 17 “Insurance Contract”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

Note 1: Unless otherwise specified, the above newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
The amendments stipulate that under the condition that the consolidated company sells or contribute assets to an associate (or a joint venture) or the consolidated company lost control over a subsidiary in a transaction with an associate (or a joint control), but retains significant influence over (or joint control of) a subsidiary, if the aforementioned asset or former subsidiary constitutes a business, as defined in IFRS 3, the consolidated company shall recognize all the gain or loss resulting from the transaction.

In addition, under the condition that the consolidated company sells or contribute assets to an associate (or a joint venture) or the consolidated company lost control over a subsidiary in a transaction with an associate (or a joint control), but retains significant influence over (or joint control of) a subsidiary, if the aforementioned asset or former subsidiary does not constitute a business, as defined in IFRS 3, gain or loss is recognized only to the extent of the unrelated investors’ interests in the associate (or joint venture). That is, the share of gain or loss attributable to the consolidated company shall be eliminated.

- IFRS 18 “Presentation and Disclosure in Financial Statements”
IFRS 18 “Presentation and Disclosure in Financial Statements” will replace IAS 1 “Presentation of Financial Statements”. The primary changes include:
 - Items in the statement of profit or loss will need to be classified into categories: operating, investing, financing, income taxes and discontinued operations.

- Operating profit or loss, profit or loss before financing and income taxes, and subtotal and total of profit or loss shall be presented in the statements of profit or loss.
 - Providing enhanced guidance on the principles of aggregation and disaggregation: the consolidated company shall identify assets, liabilities, equity, income, expenses, and cash flows from single transactions or other matters, and group and aggregate based on shared characteristics, to make each line item of the primary financial statements with at least one similar characteristic. Items with different characteristics shall be disaggregated in the primary financial statements and notes. Only if the consolidated company is unable to find a more informative name, the item may be labelled as “others.”
 - New disclosure requirements for management-defined performance measures (MPMs): the consolidated company shall disclose the information related to management-defined performance measures in a single note in the financial statements, including descriptions to the measures, how to calculate, a reconciliation between the MPMs and the most similar specified subtotal in IFRS Accounting Standards, and the effects on income taxes and non-controlling interests arising from relevant reconciliation items. when making public communications outside the financial statements, and communicating an aspect of the financial performance of the consolidated company as a whole.
3. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments,” amendments associated with application guidance of derecognition of financial liabilities
- The amendments primarily address that an entity is permitted to deem a financial liability that will be settled with cash using an electronic payment system to be discharged before the settlement date, if and only if,
- the entity has no ability to withdraw, stop or cancel the payment instruction;
 - the entity has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
 - the settlement risk associated with the electronic payments system is insignificant.

The consolidated company shall apply the amendments retrospectively, but the financial statements of the comparable period shall not be restated, and recognize the effects arising from the date of first-time adoption.

As of the date of issuance of these consolidated financial statements, the consolidated company continues to evaluate the impact of amendments to other standards and interpretations on the financial position and financial performance. Relevant impacts will be disclosed upon completion of the assessment.

IV. Summary of Significant Accounting Policies

(I) Statement of Compliance

The Consolidated Financial Report was formulated in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by the IFRS accounting standards that have entered into effect.

(II) Basis of Preparation

The consolidated financial reports were prepared on a historical cost basis, except for financial instruments measured at fair value.

The fair value measurement is classified into 3 levels based on the observability and importance of related input:

1. Level 1 inputs: Quoted (unadjusted) prices of identical assets or liabilities obtainable in active markets on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (i.e. the price) or indirectly (deduced from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalent (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities to be settled within 12 months after the balance sheet date; and
3. The consolidated company does not have the substantive right at the balance sheet date to defer settlement of the liability for at least twelve months after the balance sheet date

The company shall classify all other assets or liabilities that are not specified above as non-current.

(IV) Basis of Consolidation

The Consolidated Financial Report includes the financial reports of the company and its wholly owned subsidiaries. Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial reports of subsidiaries have been reorganized to bring uniformity in their accounting policies and those of the consolidated company. In the Consolidated Financial Report, all intercompany transactions, account balances, income and expenses between the entities have been offset. A subsidiary's total comprehensive income is attributed to the shareholders of the company and non-controlling interests, even if non-controlling interests become deficit balance in the process.

When a change is effected in the ownership of the subsidiary, the consolidated company does not lose control of it, and it will be treated as equity transaction. The carrying amounts of the consolidated company and its non-controlling interests have been adjusted to reflect the relative changes in the interest of the subsidiaries. The difference between the adjusted amount in non-controlling interest and the fair value of consideration will be considered as interest belonging to the owners of the company.

Please refer to Note 12 and Attachment 6 and 7 for details, shareholding ratio, and operations of subsidiaries.

(V) Foreign currencies

In preparing each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising on the settlement or on translating of monetary items are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in gain or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries, affiliated companies, and branch office that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Where exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity and attributed to the proprietors of the company and non-controlling interests as appropriate.

(VI) Inventories

Inventories include raw materials, work in progress and finished goods. The value of inventory shall be determined based on the cost and Net Realizable Value (NRV), whichever is lower. With the exception of inventory of the same category, individual items shall be assessed when comparing the cost and NRV. The NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Cost of inventory is calculated using weighted-average method.

(VII) Investment in the affiliates

Affiliates are entities over which the consolidated company has significant influence but they are neither subsidiaries nor joint ventures.

The consolidated company follows equity method for investment in affiliates.

Under the equity method, the investment on affiliates is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's interest in gain and loss, shares in other comprehensive income and profit distribution by the affiliates. Also, the consolidated company's interest in affiliates and joint ventures are recognized in accordance with the shareholding ratio.

Any excess of acquisition cost over the consolidated company's share of an affiliate's or a joint venture's identifiable assets and liabilities measured at the fair value on the date of acquisition is recognized as goodwill. Goodwill shall be included in the carrying amount of the investment but not allowed for amortization. If the consolidated company's share of the net fair value of the identifiable assets and liabilities exceeds acquisition cost, the excessive amount is recognized immediately in gain or loss.

When the consolidated company's share of loss derived from the investment of an affiliate equals or exceeds the consolidated company's interest (including the carrying amount of the

investment and other long-term substantial interests in the affiliate's net asset in proportion to ownership percentage), the consolidated company shall cease recognizing losses further. The consolidated company only recognizes extra losses and liabilities to the extent that there is a legal obligation, constructive obligation, or payment on behalf of an affiliate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of the value in use and fair value less costs to sell) with its carrying amount. Any impairment loss will not be recognized as a charge against the carrying amount of an investment (including goodwill). Any reversal of the impairment loss shall be recognized after subsequent increases in the recoverable amount of investment.

Gain or loss in upstream and downstream transactions between the consolidated company and the affiliates or transactions between investees needs to be shown in the Consolidated Financial Report when not affecting the interests of the consolidated company or the affiliate.

(VIII) Property, Plant and Equipment

Property, Plant and Equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and impairment.

Property, Plant and Equipment under construction are recognized at cost less accumulated impairment. The cost shall include professional service expenses and the cost of loans eligible for capitalization. Such assets shall be classified into appropriate Property, Plant and Equipment categories upon completion and reaching the expected use status and the depreciation shall begin.

Except that the depreciation of own land is not mentioned, the depreciation of real estate, plant, and equipment in its useful life is made on a straight-line basis for each major part/component separately. The consolidated company must conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods and infer the effect of changes in accounting estimates.

When derecognizing Property, Plant and Equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in gain or loss.

(IX) Investment property

Investment property refers to real estate held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for which the future use has not yet been determined.

Owned investment property is initially measured at cost (including transaction costs), and subsequently measured at the cost after deducting accumulated depreciation and accumulated impairment losses.

All investment property is depreciated on a straight-line basis.

When investment property is delisted, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(X) Goodwill

The value of goodwill received through business combination has to be shown as the amount of goodwill recognized on the acquisition date and subsequently evaluated as cost less accumulated impairment loss.

To evaluate impairment, the goodwill is distributed among various cash-generating units or cash-generating groups which the consolidated company hopes to derive benefit from the overall performance after business combination (hereinafter referred to as the "cash-generating units").

The cash-generating units that were allocated the goodwill will compare the unit's carrying amount and its recoverable amount including goodwill every year (and whenever there are signs of impairment) to evaluate the impairment of the unit. If the goodwill was obtained by the cash-generating unit through a business combination in the current year, an impairment test is to be conducted prior to the end of the current year. If the recoverable amount of the cash-generating unit that received goodwill is lower than the carrying amount, the loss on impairment is added to the carrying cost of the unit that got goodwill allocation. The proportion of reduction in other carrying amounts of assets in the unit will be used to reduce the carrying cost of such asset. Any impairment loss is recognized directly as loss in the current period. Loss in impairment of goodwill cannot be reversed subsequently.

When disposing of a certain operation within the cash-generating unit with amortized goodwill, the amount of goodwill related to the disposed operations is included in the carrying amount of the operations to determine the disposal of gain or loss.

(XI) Intangible assets

1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and loss. Amortization is recognized using the straight-line method. The consolidated company must conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods and infer the effect of changes in accounting estimates.

2. Acquisition from business combinations

Intangible assets acquired in a business combination are recognized at fair value at the acquisition date, with goodwill recognized separately and are subsequently measured the same separately as intangible assets acquired separately.

3. Derecognition

When derecognition of an intangible asset, the difference between the net proceeds of disposal and the carrying amount of the asset is recognized in gain or loss for the period.

(XII) Impairment of real estate, plant, and equipment, right-of-use assets, investment property, intangible assets (excluding goodwill), and contract costs

On each balance sheet date, the Group reviews the carrying amounts of real estate, plant, and equipment, right-of-use assets, investment property, intangible assets (excluding goodwill), to determine whether there is any indication that those assets have suffered an impairment loss. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the consolidated company must determine the recoverable amount for the asset's cash-generating unit.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the individual asset or recoverable amount of the cash generating unit is lower than the carrying amount, the carrying amount of the asset or of the cash generating unit will be reduced to the extent of recoverable amount and the impairment loss will be recognized in gain or loss.

The amount of impairment loss on inventories, real estate, plant and equipment and intangible assets recognized due to customer contracts shall be recognized, firstly, in accordance with rules governing the impairment of inventory and the above rules governing the recognition of impairment. Secondly, where the carrying amount of the contract cost relevant assets exceeds the sum of the estimated balance that the relevant product or service is expected to be received minus relevant costs, such amount shall be recognized as impairment loss. Subsequently, the carrying amount of the contract cost relevant assets shall be accounted for in the cash-generating unit in which they belong in order to conduct impairment assessment on the cash-generating unit.

When the impairment loss is subsequently reversed, the carrying amount of an asset, the cash generating unit, or the contract cost-related asset is reversed to the extent does not exceed the carrying amount (minus amortization or depreciation) of the asset, cash generating unit, or contract cost-related asset that had not been impaired in the previous years. The reversed impairment loss will be recognized in gain or loss.

(XIII) Non-current assets held for sale

The consolidated company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition, and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The consolidated measures a non-current asset classified as held for sale at the lower of its carrying amount and fair value less costs to sell, and the depreciation on such assets ceases.

(XIV) Financial instruments

Financial assets and liabilities will be recognized in the balance sheet when the consolidated company becomes a party to the contract of financial instrument.

When recognizing the original financial assets and liabilities, if they are not measured at fair value through profit or loss, it is assessed based on the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss shall be immediately recognized in profit and loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the consolidated company are classified as financial assets at fair value through profit or loss and the financial assets at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial assets designated as at fair value through profit or loss. Such assets include investments in equity instruments that are not designated by the consolidated company to be measured at fair value through other comprehensive income and investments in debt instruments that fail to meet the criteria as to be measured at amortized cost or at fair value through other comprehensive income.

Financial assets are designated as measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency.

Such assets are measured at fair value, their interest and remeasurement benefits or losses are recognized in other profits and losses. Please refer to Note 34 for the methods for determining fair values.

B. Financial assets at amortized cost

When the consolidated company's investments in financial assets satisfy the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- a. Financial assets are under a business model whose purpose is to hold financial assets and collect contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, such assets (including cash and cash equivalents, note receivables, accounts receivable, other receivables, finance lease receivables, and refundable deposits that are measured at amortized cost) are measured at the amortized cost equal to the gross carrying amount as determined using the effective interest method less any impairment loss; any foreign exchange gain or loss arising therefrom is recognized in profit or loss. Except for the following two circumstances, interest revenue is calculated at the value of effective interest rate times the gross carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated

by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

Cash equivalents include fixed deposits obtained within three months with high liquidity and relatively low price changes convertible to cash at any time.

They are used for meeting short-term cash commitments.

(2) Impairment of financial assets and contract assets

On each balance sheet date, the consolidated company assesses the impairment loss of financial assets (including accounts receivable), and finance lease receivables measured at amortized cost based on expected credit losses.

Loss allowance shall be recognized for accounts receivable based on lifetime expected credit losses. Other financial assets are first assessed based on whether the credit risk has increased significantly since the original recognition. If there is no significant increase in risks, an allowance for expected credit loss shall be recognized based on a 12-month period. If the risks have increased significantly, loss allowance shall be recognized in the lifetime of such assets.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses from possible defaults of the financial instrument within 12 months after the reporting date. The lifetime expected credit losses represent the expected credit losses from all possible defaults of the financial instrument during the expected period of existence.

For the purpose of internal credit risk management, without consideration of the collateral held, the consolidated company shall determine that a default of financial instrument has occurred if one of the following applies:

- A. Internal or external information indicates that it is not possible for the debtor to settle the debt.
- B. Overdue for more than one year, unless there is reasonable evidence showing that a delayed basis of default is more appropriate.
- C. The impairment loss of all financial assets is accrued from their carrying amount based on the allowance account. However, the allowance for the investment in the debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and shall not reduce its carrying amount.

(3) Derecognition of financial assets

The consolidated company may only derecognize the financial assets when the contractual rights to the cash flow from the asset expire or when the company transfers all the risks and rewards of ownership of the financial assets to other enterprises substantially.

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between the carrying amount and the sum of the consideration received is recognized in gain or loss. On derecognition of debt instruments measured at fair value through other comprehensive income in its entirety, the difference between

the financial asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. When the equity instrument investment measured at fair value through other comprehensive profits and losses is derecognized as a whole, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2. Financial liabilities

(1) Subsequent measurement

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

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss are designated as measured at fair value through profit or loss.

The consolidated company designated the financial liabilities as being measured at fair value through profit or loss in the original recognition in the following cases:

- A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- B. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the investment is provided internally on that basis to the key management personnel.
- C. Designate the overall mixed (combined) contract containing one or more embedded derivatives.

Once designated as financial liabilities at fair value through profit or loss, its amount of changes in fair value due to changes in credit risk is recognized in other comprehensive income, and will not be reclassified to profit or loss, will only be reclassified to retained earnings when derecognizing such financial liabilities. Except for the interest accrued, which is recognized in financial costs, the changes in the fair value of such liability are reported in other gains and losses. However, if change in fair value due to credit risk is recognized in other comprehensive income, its will cause or worsen the accounting mismatch, then such changes in fair value of the liability in its entirety shall be fully recognized in gain or loss.

Please refer to Note 34 for the methods for determining fair values.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between its carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in gain or loss.

3. Convertible bonds

Compound financial instruments issued by the consolidated company (convertible bonds) are classified separately as financial liabilities and equity in accordance with the

substance of contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, fair value of the liability component is calculated by using the prevailing market interest rate of similar non-convertible instruments. This amount is recorded as a liability amortized at effective interest method until extinguished upon conversion or the instrument's maturity date. The liability component of an embedded derivative instrument is measured at fair value.

Conversion option is the equity component of a compound financial instrument which is measured at the amount of the fair value of the overall compound instrument deducted by the fair value of the liability component. The amount of the conversion option net of tax is recognized as equity so is not subsequently remeasured. When the conversion option is exercised, the associated liability component and the amounts recognized in equity are transferred to share capital and reserves – premium. If the conversion option of convertible bonds remains unexercised at the maturity date, the amount recognized in equity will be transferred to capital surplus – premium.

Transaction costs that relate to the issuance of the convertible bonds are divided into liability (list the carrying amount of liability) and equity (list in equity) components and in proportion to the respective values of the liability and equity components of the overall instrument.

4. Derivatives

The derivative instruments signed by the consolidated company are structured time deposits, which are for managing its exposure to interest rate risks and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

If derivatives are embedded in the asset master contract within the scope of IFRS 9, the classification of financial assets is determined by the overall contract. If derivatives are embedded in an asset master contract that is not in the scope of IFRS 9 (e.g., embedded in the master contract of financial liabilities), and if the derivatives embedded meet the definition of a derivative of which their risks and characteristics are not closely related to those of the master contract, and the contracts are not measured at fair value through profit or loss, the derivatives are recognized as separate derivatives.

(XV) Revenue Recognition

After the consolidated company identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

Revenue from sales of goods

Revenue is derived from the sales of electronic components, automotive components and connected fitness equipment. Because the customer has the right to use the product when the product is sold, and bears the risk of loss or damage to the product, the consolidated company recognizes the revenue and accounts receivable at that point.

(XVI) Leases

The consolidated company assesses whether a contract is (or contains) a lease on the execution date of the contract.

1. The consolidated company is a lessor

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

When the consolidated company subleases the right-of-use asset, it determines the classification of the sublease by the right-of-use asset (not the underlying asset). However, if the main lease is a short-term lease where the recognition exemption is applicable for the consolidated company, the sublease is classified as an operating lease. Under finance leases, lease payments are fixed payments. Net lease investment is measured as the sum of the present value of lease receivables and unguaranteed residual value plus the original direct cost and expressed as finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return on the unexpired net lease investment of the consolidated company in each period.

2. The consolidated company is Lessee

A right-of-use asset and a lease liability are recognized for all leases at the inception date of such leases, except for leases qualified for recognition exemption, e.g. leases with low-value underlying assets and short-term leases, for which an expense is recognized on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability,) and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. Right-of-use assets are expressed separately in the consolidated balance sheet.

A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful lives, or to the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at the interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. In the case that future lease payments change as a result of a change in the lease term, the

consolidated company remeasures the lease liability and correspondingly adjusts the right-of-use asset, except in the case when the carrying amount of the right-of-use asset has reduced to zero, in which case any residual remeasured amount shall be recognized in gain or loss. Lease liabilities are expressed separately in the consolidated balance sheet.

(XVII) Government subsidies

Government subsidies are only recognized when they can be reasonably assured that the consolidated company will comply with the conditions imposed by government subsidies and that such subsidies will be recognized when received.

If the government subsidy is used to compensate fees or losses that had occurred, or is given to the consolidated company for the purpose of immediate financial support without related future costs, it can be recognized as income within the collectible period.

(XVIII) Cost of Borrowing

The cost of borrowing directly attributable to the acquisition, construction, or production of qualifying assets is recognized as part of the cost of those assets until virtually all necessary activities to prepare the asset for its intended use or sale have been completed.

Specific borrowings, if any, that are temporarily invested in investments generating investment income prior to the occurrence of qualifying capital expenditures, are deducted from the borrowing cost eligible for capitalization.

All other borrowing costs, excluding those mentioned above, are recognized in profit or loss in the period in which they are incurred.

(XIX) Employee benefits

1. Short-term employee benefits

Related liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Benefits after retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

(XX) Income tax

Income tax expenses are the sum of current income tax and deferred income tax.

1. Current income tax

The Group determines the current income (loss) in accordance with the laws and regulations established by each income tax jurisdiction, and calculates the income tax payable (recoverable) on such basis.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to income tax payable from previous years are recognized in the income tax of current year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely to be taxable income for the deductible temporary differences or the carryforward of unused tax losses.

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

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. Assets that have not been recognized as deferred income tax assets are re-examined at each balance sheet date and the carrying amount is increased for assets that are likely to generate sufficient taxable income to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes for the year

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

If current income or deferred tax arises from business combination, the income tax effects are included in the accounting of business combination.

V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When a consolidated company adopts accounting policies, if relevant information is not readily available from other sources, management must make judgments, estimates, and assumptions based on historical experience and other pertinent factors. Actual results may differ from estimates.

When significant accounting estimates are developed by the consolidated company, the potential impacts of climate change and related government policies and regulations are incorporated into considerations of significant accounting estimates such as cash flow projections, growth rates, discount rates, and profitability. Management will continuously review estimates and underlying assumptions. If a revision to an accounting estimate affects both the current period and future periods, it is recognized in the current period and future periods.

Major Sources of Uncertainty in Estimates and Assumptions

(I) Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the consolidated company's assumptions about the probability of default and the loss given default. Merging companies consider historical experience, current market conditions and forward-looking information to make assumptions and select inputs for impairment assessments. Please refer to Note IX.

(II) impairment of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated costs to be invested to completion and the estimated costs to complete the sale, which are based on current market conditions and historical sales of similar products. Based on experience assessment, changes in market conditions may significantly affect the results of these estimates.

VI. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 582	\$ 1,059
Checking accounts and demand deposits	1,627,485	1,213,976
Cash equivalents (investments with original maturity date of less than three months)		
Bank fixed deposit	<u>287,008</u>	<u>243,994</u>
	<u>\$ 1,915,075</u>	<u>\$ 1,459,029</u>

VII. Financial assets at amortized cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Domestic investment		
Bank deposits - restricted	\$ -	\$ 6,341
Time deposit with original maturity over 3 months	<u>26,000</u>	<u>203,806</u>
	<u>\$ 26,000</u>	<u>\$ 210,147</u>

Please refer to Note 36 for information on the pledge of financial assets measured at amortized cost.

VIII. Credit Risk Management for Debt Instruments

All debt instruments invested by the consolidated company are financial assets measured at amortized cost.

	<u>December 31, 2024</u> <u>measured at</u> <u>amortized cost.</u>	<u>December 31, 2023</u> <u>measured at</u> <u>amortized cost.</u>
Total carrying amount	\$ 26,000	\$210,147
Loss allowance	-	-
Amortized cost	<u>\$ 26,000</u>	<u>\$210,147</u>

To mitigate credit risk, the management of the consolidated company shall perform credit rating assessments to assess the default risk of debt instrument investment institutions. For credit rating items which lack external rating information, an appropriate internal rating shall be given by referencing public financial information. The consolidated company continuously tracks information such as material information from the financial institutions to monitor changes in the credit risk of the debt instruments it has invested in, and evaluates whether the credit risk of the debt instrument investments has increased significantly since its original recognition.

The consolidated company takes stock of the historical default records and current financial conditions of financial institutions provided by the internal credit rating team, so as to measure the 12-month expected credit loss or the lifetime expected credit loss of the debt instrument investment.

The consolidated company's current credit risk rating mechanism and the total carrying amount of investments in debt instruments at each credit rating are as follows:

<u>Credit Rating</u>	<u>Definition</u>	<u>Basis of Recognition of Expected Credit Losses</u>
Normal	The debtor has a low credit risk and is fully capable of paying off contractual cash flows.	12-month expected credit losses

The total book value of each credit rating debt instrument investment and the applicable expected credit loss rate are as follows:

<u>Credit Rating</u>	<u>Expected credit loss rate</u>	<u>Total carrying amount</u> <u>Measured at amortized cost</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Normal	0%		<u>\$ 26,000</u>	<u>\$ 210,147</u>

IX. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable - operating</u>		
Measured at amortized cost		
Total carrying amount	\$ 113,480	\$ 5,181
Deduct: Loss allowance	-	-
	<u>\$ 113,480</u>	<u>\$ 5,181</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 1,671,503	\$ 1,489,273
Deduct: Loss allowance	(8,876)	(24,493)
	<u>\$ 1,662,627</u>	<u>\$ 1,464,780</u>

<u>Other receivables</u>		
Proceeds from disposal of investments receivables (Note 30)	\$ 28,277	\$ -
Others	<u>24,028</u>	<u>23,736</u>
	<u>\$ 52,305</u>	<u>\$ 23,736</u>

Note receivables and account receivables

The average credit granting period for product sales of consolidated company is 150 days. The consolidated company adopts a policy of treating transactions with counterparties approved by the company's credit ratings assessment and where necessary, sufficient collateral is obtained to mitigate the risk of financial losses arising from defaults. The consolidated company shall use publicly obtainable financial information and past transaction records to grade the main customers. The consolidated company continues to monitor credit risk exposure and the credit ratings of counterparties, and diversify total transaction amounts among qualified customers. It also controls credit risk exposure through reviews and credit line approval by the management.

The consolidated company recognizes loss allowance for accounts receivable in accordance with lifetime expected credit loss. Lifetime expected credit losses are calculated based on the bad debt provision matrix which accounts for the customer's past default records, current financial status, and economic conditions in the industry. GDP forecasts and the outlook of the industry are also considered. The consolidated company separates individual customers into different risk groups and recognizes loss allowance based on the expected loss rate of each group.

The consolidated company has no notes receivable that are overdue but for which allowance has not been recognized as of the balance sheet date, and considering that no impairment has occurred in the past, the expected credit impairment loss rate of notes receivable is set at 0%. The consolidated company writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the consolidated company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in gain or loss.

Measurement of loss allowance for notes receivable and accounts receivable based on provisional matrix by the consolidated company is as follows:

December 31, 2024

	Not overdue	1 - 60 days overdue	61 - 120 days overdue	121 - 180 days overdue	181 - 240 days overdue	241 - 365 days overdue	Overdue over 365 days	Total
Expected credit loss rate	0%~5.01%	0%~1.13%	0%~20%	0%~14.29%	0%~18.63%	0%~76.82%	25%~100%	
Total carrying amount	\$ 1,617,691	\$ 124,486	\$ 19,376	\$ 12,584	\$ 664	\$ 1,578	\$ 8,604	\$1,784,983
Loss allowance (lifetime expected credit loss)	(52)	(99)	(123)	(1,003)	(115)	(468)	(7,016)	(8,876)
Amortized cost	<u>\$ 1,617,639</u>	<u>\$ 124,387</u>	<u>\$ 19,253</u>	<u>\$ 11,581</u>	<u>\$ 549</u>	<u>\$ 1,110</u>	<u>\$ 1,588</u>	<u>\$ 1,776,107</u>

December 31, 2023

	Not overdue	1 - 60 days overdue	61 - 120 days overdue	121 - 180 days overdue	181 - 240 days overdue	241 - 365 days overdue	Overdue over 365 days	Total
Expected credit loss rate	0%-0.16%	0%-4.72%	0%-18.36%	0%-31.41%	0%-47.31%	0%-94.96%	64.73%-100%	
Total carrying amount	\$ 1,169,222	\$ 255,666	\$ 33,937	\$ 16,124	\$ 366	\$ 7,532	\$ 11,607	\$1,494,454
Loss allowance (lifetime expected credit loss)	(209)	(3,487)	(409)	(3,474)	(122)	(5,705)	(11,087)	(24,493)
Amortized cost	<u>\$ 1,169,013</u>	<u>\$ 252,179</u>	<u>\$ 33,528</u>	<u>\$ 12,650</u>	<u>\$ 244</u>	<u>\$ 1,827</u>	<u>\$ 520</u>	<u>\$ 1,469,961</u>

Changes in loss allowance for accounts receivable are as follows:

	2024	2023
Opening balance	\$ 24,493	\$ 28,194
Deduct: Amounts actual written off	-	(1,025)
Deduct: Reversal of impairment loss of the year	(16,272)	(2,475)
Foreign currency translation differences	655	(201)
Balance at the end of the year	<u>\$ 8,876</u>	<u>\$ 24,493</u>

X. Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$ 361,515	\$ 279,481
Work-in-progress	375,573	288,916
Raw materials	<u>259,593</u>	<u>244,661</u>
	<u>\$ 996,681</u>	<u>\$ 813,058</u>

The nature of cost of goods sold is as follows:

	2024	2023
Cost of inventory sold	\$ 4,412,051	\$ 3,631,664
Loss of inventory falling price	<u>1,046</u>	<u>7,997</u>
	<u>\$ 4,413,097</u>	<u>\$ 3,639,661</u>

XI. Non-current assets held for sale

	December 31, 2024	December 31, 2023
Buildings and land held for sale	\$ 57,850	\$ -
Investment properties held for sale	<u>980,297</u>	<u>-</u>
	<u>\$ 1,038,147</u>	<u>\$ -</u>

The consolidated company has resolved by the board of directors on December 19, 2024 to dispose of the plant and land located in Zhongli District, Taoyuan City, and is actively searching for buyers. When the plant and land were reclassified as non-current assets held for sale, no impairment loss was recognized. There is no impairment for the year ended December 31, 2024.

Please refer to Note 36 for the non-current assets held for sale pledge as collaterals for borrowings.

XII. Subsidiaries

Subsidiaries included in the consolidated financial reports

The entities involved in the preparation of the Consolidated Financial Statements are listed as follows:

Investor company	Name of subsidiaries	Business activities	Percentage of equity interest held		Description
			December 31, 2024	December 31, 2023	
Lemtech Holdings Co., Limited.	Lemtech Global Solution Co. Ltd. (hereinafter referred to as "Global Solution")	Investment holding companies	100	100	On November 23, 2009, all shares were obtained by a stock swap.
Lemtech Holdings Co., Limited.	Lemtech Precision Material (China) Co., Ltd (China) (hereinafter referred to as "Lemtech Precision Material")	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	0.19	0.19	Combined LDC Precision Engineering Co., Ltd (Kunshan) on March 17, 2010.
Lemtech Holdings Co., Limited.	Zhenjiang Emtron Surface Treatment Limited Company (hereinafter referred to as "Emtron Company")	Surface treatment of mechanical, electronic and automotive components	-	100	Acquired on January 22nd, 2019. (Note 1)
Lemtech Holdings Co., Limited.	LemTech Global Industries Ltd. (hereinafter referred to as " LemTech Global Industries")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	100	100	Established on May 13, 2021
Lemtech Holdings Co., Limited.	Lemtech Industrial Services Ltd (hereinafter referred to as "LIS")	Sales of electronics and computer peripheral component	57	57	
Lemtech Holdings Co., Limited.	Lemtech International Limited(hereinafter referred to as "LIL")	Electronic and computer peripheral parts	100	100	Established on June 12, 2019, and funds remitted for the shares on August 22, 2019.
Lemtech Holdings Co., Limited.	Lemtech-Eahwa Precision Technonlogy Co.,Ltd. (hereinafter referred to as " Lemtech-Eahwa Precision ")	Manufacturing and wholesale of electrical appliances, audio-visual electronic products, other electrical and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	-	42	Established on March 24, 2022.
Global Solution	Lemtech Precision Material (China) Co., Ltd (China) (hereinafter referred to as "Lemtech Precision Material")	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	99.81	99.81	Combined LDC Precision Engineering Co., Ltd (Kunshan) on March 17, 2010. (Note 2)
Global Solution	Lemtech Precision Engineering (Tianjin) Co., Ltd (hereinafter referred to as " Lemtech Precision Engineering ")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	-	51	Established on February 11, 2022, and funds remitted for the shares on May 19, 2022. (Note 3)
Global Solution	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as " Lemtech Mexico")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	48.16	99.96	Established on January 2023, Investment funds were remitted on February 15, 2023. (Note 5)
Global Solution	Zhenjiang Emtron Surface Treatment Limited Company (hereinafter referred to as "Emtron Company")	Surface treatment of mechanical, electronic and automotive components	-	-	Acquired on January 22nd, 2019. (Note 4)
LIL	Lemtech Energy Solutions Corporation (Taiwan) (hereinafter referred to as "Lemtech Energy Solutions Corporation")	Manufacturing and wholesale of mechanical equipment, dies, electrical appliances and audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision equipment	100	100	Acquired on July 1st, 2019.
LIL	Kunshan Lemtech Electronics Technology Co., Ltd. (hereinafter referred to as "Lemtech Electronics Company")	R&D, manufacturing of electronic components, special electronic materials, and thermal modules, sales of self-produced products, and wholesale, import and export of products similar to those produced by the company and their raw materials and mechanical equipment	100	100	Established on October 9, 2019, and funds remitted for the shares on December 3, 2019. (Note 2)
LIL	Lemtech Electronics Technology (Changshu) Co., Ltd. (hereinafter referred to as Lemtech Electronics Technology (Changshu))	Electronic component manufacturing, electronic component wholesale, electronic special material manufacturing, electronic special material sales, electronic special material research and development, lighting equipment manufacturing, lighting equipment sales, manufacturing of auto parts and accessories, manufacturing of solar equipment and components, sales of solar equipment and components, manufacturing of computer software and hardware equipment, sales of communication equipment	100	100	Established on September 24, 2020, and remitted share funds on October 26, 2020. (Note 2)

Investor company	Name of subsidiaries	Business activities	Percentage of equity interest held		Description
			December 31, 2024	December 31, 2023	
LIL	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as "Lemtech Mexico e")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	-	0.04	Established on January 2023, Investment funds were remitted on February 15, 2023.
LIL	Lemtech Techonology Malaysia Sdn. Bhd. (hereinafter referred to as "Lemtech Malaysiay")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	50	-	Established on July 16, 2024, and funds remitted for the shares on October 11, 2024.
Lemtech Precision Material	LDC Precision Engineering Co., Ltd. (hereinafter referred to as "LDC Company")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	100	100	Established on May 10, 2010.
Lemtech Precision Material	Lemtech Technology Limited (hereinafter referred to as "Lemtech HK")	Sales of automotive, electronics and computer peripheral parts	100	100	Established on April 9, 2014.
Lemtech Precision Material	Lemtech Precision Material(CZECH) s.r. o. (hereinafter referred to as Lemtech CZ)	Manufacture of automotive parts (sunroof, brakes, seat belts, airbags, etc.) and assemblies (drive shafts for steering wheel, etc.), supply of consumer electronics parts and server product	100	100	Operations began on January 1, 2017.
Lemtech Precision Material	Lemtech Precision Engineering (Tianjin) Co., Ltd (hereinafter referred to as "Lemtech Precision Engineering ")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	100	49	Established on February 11, 2022, and funds remitted for the shares on May 19, 2022. (Note 3)
Lemtech Precision Material	Lemtech Precision Material (Huizhou) Co.,Ltd (hereinafter referred to as "Lemtech Huizhou ☺")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	100	-	Established on December 4, 2023, and funds remitted for the shares on January 15, 2024.
Lemtech HK	Lemtech USA Inc. (hereinafter referred to as "Lemtech USA")	U.S. business development, business information collection, provision of market intelligence and industry information	100	100	Established on May 31, 2013.
Lemtech HK	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as "Lemtech Mexico")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	51.84	-	Established on January 2023, Investment funds were remitted on February 15, 2023. (Note 5)
Lemtech HK	Lemtech Precision material (Thailand) Co.,Ltd (hereinafter referred to as "Lemtech Thailand")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	100	-	Established on September 3, 2024, and funds remitted for the shares on October 15, 2024.
LIS	Kunshan Lemtech Slide Technology Co., Ltd. (China) (hereinafter referred to as "Lemtech Slide Company")	Design and production of slide rails, shafts and related accessories, and sales of self-produced products, etc.	100	100	Established on July 21, 2016.
LemTech Global Industries	Lemtech Techonology Malaysia Sdn. Bhd. (hereinafter referred to as "Lemtech Malaysiay")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	50	-	Established on July 16, 2024, and funds remitted for the shares on October 15, 2024 and December 16, 2024.

Note

1. The consolidated company acquired the shares held by minority shareholders of Emtron Company in July 2023, resulting in an increased ownership stake. The consolidated company holds 42% of the shares of Emtron Company. As its representation on the board of directors exceeds half, it is deemed to possess substantial control over the relevant activities of Emtron Company. Therefore, it is classified as a subsidiary. The consolidated company has resolved to liquidate Emtron Company by the shareholders meeting on October 28, 2024, and the registration of cancellation has been completed on November 14, 2024.
2. The consolidated company has agreed by the shareholders of Lemtech Electronics Technology (Changshu) and Lemtech Electronics Company to integrate by merge of Lemtech Electronics Company by Lemtech Electronics Technology (Changshu). The base date of the merger is December 31, 2023.
3. As the consolidated company did not subscribe to the shares of cash capital increase of Lemtech Precision Engineering in proportion to its percentage of ownership through Lemtech Precision Material and Global Solution in January 2024, the percentages of ownership have increased from 49% to 61.75% and decreased from 51% to 38.25%, respectively. Besides, the consolidated company acquired all the shares from Global Solution through Lemtech Precision Material in April 2024, the percentages of ownership have increased from 61.75% to 100%, and decreased from 38.25% to 0%, respectively.
4. As the consolidated company did not subscribe to the shares of cash capital increase of Emtron Company in proportion to its percentage of ownership through Lemtech Holdings Co., Limited. and Global Solution in April 2024, the percentages of ownership have decreased from 100% to 25.56% and increased from 0% to 74.44%, respectively, and sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.
5. As LIL sold all the shares of Lemtech Mexico held to Lemtech HK in November 2024, the percentage of ownership has decreased from 0.4% to 0%. Besides, as the consolidated company did not subscribe the shares of cash capital increase of Lemtech Mexico in proportion to its percentage of ownership through Lemtech HK and Global Solution in November 2024, the percentages of ownership have increased from 0% to 51.84% and decreased from 99.96% to 48.16%, respectively.

XIII. Investment using equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Affiliates not individually significant		
Aapico Lemtech (I)	\$ -	\$ 25,201
Keycore Technology Corp. (II)	<u>-</u>	<u>19,310</u>
	<u>\$ -</u>	<u>\$ 44,511</u>

- (I) The consolidated company signed an investment agreement with Thai listed company Aapico Hitech Plc. (AH: TB) on February 1, 2013, invested in cash, and jointly

established Aapico Lemtech (Thailand) Co. on March 1, 2013. , Ltd. (hereinafter referred to as "Aapico Lemtech"). In accordance with the company's operating plan, on June 30, 2016, the consolidated company adjusted the equity held of Aapico Lemtech, the holding is assigned to Global Solution to Lemtech HK. The shares of Aapico Lemtech held by Lemtech HK sold to Aapico Hitech Plc. (AH:TB), which is listed in Thailand on April 30, 2024. The consolidated company has resolved to sell all the shares of Aapico Lemtech held in April 2024. The proceeds from the disposal amounted to \$24,988 thousand, and the losses on disposal amounted to \$2,143 thousand.

- (II) The consolidated company signed an investment agreement with Keycore Technology Corp. (hereinafter referred to as "Keycore Technology") on October 6, 2022 and made a cash contribution to acquire 28.42% of the equity of Keycore Technology Corp. on October 6, 2021. As the operation is below expectations, the consolidated company conducted testing for impairment to the investment, to compare whether the carrying amount is lower than the recoverable amount. The consolidated Company assessed the recoverable amount by net fair value on June 30, 2024, and recognized impairment losses of \$8,610 thousand, presented under other gains and losses. The consolidated Company has resolved to sell all the shares of Keycore Technology held in September 2024. The proceeds from the disposal amounted to \$3,000 thousand, and the losses on disposal amounted to \$8,395 thousand.
- (III) The consolidated company the percentage of ownership, equities, and voting rights of the consolidated company in affiliated companies on the balance sheet date are as follows:

Name	Business activities	Principal place of business	Percentage of Ownership and Votes	
			December 31, 2024	December 31, 2023
Aapico Lemtech	R&D, production, manufacturing and assembly of automotive, electronics and computer peripheral parts	Thailand	-	40%
Keycore Technology Corp.	Electronic component manufacturing, general instrument manufacturing, energy technology services, biotechnology services and research and development services, etc.	Taiwan	-	28.42%

Please refer to Attachment 6 for the aforementioned associates' nature of business, main business premises, and countries of registration.

XIV. Real estate, Plant and Equipment

For self-use

December 31, 2024
\$ 1,767,026

December 31, 2023
\$ 1,542,958

For self-use

								Unfinished constructions and equipment to be tested	Total
	Land	Buildings	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other Equipment		
<u>Cost</u>									
Balance as of January 1, 2024	\$ 41,716	\$ 481,152	\$1,707,936	\$ 29,384	\$ 49,109	\$ 97,402	\$ 493,219	\$ 178,888	\$3,078,806
Addition	-	84,679	224,353	3,336	9,256	30,158	135,227	24,801	511,810
Disposal	-	(6,577)	(40,678)	(4,704)	(2,778)	(6,716)	(2,940)	-	(64,393)
Reduction for disposal by entity	-	(151)	(43,783)	(3,054)	(841)	-	(7,282)	-	(55,111)
Reclassified to held for sale	(41,716)	(17,914)	-	-	-	-	-	-	(59,630)
Reclassification	-	161,449	100,739	351	-	8,510	(4,618)	(182,941)	83,490
Net exchange differences	-	23,635	63,490	1,489	1,920	2,762	25,381	4,260	122,937
Balance as of December 31, 2024	\$ -	\$ 726,273	\$2,012,057	\$ 26,802	\$ 56,666	\$ 132,116	\$ 638,987	\$ 25,008	\$3,617,909
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2024	\$ -	\$ 178,274	\$ 881,814	\$ 22,572	\$ 39,239	\$ 31,847	\$ 382,102	\$ -	\$1,535,848
Recognition of impairment loss	-	26	3,940	345	128	-	370	-	4,809
Depreciation expense	-	28,819	162,484	2,416	4,688	17,343	110,250	-	326,000
Disposal	-	(5,855)	(22,860)	(4,593)	(2,673)	(6,716)	(2,623)	-	(45,320)
Reduction for disposal by entity	-	(157)	(29,377)	(3,528)	(444)	-	(2,804)	-	(36,310)
Reclassified to held for sale	-	(1,780)	-	-	-	-	-	-	(1,780)
Reclassification	-	-	-	351	-	-	(4,575)	-	(4,224)
Net exchange differences	-	9,266	39,338	1,107	1,562	761	19,826	-	71,860
Balance as of December 31, 2024	\$ -	\$ 208,593	\$1,035,339	\$ 18,670	\$ 42,500	\$ 43,235	\$ 502,546	\$ -	\$1,850,883
Net amount as of De. 31, 2024	\$ -	\$ 517,680	\$ 976,718	\$ 8,132	\$ 14,166	\$ 88,881	\$ 136,441	\$ 25,008	\$1,767,026
								Unfinished constructions and equipment to be tested	Total
<u>Cost</u>									
Balance as of January 1, 2023	\$ 41,716	\$ 486,642	\$1,614,822	\$ 31,360	\$ 46,800	68,778	\$ 413,374	\$ 18,963	\$2,722,455
Addition	-	2,210	77,727	4,356	3,521	17,825	123,309	236,369	465,317
Disposal	-	(186)	(19,661)	(5,846)	(2,045)	-	(2,318)	-	(30,056)
Reclassification	-	381	59,098	-	1,485	11,836	(32,925)	(74,127)	(34,252)
Net exchange differences	-	(7,895)	(24,050)	(486)	(652)	(1,037)	(8,221)	(2,317)	(44,658)
Balance as of December 31, 2023	\$ 41,716	\$ 481,152	\$1,707,936	\$ 29,384	\$ 49,109	\$ 97,402	\$ 493,219	\$ 178,888	\$3,078,806
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2023	\$ -	\$ 155,051	\$ 756,378	\$ 26,068	\$ 37,560	\$ 18,023	\$ 335,196	\$ -	\$1,328,276
Depreciation expense	-	26,361	154,568	2,679	4,072	14,221	69,516	-	271,417
Disposal	-	(62)	(15,408)	(5,817)	(1,938)	-	(1,089)	-	(24,314)
Reclassification	-	-	-	-	74	(61)	(15,163)	-	(15,150)
Net exchange differences	-	(3,076)	(13,724)	(358)	(529)	(336)	(6,358)	-	(24,381)
Balance as of December 31, 2023	\$ -	\$ 178,274	\$ 881,814	\$ 22,572	\$ 39,239	\$ 31,847	\$ 382,102	\$ -	\$1,535,848
Net amount as of Dec 31, 2023	\$ 41,716	\$ 302,878	\$ 826,122	\$ 6,812	\$ 9,870	\$ 65,555	\$ 111,117	\$ 178,888	\$1,542,958

As part of the equipment of the subsidiary of the consolidated company, Zhenjiang Emtron Surface Treatment Limited Company, is idle, the recoverable amount is lower than the carrying amount. \$4,809 thousand of impairment losses have been recognized in 2024, which are presented under other gains and losses in the consolidated statements of comprehensive income.

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Buildings	
Plant main building	20 years
Other projects	5 years
Machinery equipment	3 ~10 years
Office equipment	2~5 Years
Transportation equipment	3~5 years
Leasehold improvements	3~15 years
Other Equipment	2~10 years

"Please refer to Note 36 for the amount of real estate, factories, and equipment set as collateral for borrowings."

XV. Lease Agreement

(I) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying value of right-of-use assets		
Land	\$ 78,487	\$ 76,787
Buildings	311,739	241,643
Transportation equipment	4,671	6,075
	<u>\$394,897</u>	<u>\$324,505</u>
	<u>2024</u>	<u>2023</u>
Addition to right-of-use assets	<u>\$153,374</u>	<u>\$104,791</u>
Depreciation expenses of right-of-use assets		
Land	\$ 2,273	\$ 2,227
Buildings	74,427	61,726
Transportation equipment	3,787	2,836
	<u>\$ 80,487</u>	<u>\$ 66,789</u>

Apart from the additional additions and recognized depreciation expenses listed above, there was no impairment of the right-of-use assets of the consolidated company for the years ended December 31, 2024 and 2023.

The right-of-use asset includes long-term prepaid rent for leased land in China, and the consolidated company has obtained certificate for the land use rights of such land.

(II) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 77,796</u>	<u>\$ 65,905</u>
Non-current	<u>\$ 235,014</u>	<u>\$ 182,798</u>

The discount rate intervals for lease liabilities are as follows:

	<u>2024</u>	<u>2023</u>
Buildings	0.85%~5.75%	0.85%~5.75%
Transportation equipment	1.00%~3.16%	1.00%~3.16%

(III) Important Leasing Activities and Terms

The consolidated company rents certain land, buildings, and transportation equipment as plant, office, and office use by employees. The lease period is 1 to 50 years. At the end of the lease term, the consolidated company has no preferential right to take over the leased building.

(IV) Other lease information

	<u>2024</u>	<u>2023</u>
Expense on short-term leases of low-value assets	<u>\$ 17,763</u>	<u>\$ 15,178</u>
Total cash outflow from lease	<u>\$ 105,076</u>	<u>\$ 93,152</u>

The consolidated company chooses to apply the recognition exemption for leases that qualify for low-value asset leases, and does not recognize related right-of-use assets and lease liabilities for such leases.

XVI. Investment property

	<u>Land</u>	<u>Plant main building</u>	<u>total</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 757,398	\$ 244,646	\$ 1,002,044
Reclassified to held for sale	(757,398)	(244,646)	(1,002,044)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2024	\$ -	\$ 13,592	\$ 13,592
Depreciation expense	-	8,155	8,155
Reclassified to held for sale	-	(21,747)	(21,747)
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net amount as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 757,398	\$ 244,646	\$ 1,002,044
Addition	-	-	-
Balance as of December 31, 2023	<u>\$ 757,398</u>	<u>\$ 244,646</u>	<u>\$ 1,002,044</u>

Accumulated depreciation and impairment

Balance as of January 1, 2023	\$ -	\$ 5,437	\$ 5,437
Depreciation expense	-	8,155	8,155
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 13,592</u>	<u>\$ 13,592</u>

Net amount as of December 31, 2023	<u>\$ 757,398</u>	<u>\$ 231,054</u>	<u>\$ 988,452</u>
------------------------------------	-------------------	-------------------	-------------------

The lease period for investment properties is 2~4 years. The lessee does not have the preferential right to purchase the real estate at the end of the lease period.

Investment properties are depreciated on a straight-line basis over the useful life as follows:

Buildings and structures	30 years
--------------------------	----------

The fair value of the investment properties as of December 31, 2023 has been evaluated by the independent appraiser, Chang, Feng-Jia, from World Real Estate Appraisers Associates as the balance sheet date. The evaluation refers to the market evidence of similar real estate transaction prices, and the fair value obtained from the evaluation is as follows:

	<u>December 31, 2024</u>
Fair value	<u>\$ 1,084,736</u>

The total lease payment to be received in the future for leasing investment property under operating lease is as follows:

	<u>December 31, 2024</u>
1st year	\$ 41,889
2nd year	28,706
3rd year	23,167
4th year	12,946
5th year	9,900
	<u>\$ 116,608</u>

The amount of investment properties set as collateral for borrowings, please refer to Note 36.

XVII. Goodwill

	<u>2024</u>	<u>2023</u>
<u>Cost</u>		
Opening balance	\$ 82,490	\$ 82,490
Disposal of subsidiaries (Note 30)	(78,155)	-
Net exchange differences	293	-
Balance at the end of the year	<u>\$ 4,628</u>	<u>\$ 82,490</u>
<u>Accumulated impairment losses</u>		
Opening balance	\$ 78,155	\$ 10,000
Disposal of subsidiaries (Note 30)	(78,155)	-
Recognized Impairment of the Year	-	68,155
Balance at the end of the year	<u>\$ -</u>	<u>\$ 78,155</u>
Net balance at the end of the year	<u>\$ 4,628</u>	<u>\$ 4,335</u>

The consolidated company acquired Zhenjiang Emtron Surface Treatment Limited on January 22, 2019, gained goodwill of NT\$78,155 thousand, which is mainly due to the benefits expected from a stable production supply chain of automotive components in China.

Due to the impact of the Covid-19 epidemic and unsatisfactory market development, the consolidated company was unable to adjust its sales strategy in a timely manner, resulting in a less than expected growth in actual operating income after the combiner. It was assessed that the recoverable amount of Zhenjiang Emtron Surface Treatment Limited was less than the book amount, so \$0 thousand and \$68,155 thousand of impairment losses were recognized for the years ended December 31, 2024 and 2023, respectively.

The recoverable amount of Zhenjiang Emtron Surface Treatment Limited as of December 31, 2023 is determined on the basis of value in use. The cash flow estimate of the financial budget for the next 5 years approved by the management of the consolidated company is calculated using the annual discount rate of 14.34%. The cash flow over 5 years is 6.1% growth rate extrapolation. Other key assumptions include estimated operating income and gross profit on sales, which are based on the past operations of the cash-generating unit and management's expectations on the market.

The consolidated company acquired Lemtech Energy Solutions Corporation on July 1, 2019, gained goodwill of NT\$4,585 thousand, which was mainly due to the benefits expected from the production and sales of server cooling products in Taiwan.

XVIII. Other Intangible Assets

	Computer software cost	Fair value of franchises and customer relationships	Total
<u>Cost</u>			
Balance as of January 1, 2023	\$ 60,095	\$ 26,811	\$ 86,906
Separate acquisition	2,570	-	2,570
Disposal	(1,138)	-	(1,138)
Reduction for disposal by entity	(1,266)	(26,811)	(28,077)
Net exchange differences	2,495	-	2,495
Balance as of Dec. 31, 2024	<u>\$ 62,756</u>	<u>\$ -</u>	<u>\$ 62,756</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2024	(\$ 43,173)	(\$ 25,954)	(\$ 69,127)
Amortization expense	(7,010)	(857)	(7,867)
Disposal	1,138	-	1,138
Reduction for disposal by entity	1,266	26,811	28,077
Net exchange differences	(2,004)	-	(2,004)
Balance as of Dec. 31, 2024	<u>(\$ 49,783)</u>	<u>\$ -</u>	<u>(\$ 49,783)</u>
Net profit as of Dec. 31, 2024	<u>\$ 12,973</u>	<u>\$ -</u>	<u>\$ 12,973</u>

	Computer software cost	Fair value of franchises and customer relationships	Total
<u>Cost</u>			
Balance as of January 1, 2023	\$ 64,627	\$ 26,811	\$ 91,438
Separate acquisition	5,687	-	5,687
Disposal	(9,387)	-	(9,387)
Net exchange differences	(832)	-	(832)
Balance as of Dec. 31, 2023	<u>\$ 60,095</u>	<u>\$ 26,811</u>	<u>\$ 86,906</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2023	(\$ 44,243)	(\$ 20,719)	(\$ 64,962)
Amortization expense	(8,998)	(5,235)	(14,233)
Disposal	9,387	-	9,387
Net exchange differences	681	-	681
	<u>(\$ 43,173)</u>	<u>(\$ 25,954)</u>	<u>(\$ 69,127)</u>
Balance as of Dec. 31, 2023			
<u>Cost</u>	<u>\$ 16,922</u>	<u>\$ 857</u>	<u>\$ 17,779</u>

Amortized expenses were calculated on a straight-line basis over estimated useful lives listed as follows:

Computer software	1~10 year(s)
Fair value of franchises and customer relationships	5 years

XIX. Other Assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Prepayments		
Prepayments for goods	\$ 23,743	\$ 14,076
Purchase taxes/overpaid sales tax	57,713	25,431
Other prepayments	34,568	42,652
	<u>\$ 116,024</u>	<u>\$ 82,159</u>
Other current assets		
Temporary payments	\$ 2,398	\$ 665
Payment on behalf	212	2
	<u>\$ 2,610</u>	<u>\$ 667</u>
<u>Non-current</u>	\$ 232,191	\$ 229,922
Prepayments for equipment	17,268	10,227
	<u>\$ 249,459</u>	<u>\$ 240,149</u>

XX. Loans

(I) Short-term loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured loans</u>		
Line of credit loans (1)	<u>\$ 1,026,072</u>	<u>\$ 817,712</u>

(1)The interest rates of bank revolving loans were 2.34%~5.8016% and 1.00%~6.20% on December 31, 2024 and 2023, respectively.

(II) Loans long-term loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured loans</u>		
Credit line loans (1)	\$ 28,217	\$ -
<u>Secured loans</u>		
Bank loans (2)	850,000	850,000
Less: current portion of long-term loans	(<u>25,881</u>)	-
	<u>\$ 852,336</u>	<u>\$ 850,000</u>

- (1) The consolidated company acquired \$28,217 thousand of bank loans newly drawdown for the year ended December 31, 2024, at the fixed interest rate of 3.55%, which will be amortized in four years.
- (2) The bank loan is secured by the mortgage of the consolidated company's own land and buildings (see Note 36). The maturity date of the loan is October 30, 2030. As of December 31, 2024 and 2023, the effective annual interest rates are 2.3743% and 2.1937%, respectively.

XXI. Bond Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The fourth domestic unsecured convertible corporate bond	\$ -	\$ 18,100
Less: Discount on corporate bonds payable	-	(187)
Corporate bonds due within one year	-	(<u>17,913</u>)
	<u>\$ -</u>	<u>\$ -</u>

The fourth domestic unsecured convertible corporate bond

We issued 16 thousand units of unsecured convertible bonds in NTD in Taiwan on October 18, 2021 with a nominal amount of NT\$100 thousand per unit and an interest rate of 0%, issued at a premium of 100.5% of the par value, or NT\$ 1,600,000 thousand; the total amount received is NT\$1,608,000 thousand.

- (1) Each unit of corporate bondholders has the right to convert the Company's converted corporate bonds into common stock of the Company. The conversion period is from January 27, 2022 to October 26, 2024.
- (2) Where the abovementioned corporate bonds are not converted during the conversion period, the outstanding corporate bonds will be redeemed in cash at par value on October 26, 2024.
- (3) At the end of two years from the issuance date (October 26, 2023), bondholders have the right to sell the bonds back to the company at a par value.

The equity component is recorded in capital surplus-stock options under equity. The equity component is initially recognized at the effective interest rate of 1.26%.

Issue price (minus transaction cost NT\$ 5,695 thousand)	\$ 1,602,305
Equity component (less transaction cost allocated to equity of NT\$ 211 thousand)	(59,309)
Financial liability	(2,408)
Liability component (less the liability transaction cost of NT\$ 5,492 thousand)	<u>\$ 1,540,588</u>
Liability component as of January 1, 2024	\$ 17,913
Interest calculated at effective interest rate 1.26%	187
Bond payables converted into ordinary shares	(100)
Redemption of corporate bonds	(18,000)
Liability component as of December 31, 2024	<u>\$ -</u>
Liability component as of January 1, 2023	\$ 1,563,696
Interest calculated at effective interest rate 1.26%	16,183
Selling back corporate bonds	(1,561,966)
Liability component as of December 31, 2023	<u>17,913</u>
Deduct: corporate bonds due within one year	<u>17,913</u>
	<u>\$ -</u>

XXII. Note Payables and Account Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes Payable</u>		
Arising from operations	<u>\$ 110,012</u>	<u>\$ 118,305</u>
<u>Accounts Payable</u>		
Arising from operations	<u>\$ 1,147,255</u>	<u>\$ 892,220</u>

The average credit period for Accounts Payable is approximately 120 days, and interest is not added to Accounts Payable. The consolidated company has established financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

XXIII. Other Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
<u>Other payables</u>		
Equipment payment and construction payment payable	\$ 57,886	\$ 12,540
Payroll and bonus payable	108,498	94,570
Benefits payable	1,973	1,258
Remuneration payable to employees, directors and supervisors	34,040	35,340
Customs and logistics fees payables	31,804	26,404
Cash dividends distributed by the Company payables	46,084	54,390
Provision for litigation compensation payable	-	14,956
Others	179,494	123,147
	<u>\$ 459,779</u>	<u>\$ 362,605</u>
<u>Other liability</u>		
Temporary payment	\$ 559	\$ 362
Others	17,246	19,909
	<u>\$ 17,805</u>	<u>\$ 20,271</u>

XXIV. Equity

(I) Share capital

Common shares

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized shares (in thousands shares)	<u>100,000</u>	<u>100,000</u>
Authorized capital stock	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousand shares)	<u>62,293</u>	<u>62,193</u>
Issued capital	<u>\$ 621,934</u>	<u>\$ 621,928</u>

The changes in share capital primarily arose from conversion of convertible bonds.

(II) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)</u>		
Stock issuance premium	\$ 329,694	\$ 329,694
Premium on conversion of convertible bonds	970,100	970,006
<u>May only be used to offset deficits</u>		
Recognized value of changes in equity of ownership of subsidiaries (2)	78,435	78,435
Forfeited stock subscription	84,161	84,161
<u>Not for any purpose</u>		
Issuance of convertible bonds with recognized equity component	<u>671</u>	<u>671</u>
	<u>\$ 1,463,061</u>	<u>\$ 1,462,967</u>

1. This type of capital surplus may be used to cover loss or issue cash or replenish capital when there is no loss, but capital replenishment is restricted to the ratio of actual capital stock each year.
2. This type of capital surplus recognized as equity transaction effect due to changes in subsidiary equity, when the Company's has not acquired or disposed of subsidiary shares.

(III) Retained earnings and dividend policy

According to the company's articles of association, the laws and regulations of the Cayman Islands and listing regulations, in the case of a surplus in the company's annual final accounts, such surplus shall be first subject to taxation, reimbursement of accumulated deficit, followed by a provision for special reserve, if any. Unless the board of directors resolves to keep the remainder as retained earnings, any remainder may be distributed as stock dividend and cash dividend for the shareholders based on their shareholding ratios. Such distribution shall be proposed by the board of directors and submitted to the shareholders' meeting for resolution. The Company may stipulate that

the surplus earning distribution or loss off-setting proposal may be proposed at the close of each quarter in accordance with the listing regulation. The proposal of surplus earning distribution or loss off-setting, together with the business report and financial statements, shall be forwarded to independent directors of the audit committee for their auditing, and afterwards be submitted to the board of directors for approval.

The company's dividend policy considers factors such as the company's stable growth, sustainable operation, capital requirements, sound financial structure, and maintenance of shareholders' equity. The total shareholder dividend shall be not less than 10% of the distributable surplus and may be distributed in stock or in cash, of which cash dividends shall account for no less than 50% of the total dividend distributed. If the company has incurred no loss, it may allocate all or part of the legal capital reserve and capital surplus in accordance with the laws or regulations of the competent authority in consideration of the company's financial, business and operating factors.

For distribution of dividends or bonuses in accordance with the preceding article, the company may, in accordance with the listing regulations, by resolution of the shareholders' meeting, issue all or a portion of the dividends and bonuses by issuing new shares; amounts less than one share may be distributed in cash.

For the valuation basis and actual distribution of the remuneration for employees and directors, please refer to Note 26 [7] for remuneration of employees and directors.

The shareholders' meetings on June 18, 2024 and June 27, 2023, and resolved to adopt the 2023 and 2022 earnings distribution proposals as follows:

	2023	2022
Special reserve	\$ 59,066	\$ 13,996
Cash dividends	\$ 48,075	\$ 31,096
Cash dividend capital bonus for each share (NT\$)	\$ 0.77	\$ 0.5

The company's board of directors has resolved the interim earnings distribution and dividend per share for the years 2024 and 2023 as follows:

	2024Q3	2024Q2	2024Q1
Date of resolution by the board of directors	November 11, 2024	August 20, 2024	May 6, 2024
Cash dividends	\$ 46,085	\$ 44,282	\$ 15,859
Cash dividend capital bonus for each share (NT\$)	\$ 0.74	\$ 0.71	\$ 0.26
	2023Q3	2023Q2	2023Q1
Date of resolution by the board of directors	November 13, 2023	August 25, 2023	May 12, 2023
Special reserve	(\$ 74,193)	\$ 60,197	\$ -
Cash dividends	\$ 51,496	\$ 3,981	\$ -
Cash dividend capital bonus for each share (NT\$)	\$ 0.83	\$ 0.06	\$ -

On March 4, 2025, the board of directors approved the distribution of earnings and the dividend per share for 2024 as follows:

	2024Q4
Stock dividend	<u>\$ 31,097</u>
Stock dividend per share (NT\$)	<u>\$ 0.5</u>

The distribution of earnings for 2024 is subject to the resolution of the Stockholders' meeting to be held on May 28, 2025.

(IV) Non-controlling interests

	2024	2023
Beginning Balance	<u>\$ 101,774</u>	<u>\$ 92,549</u>
Net profit for the period	27,168	14,404
Other comprehensive income for the period		
Exchange difference on translation of financial statements of foreign operating institutions	(30,234)	(4,084)
Acquisition of a non-controlling interest in a subsidiary (Note 31)	-	(1,095)
Liquidation of subsidiaries	(<u>7,918</u>)	<u>-</u>
Ending balance	<u>\$ 90,790</u>	<u>\$ 101,774</u>

XXV. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sales of goods	<u>\$ 5,799,711</u>	<u>\$ 4,664,224</u>

(I) Revenue from the sale of goods

Revenue from sales of goods derived from the sales of electronic components and automotive components. Because the customer has the right to use the product when the product is sold, and bears the risk of loss or damage to the product, the consolidated company recognizes the revenue and accounts receivable at that point.

(II) Contract Balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes Receivable (Note 9)	<u>\$ 113,480</u>	<u>\$ 5,181</u>	<u>\$ 1,543</u>
Accounts Receivable (Note 9)	<u>1,662,627</u>	<u>1,464,780</u>	<u>1,867,166</u>
	<u>\$1,776,107</u>	<u>\$1,469,961</u>	<u>\$1,868,709</u>
Contract liabilities - Current	<u>\$ 93,061</u>	<u>\$ 35,549</u>	<u>\$ 54,852</u>

Please refer to Note 43 for information on revenue breakdown.

XXVI. Net profit of continuing operation unit

(I) Interest income

	2024	2023
Bank deposits	\$ 42,691	\$ 48,638
Net lease investment	<u>-</u>	<u>19</u>
	<u>\$ 42,691</u>	<u>\$ 48,657</u>

(II) Other income

	2024	2023
Lease income		
Investment properties		
(Note 16)	\$ 34,757	\$ 36,469
Subsidy income	27,279	14,826
Others	<u>11,062</u>	<u>16,173</u>
	<u>\$ 73,098</u>	<u>\$ 67,468</u>

(III) Other gains and (losses)

	2024	2023
Gains (losses) of financial assets and financial liabilities		
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 2,765
Financial liabilities designated as fair value through profit or loss	-	(750)
Net gains (losses) on foreign currency exchange	(14,932)	32,294
Losses on disposal of property, plant and equipment	(2,756)	(3,542)
Impairment of property, plant and equipment	(4,809)	-
Goodwill impairment losses	-	(68,155)
Losses on impairment of investments accounted for using equity method	(8,610)	-
Losses on disposal of investments accounted for using equity method	(10,538)	-
Losses on disposal of subsidiaries (Note 30)	(23,116)	
Lease Modification Benefit	-	5
Loss on selling back corporate bonds	-	(9,509)
Litigation for damages	-	(14,956)
Others	<u>(2,736)</u>	<u>(13,437)</u>
	<u>(\$ 67,497)</u>	<u>(\$ 75,285)</u>

The lawsuit between Kunshan Lemtech Slide Technology Co., Ltd., a subsidiary of the consolidated company, and Chuanhu Company received the second-instance judgment in December 2023. After the Supreme People's Court of the People's Republic of China ruled, Kunshan Lemtech Slide Technology Co., Ltd. the company

was compensated RMB 3,000 thousand for compensation to Chuanhu Company and paid some lawyer and litigation fees of RMB 482 thousand. The consolidated company has treated in accordance with legal procedures and reached a settlement, and performed all the compensation obligations. The litigation officially ended.

(IV) Finance cost

	2024	2023
Interest on bank loans	(\$ 62,689)	(\$ 40,826)
Interest on lease liabilities	(10,656)	(6,907)
Interest on convertible bonds	(187)	(16,183)
	<u>(\$ 73,532)</u>	<u>(\$ 63,916)</u>

(V) Depreciation and amortization expenses

	2024	2023
Depreciation expenses summarized by function		
Operating costs	\$ 340,044	\$ 277,631
Operating expenses	<u>74,598</u>	<u>68,730</u>
	<u>\$ 414,642</u>	<u>\$ 346,361</u>
Amortized cost summarized by function		
Operating costs	\$ 604	\$ 399
Operating expenses	<u>7,263</u>	<u>13,834</u>
	<u>\$ 7,867</u>	<u>\$ 14,233</u>

(VI) Employee benefits

	2024	2023
Short-term employee benefits	\$ 787,305	\$ 675,817
Benefits after retirement		
Defined contribution plans	<u>41,997</u>	<u>33,231</u>
Total employee benefit expenses	<u>\$ 829,302</u>	<u>\$ 709,048</u>
Summarized by functions		
Operating costs	\$ 339,651	\$ 272,168
Operating expenses	<u>489,651</u>	<u>436,880</u>
	<u>\$ 829,302</u>	<u>\$ 709,048</u>

(VII) Remuneration of employees and directors

In accordance with the regulations of the Articles of Incorporation, the Company deducts the pre-tax profits before the distribution of employees and directors remuneration for the current year, and allocates the remuneration of employees, directors, and supervisors at a rate of no less than 0.5% and no more than 2%, respectively. Remunerations for employees and directors for 2024 and 2023 were resolved by the Board of Directors on March 4, 2025 and March 24, 2024 respectively.

Estimated ratio

	2024	2023
Remunerations for employees	1.0%	1.0%
Remunerations for directors	1.0%	1.0%

<u>Amount</u>	<u>2024</u>	<u>2023</u>
	<u>Cash</u>	<u>Cash</u>
Remunerations for employees	\$ 4,148	\$ 2,070
Remunerations for directors	4,148	2,070

If changes are made to the amount after the publication of the consolidated annual financial report, they apply in accordance with accounting estimation changes and will be included in the financial reports of the following year.

There is no difference between the actual amount of employee compensation and director's compensation for 2024 and 2023 and the amount recognized in the consolidated financial reports for 2023 and 2022.

For information on the Company's remunerations for employees and Directors as resolved by the Board of Directors, please visit the "Market Observation Post System" of the Taiwan Stock Exchange.

(VIII) Gains and (losses) on foreign currency exchange

	<u>2024</u>	<u>2023</u>
Total currency exchange gains	\$229,590	\$173,987
Total currency exchange (losses)	(244,522)	(141,693)
Net (losses) gains	(\$ 14,932)	\$ 32,294

XXVII. Income tax of continuing operation units

(I) Income tax recognized in profit or Loss

	<u>2024</u>	<u>2023</u>
Current tax		
Generated in the current year	\$ 96,078	\$ 57,141
Additional tax on undistributed earnings	1,790	9,926
Adjustments from the previous years	(531)	(14,762)
	<u>97,337</u>	<u>52,305</u>
Deferred income tax		
Generated in the current year	2,027	(18,963)
Undistributed earnings of subsidiaries	5,503	(8,271)
	<u>7,530</u>	<u>(27,234)</u>
Income tax expenses (benefits) recognized in gain or loss	<u>\$ 104,867</u>	<u>\$ 25,071</u>

Adjustments for accounting income and income tax expenses are as follows:

	<u>2024</u>	<u>2023</u>
Net income before taxes from continuing operations	<u>\$ 534,012</u>	<u>\$ 299,570</u>
Income tax expenses calculated as the product of income before income tax and the statutory tax rate	\$ 116,415	\$ 70,346
Non-deductible expenses	1,212	986
Effects on the deferred income tax of subsidiaries' earnings	5,503	(8,271)
Additional tax on undistributed earnings	1,790	9,926
Unrecognized deductible temporary difference	(19,522)	(33,154)
Adjustments on income tax of prior periods	(<u>531</u>)	(<u>14,762</u>)
Income tax expenses recognized in gain or loss	<u>\$ 104,867</u>	<u>\$ 25,071</u>

In 2024 and 2023, the tax rate applicable to the entities subject to the Income Tax Law of the Republic of China in the consolidated company is 20%, except for the Chinese subsidiary Lemtech Precision Material (China) Co., Ltd which obtained the high-tech license from the local government on December 13, 2023. The enterprise certifies that in addition to enjoying the preferential tax rate of 15% from 2023 to 2026, the tax amount incurred in other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdiction.

(II) Income tax recognized in other comprehensive income

	<u>2024</u>	<u>2023</u>
<u>Deferred income tax</u>		
Generated in the current year		
— Translation of foreign operations	<u>\$ 4,596</u>	<u>\$ 2,096</u>

(III) Income tax assets and liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current income tax assets		
Tax refunds receivables	<u>\$ 13,750</u>	<u>\$ 10,512</u>
Current income tax liabilities		
Income tax payables	<u>\$ 50,077</u>	<u>\$ 9,912</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities were described as follows:

2024

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Exchange differences	Other	Balance at the end of the year
Deferred income tax assets						
Temporary differences						
Allowance for inventory valuation loss	\$ 13,951	(\$ 2,082)	\$ -	\$ 355	\$ -	\$ 12,224
Allowance for doubtful accounts	4,035	(2,529)	-	108	-	1,614
Recognition of gains on foreign investments accounted for using equity method	-	6,812	-	-	66	6,878
Exchange differences on translation of foreign operations	-	-	465	-	-	465
Unrealized exchange gains and losses	410	111	-	-	-	521
Lease liability	15,348	-	-	(379)	8,848	23,817
Others	<u>3,424</u>	(<u>18</u>)	<u>-</u>	<u>189</u>	<u>-</u>	<u>3,595</u>
Subtotal of deferred income tax assets	<u>\$ 37,168</u>	<u>\$ 2,294</u>	<u>\$ 465</u>	<u>\$ 273</u>	<u>\$ 8,914</u>	<u>\$ 49,114</u>
Deferred income tax liabilities						
Temporary differences						
Recognition of gains on foreign investments accounted for using equity method	\$ 143,596	\$ 5,107	\$ -	\$ 7,523	\$ -	\$ 156,226
Exchange differences on translation of foreign operations	7,978	-	(5,061)	365	-	3,282
Lease liability	15,348	-	-	(379)	8,848	23,817
Others	<u>199,484</u>	<u>4,717</u>	<u>-</u>	<u>9,471</u>	<u>399</u>	<u>214,071</u>
Subtotal of deferred income tax liabilities	<u>\$ 366,406</u>	<u>\$ 9,824</u>	<u>(\$ 5,061)</u>	<u>\$ 16,980</u>	<u>\$ 9,247</u>	<u>\$ 397,396</u>

2023

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Exchange differences	Other	Balance at the end of the year
Deferred income tax assets						
Temporary differences						
Allowance for inventory valuation loss	\$ 12,259	\$ 1,804	\$ -	(\$ 112)	\$ -	\$ 13,951
Allowance for doubtful accounts	4,179	(102)	-	(42)	-	4,035
Unrealized exchange gains and losses	-	410	-	-	-	410
Lease liability	16,947	-	-	180	(1,779)	15,348
Others	<u>5,150</u>	(<u>1,674</u>)	<u>-</u>	(<u>52</u>)	<u>-</u>	<u>3,424</u>
Subtotal of deferred income tax assets	<u>\$ 38,535</u>	<u>\$ 438</u>	<u>\$ -</u>	<u>(\$ 26)</u>	<u>(\$ 1,779)</u>	<u>\$ 37,168</u>
Deferred income tax liabilities						
Temporary differences						
Recognition of gains on foreign investments accounted for using equity method	\$ 162,257	(\$ 16,258)	\$ -	(\$ 2,403)	\$ -	\$ 143,596

Exchange differences on translation of foreign operations	10,203	-	(2,096)	(129)	-	7,978
Lease liability	16,947	-	-	180	(1,779)	15,348
Others	<u>233,894</u>	<u>(10,538)</u>	<u>-</u>	<u>546</u>	<u>(24,418)</u>	<u>199,484</u>
Subtotal of deferred income tax liabilities	<u>\$ 423,301</u>	<u>(\$ 26,796)</u>	<u>(\$ 2,096)</u>	<u>(\$ 1,806)</u>	<u>(\$ 26,197)</u>	<u>\$ 366,406</u>

(V) Income tax approval status

For business income tax returns of LDC Company, part of the consolidated company, the filed cases before the year 2022 have been approved by the tax collection authority.

XXVIII. Earnings per Share

	2024	Unit: NT\$ per share 2023
Basic earnings per share	<u>\$ 6.46</u>	<u>\$ 4.18</u>
Diluted earnings per share	<u>\$ 6.45</u>	<u>\$ 4.18</u>

For the calculation of earnings per share and the weighted average number of ordinary shares are as follows:

<u>Net profit for the period</u>	2024	2023
Net profit attributable to owners of the Company	<u>\$ 401,977</u>	<u>\$ 260,095</u>
Net profit used in calculating basic earnings per share	\$ 401,977	\$ 260,095
Impact on ordinary shares with dilutive effect:		
after-tax interest on convertible bonds	<u>187</u>	<u>16,183</u>
Net profit used in calculating diluted earnings per share	<u>\$ 402,164</u>	<u>\$ 276,278</u>

<u>Number of shares</u>		Unit: Thousand shares
	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	62,193	62,193
Impact on ordinary shares with dilutive effect:		
Convertible bonds	112	112
Remunerations for employees	<u>31</u>	<u>38</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>62,336</u>	<u>62,343</u>

If the consolidated company chooses to offer employees remuneration by way of shares or cash, then while calculating the diluted earnings per share, assuming that the remuneration is paid in the form of stocks, the potential ordinary shares with dilutive effect will be included in the weighted average number of outstanding shares to calculate the diluted earnings per share. The dilutive effect of such potential ordinary stocks shall continue to be considered when calculating the diluted earnings per share before resolving the number of stocks to be distributed as employee remunerations in the following year.

As the conversion of the outstanding corporate bonds of the Company is anti-dilutive, they are not included in the calculation of diluted earnings per share.

XXIX. Government Grants

The Chinese subsidiary obtains financial subsidies from local competent authorities in accordance with regulations. Other income of \$27,279 thousand and \$14,826 thousand will be recognized in 2024 and 2023 respectively.

XXX. Disposal of subsidiary

The consolidated company signed the contract of transferring the shares of Emtron Company in December 2024. Emtron Company is engaged in the surface treatment and processing of automotive components. The consolidated company completed the disposal in December 2024, and lost control over the subsidiary.

(I) Consideration received

	<u>Emtron Company</u>
Cash and cash equivalents	\$ -
Payments for disposal of investments receivables	<u>28,277</u>
Total consideration received	<u>\$ 28,277</u>

NT\$28,277 thousand (CNY6,200 thousand) of payments for disposal of investments receivables are expected to be received in March 2025.

(II) Analysis on the assets and liabilities over which the consolidated company lost control

	<u>Emtron Company</u>
<u>Current assets</u>	
Cash and cash equivalents	\$ 6,684
Notes receivables	70
Accounts receivables	33,348
Other receivables	54
Inventories	3,377
Prepayments	3,248
<u>Non-current assets</u>	
Property, plant and equipment	18,801
Right-of-use assets	11,841
Guaranteed deposits paid	1,402
<u>Current liabilities</u>	
Accounts payables	(7,419)
Other payables	(5,002)
Lease liabilities - current	(12,089)
Other current liabilities	(118)
<u>Non-current liabilities</u>	
Lease liabilities – non-current	(4,166)
Net assets disposed	<u>\$ 50,031</u>

(III) Gains on disposal of subsidiary

	<u>Emtron Company</u>
Consideration received	\$ 28,277
Net assets disposed	(50,031)
Accumulated exchange differences from reclassification of equity to profit or loss for net assets over which the consolidated company lost control	(1,362)
Losses on disposal	<u>(\$ 23,116)</u>

(IV) Net cash outflows from disposal of subsidiary

	<u>Emtron Company</u>
Considerations collected in cash and cash equivalents	\$ -
Less: balance of cash and cash equivalents disposed	(6,684)
	<u>(\$ 6,684)</u>

XXXI. Equity transactions with non-controlling interests

The consolidated company acquired the equity interests held by minority shareholders of Lemtech-Eahwa Precision Technology Co., Ltd. on July 7, 2023 resulting in an increase in the shareholding ratio from 40% to 42%. Since the above transactions did not change the merging company's control over these subsidiaries, the merging company treated them as equity transactions.

	July 7, 2023
	Lemtech-Eahwa Precision Technology Co., Ltd.
	(\$ 974)
Consideration paid	
The carrying amount of the subsidiary's net assets shall be transferred to non-controlling interests based on changes in relative equity	1,095
Equity Transaction Difference	<u>\$ 121</u>
<u>Account adjusted for equity transactions</u>	
Capital surplus	<u>\$ 121</u>

XXXII. Information on Cash flow information

(I) Non-cash transactions

Except for those disclosed in other Notes, the Group has invested and raised funds for the following non-cash transactions in 2024 and 2023:

The adjustment of cash payments for the purchase of real property, plant and equipment is as follows:

	<u>2024</u>	<u>2023</u>
Added this year (including prepaid equipment payment)	\$ 511,810	\$ 465,317
Changes in equipment payments and construction payments payable	(<u>45,346</u>)	<u>6,994</u>
Cash amount paid for procurement of property, plants and equipment	<u>\$ 466,464</u>	<u>\$ 472,311</u>

(II) Changes in liabilities from financing activities

2024

	<u>January 1, 20234</u>	<u>Cash flow</u>	<u>Non-cash flow changes</u>		<u>December 31, 20234</u>
			<u>New lease</u>	<u>Others</u>	
Lease liabilities	<u>\$248,703</u>	(<u>\$87,313</u>)	<u>\$153,374</u>	(<u>\$1,954</u>)	<u>\$312,810</u>

2023

	<u>January 1, 2023</u>	<u>Cash flow</u>	<u>Non-cash flow changes</u>		<u>December 31, 2023</u>
			<u>New lease</u>	<u>Others</u>	
Lease liabilities	<u>\$211,797</u>	(<u>\$ 77,974</u>)	<u>\$ 104,791</u>	<u>\$10,089</u>	<u>\$248,703</u>

XXXIII. Capital Risk Management

The consolidated company manages its capital based on the policy to ensure the continual operations of the entities in the consolidated company. By optimizing its debts and liabilities, the consolidated company can maximize return for stakeholders.

The consolidated company's capital structure consists of net debts (i.e. loans and corporate bonds less cash and cash equivalents) and equities (i.e. equity, capital reserve, retained earnings, and other equity).

The consolidated company is not subject to any other external capital requirements.

The consolidated company's management periodically reassesses the consolidated company's capital structure; the inspection items include capital costs of various categories and related risks. The consolidated company will distribute dividend, issue new stocks and new debts, repurchase shares, or repay old debts among other methods to balance its overall capital structure (in accordance with the recommendations of its management).

XXXIV. Financial Instruments

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

The consolidated company's financial assets and financial liabilities whose carrying amounts are not measured at fair value are close to their fair value.

(II) Fair value information - Financial instruments measured at fair value on a recurring basis

1. Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2024: None.

December 31, 2023: None.

There was no transfer between Level 1 and Level 2 fair value measurements in 2024 and 2023.

2. Reconciliation of financial instruments at Level 3 fair value measurement

2024: None.

2023

	<u>Derivatives instruments</u>
Financial assets at fair value through profit or loss	
Opening balance	(\$ 17,600)
Disposition/Settlement	(750)
Recognized in gain or loss (other gains and losses)	18,350
Balance at the end of the year	<u>\$ -</u>
Changes in unrealized profits or losses of the year related to the assets held at the end of the year are recognized in profit or loss.	<u>(\$ 750)</u>

3. Valuation techniques and inputs of Level 2 fair value measurement

Category of Financial Instruments	Valuation Technique and Inputs
Structured deposits	Discounted cash flow method: Estimate future cash flows based on observable interest rates at the end of the period and discount them at a discount rate that reflects credit risk.

4. Valuation techniques and inputs of Level 3 fair value measurement

Derivatives - Convertible corporate bond redemption rights are based on the use of binary tree convertible bond evaluation model to estimate the fair value, the significant unobservable input value adopted is the stock price volatility. When stock price volatility increases, the fair value of these derivatives will increase.

(III) Classification of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost (Note 1)	3,786,485	3,173,100
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	3,637,270	3,071,491

Note 1: The balances include cash and cash equivalents, accounts receivable, notes receivable, other receivables, and refundable deposits, which are measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost such as short-term loans, notes payable, accounts payable, other payables, long-term loans, corporate bonds payable, and guarantee deposits.

(IV) Objectives and policies of financial risk management

The main financial instruments of the consolidated company include cash and cash equivalent, accounts receivable, accounts payable, corporate bonds payable and loans. The financial management segment of the consolidated company provides services to the business units, including coordinating operations in the domestic and international financial markets, and managing financial risks relating to the operations of the consolidated company based on the degree of risk and the degree of the breadth of the exposure. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The financial management segment reports monthly to the management of the consolidated company, and the management would carry out risk monitoring and policy implementation based on its duties and responsibilities to mitigate risk exposure.

1. Market risks

The consolidated company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) and the changes in interest rates (see (2) below).

The management and measurement of market risks of financial instruments and risk exposure of the consolidated company remain unchanged.

(1) Foreign currency exchange risk

The Group's sales and purchase transactions are denominated in foreign currency; as a consequence, the Group is exposed to the risk of fluctuation in the exchange rate.

For the monetary assets and liabilities of the consolidated company denominated in non-functional currencies on the balance sheet date (including those monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 40.

Sensitivity analysis

The consolidated company is mainly impacted by the exchange rate fluctuations in USD.

The following table includes the sensitivity analysis of the consolidated company's financial position under circumstances that the exchange rate of a foreign currency to NTD (the function currency) increases or decreases by 1%. The hypothetical increase of 100 basis point (1%) in exchange rates is used in Management's internal sensitivity analysis report on currency exchange risks; it also reflects the reasonable range of change in exchange rates the management believes would be. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the adjustment of their translation at the end of the period for a 1% change in exchange rate. A positive number in the table below indicates an increase in net profit before income tax that would result when the functional currency strengthens 1% against the relevant currency. For a 1% weakening of NTD against the relevant currency, the effect on the net profit before income tax would be the same amount in negative.

	Impact of USD	
	2024	2023
Increase in net profit before tax	\$ 8,752	\$ 2,601

The impact of profit and loss is mainly derived from the USD-denominated cash and cash equivalents, receivables, and payables that are still in circulation at the balance sheet date of the consolidated company and have not been hedged with cash flow.

(2) Interest rate risk

By taking out loans at both the fixed rate and the floating rate at the same time, the Group is exposing to interest rate risk. The policy of the consolidated company is to maintain floating-rate borrowings to reduce the risk of interest rate changes, and currently does not operate interest rate hedging tools. The management of the consolidated company will monitor the interest rate risk

timely, and will take necessary measures to respond to the risk control caused by the huge changes in market interest rates if necessary.

The carrying value of financial assets and liabilities exposed to interest rate risk of the consolidated company on the balance sheet date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Interest rate risks with cash flow		
— Financial assets	\$ 1,940,493	\$ 1,668,117
— Financial liabilities	1,904,289	1,685,625

Sensitivity analysis

The sensitivity analysis below is based on the non-derivative instruments' interest rate risk exposure at the balance sheet date. For liabilities at floating interest rates, the analysis assumes they are outstanding throughout the reporting period if they are outstanding at the balance sheet date. The rate of change used when reporting interest rates within the Group to key management levels increased or decreased by 0.5%, which also represents the management's assessment on the reasonably possible scope of the interest rate. If interest rate increases/decreases by 0.5%, held other variables constant, the consolidated company's income before tax will increase/decrease by NT\$181 thousand and NT\$88 thousand for 2024 and 2023, respectively.

2. Credit risk

Credit risks refer to risks that cause financial loss of the consolidated company due to the counterparty's delay in performing contractual obligations. Due to the nature of the industry in which it operates, the consolidated company has no significant concentration of credit risk. The consolidated company has formulated a policy that when assessing the credit line granted to customers, it must obtain appropriate financial information from customers to conduct credit ratings of customers to ensure that sales services do not generate significant credit risk.

The maximum amount of credit risk of the consolidated company is the net amount of the carrying amount of financial assets after deducting the amounts that can be offset according to regulations and the impairment losses recognized in accordance with regulations without considering collateral and other credit enhancement policies.

The main objects of the accounts receivable and other receivables of the consolidated company are foreign-funded enterprises established in China and internationally renowned manufacturers. The credit risk management and impairment status are detailed in Note 9.

The bank deposits of the consolidated company and other investment in financial assets are mainly deposited in banks with good credit ratings assigned by international credit rating agencies, so this credit risk is not significant.

3. Liquidity risk

The consolidated company's supports its business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash and cash equivalents. The consolidated company's management supervises bank financing conditions and ensures compliance with loan contracts. The bank loans are a significant source of liquidity for the consolidated company. Please refer to (2) Financing limit below for the unfunded financing amount of the consolidated company as of December 31, 2024 and 2023.

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

The non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flow. Therefore, the Consolidated Company may be required to repay a bank loan immediately and the possibility is listed in the table below and categorized into the earliest period line item disregard the probability of exercising such right on instance by the bank. An analysis of the maturity of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

December 31, 2024

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities			
Bank loans	\$ 1,026,072	\$ -	\$ -
Notes payable	110,012	-	-
Accounts payable	1,147,255	-	-
Other payables	459,779	-	-
Lease liabilities	77,796	214,609	20,405
Corporate bonds payable	-	-	-
Long-term borrowing	25,881	852,336	-
		\$	
	<u>\$ 2,846,795</u>	<u>1,066,945</u>	<u>\$ 20,405</u>

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

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 84,982</u>	<u>\$ 219,580</u>	<u>\$ 30,960</u>

December 31, 2023

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities			
Bank loans	\$ 817,712	\$ -	\$ -
Notes payable	118,305	-	-
Accounts payable	892,220	-	-
Other payables	362,605	-	-
Lease liabilities	65,905	160,658	22,230
Corporate bonds payable	18,100	-	-
Long-term loans	-	850,000	-
	<u>\$ 2,274,847</u>	<u>\$ 1,010,568</u>	<u>\$ 22,230</u>

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

	Within 1 year	1 - 5 years	More than 5 years
Lease liabilities	<u>\$ 72,966</u>	<u>\$ 169,569</u>	<u>\$ 22,453</u>
(2) Loan Commitments			
	December 31, 2024	December 31, 2023	
Unsecured bank loan line			
— Amount used	\$ 1,054,289	\$ 817,712	
— Amount unused	<u>3,401,953</u>	<u>2,932,661</u>	
	<u>\$ 4,456,242</u>	<u>\$ 3,750,373</u>	
Secured bank loan line			
— Amount used	\$ 850,000	\$ 850,000	
— Amount unused	<u>-</u>	<u>-</u>	
	<u>\$ 850,000</u>	<u>\$ 850,000</u>	

XXXV. Related Party Transactions

All transactions, account balances, income, and expenses between the Company and its subsidiaries (related parties of the Company) are fully offset by intercompany netting and therefore are not shown in this Note. The transactions between the Group and other related parties are as follows.

(I) The names and relations of related parties

Name of related party	Relationship with the consolidated company
Aapico Lemtech	Affiliate, which has been sold in April 2024.

(II) Operating revenue

Accounting item	Category of related parties	2024	2023
Sales	Affiliates	<u>\$ 9</u>	<u>\$ 24</u>

There are no significant differences between the terms and conditions of sales and collection for related parties and that of general transactions.

(III) Remuneration to the management

	2024	2023
Short-term employee benefits	<u>\$ 40,744</u>	<u>\$ 47,303</u>

The remuneration for directors and other key management is determined by the remuneration committee based on personal performance and market trends.

XXXVI. Pledged Assets

The following assets have been provided as the collateral for financing borrowings:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank deposits-restricted (accounts for financial assets measured at amortized cost)	\$ -	\$ 6,341
Land	-	41,716
Property, plant and equipment	-	15,191
Investment properties	-	988,452
Non-current assets held for sale	<u>1,038,147</u>	<u>-</u>
	<u>\$ 1,038,147</u>	<u>\$ 1,051,700</u>

XXXVII. Material Contingent Liabilities and Unrecognized Contractual Commitments : None.

XXXVIII. Losses Due to Major Disasters: None.

XXXIX. Other Matters : None.

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

XLI. Information on Foreign Currency-denominated Assets and Liabilities of Significant Influence

The following summary is presented in foreign currencies other than the functional currency. The exchange rates disclosed in the summary refer to the exchange rate of a foreign currency to the functional currency.

Information on foreign currency-denominated assets and liabilities of significant influence is as follows:

December 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$27,516	32.7849 (USD:NTD)	\$902,094
USD	27,717	7.1884 (USD:RMB)	908,712
USD	7	24.1970 (USD:CZK)	213
USD	3,835	4.6402 (USD:MYR)	125,733
USD	1,772	34.0694 (USD:THB)	58,083
USD	1,264	20.6612 (USD:MXN)	41,450
RMB	125	4.5608 (RMB:NTD)	549
RMB	5,246	0.1391 (RMB:USD)	23,927
JPY	500	0.2098 (JPY:NTD)	105
JPY	64,707	0.0460 (JPY:RMB)	13,575
EUR	4,537	7.4855 (EUR:RMB)	154,904
EUR	5,045	25.1970 (EUR:CZK)	172,224
SGD	353	0.7360 (SGD:USD)	8,516
SGD	20	24.1298 (SGD:NTD)	495
			<u>\$2,410,580</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	33,700	32.7849 (USD:NTD)	\$1,104,864
USD	114	7.1884 (USD:RMB)	3,726
USD	1,600	20.6612 (USD:MXN)	52,456
RMB	40	4.5608 (RMB:NTD)	180
JPY	11,262	0.0460 (JPY:RMB)	2,363
EUR	7,162	25.1970 (EUR:CZK)	244,501
			<u>\$1,408,090</u>

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 25,838	30.7049 (USD:NTD)	\$ 793,359
USD	15,842	7.0827 (USD:RMB)	486,425
RMB	387	4.3352 (RMB:NTD)	1,680
RMB	17	0.1412 (RMB:USD)	72
JPY	500	0.2172 (JPY:NTD)	109
JPY	137,331	0.0501 (JPY:RMB)	29,827
EUR	2,773	7.8382 (EUR:RMB)	94,217
EUR	3,562	24.2726 (EUR:CZK)	121,053
SGD	44	0.7585 (SGD:USD)	1,029
SGD	25	23.2900 (SGD: NTD)	573
			<u>\$1,528,344</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	33,137	30.7049 (USD:NTD)	\$1,017,457
USD	72	7.0827 (USD:RMB)	2,216
JPY	13,058	0.0501 (JPY:RMB)	2,836
SGD	17	23.2900 (SGD: NTD)	404
EUR	6,706	24.2726 (EUR:CZK)	227,860
			<u>\$1,250,773</u>

The consolidated company is mainly exposed to foreign currency exchange rate risks of RMB, USD, CZK, and PHP. The following information is aggregated in terms of the functional currency of the foreign currency held. The exchange rate disclosed is the exchange rate of the functional currency into the presentation currency. The realized and unrealized foreign currency exchange profits and losses that have a significant impact are as follows:

	2024		2023	
Functional currency	Functional Currency and Presentation Currency	Net exchange gains and losses	Functional Currency and Presentation Currency	Net exchange gains and losses
NTD	1.0000 (NTD:NTD)	(\$ 15,248)	1.0000 (NTD:NTD)	\$ 32,116
RMB	4.5161 (RMB:NTD)	16,266	4.4244 (RMB:NTD)	6,011
USD	32.2008 (USD:NTD)	3,203	31.2603 (USD:NTD)	84
CZK	1.3844 (CZK:NTD)	(1,960)	1.4034 (CZK:NTD)	(3,478)
MXN	1.6616 (MXN:NTD)	(17,838)	1.7646 (MXN:NTD)	(2,439)
MYT	7.0385(MYT:NTD)	1,344		
THB	0.9477(THB:NTD)	(699)		
		(\$14,932)		<u>\$32,294</u>

XLII. Supplementary Disclosures

Information on (I) Significant Transactions and (II) Investees:

1. Financings provided (Attachment 1)
2. Endorsements/guarantees provided to others (Attachment 2)
3. Marketable securities held at the end of year (excluding investments in subsidiaries, affiliates and interest in joint ventures) (None)

4. Accumulated purchase or disposal of individual marketable securities equal to or in excess of NT\$300 million or 20% of paid-in capital (None)
5. Acquisition of real estate at cost in excess of NT\$300 million or 20% of paid-in capital (None)
6. Disposal of real estate at cost in excess of NT\$300 million or 20% of paid-in capital (None)
7. Purchases or sales to related parties of at least NT\$100 million or 20% of paid-in capital (Attachment 3)
8. Accounts receivable from related parties equal to or in excess of NT\$100 million or 20% of paid-in capital (Attachment 4)
9. Engage in derivative transactions (Note 7 and 33)
10. Others: Business relationships, important transactions and the amounts between parent company and subsidiaries (Attachment 5)
11. Information on investees (Attachment 6)

(III) Information on investments in China:

1. Information on any investee company in China; disclose the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in China. (Attachment 7)
2. Significant transactions with investee companies in China, either directly or indirectly through a third region, and their prices, payment terms, and unrealized gains or losses. (Attachment 7)
 - (1) Purchase amount and percentage, and the ending balance and percentage of payables.
 - (2) Sales amount and percentage, and the ending balance and percentage of payments receivables.
 - (3) Property transaction amount and the resulting gain or loss.
 - (4) Ending balance of endorsement, guarantee or collateral provided and purposes.
 - (5) The maximum balance, ending balance, interest rate range and total amount of interest of financing for the current year.
 - (6) Other transactions having a significant influence on profit or loss or financial status of the current year, such as providing or receiving services.

(IV) Information on major shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Attachment 8)

XLIII. Segment Information

The information is provided to the main decision-maker to allocate resources and assess the performance of each segment and focus on each type of product or service delivered or provided. information on the consolidated company's reporting segments is presented as follows:

Taiwan manufacturing segment

China manufacturing segment

Others

Segment revenues and the results of operations

- (I) The consolidated company's revenue and operational results by reportable segment are analyzed as follows:

Intersegmental sales are based on market prices.

Segment profit refers to the profit earned by each segment, including the apportionable headquarters management cost and directors' remuneration, the share of profits and losses of affiliated companies that adopt the equity method, rental income, interest income, disposition of real estate, plant, and equipment profits and losses, foreign currency exchange net (profit) losses, financial instrument evaluation profits and losses, financial cost, and Income tax expenses. The assessment is provided to the main decision-maker to allocate resources to segments and assess their performance.

2024

	Taiwan manufacturing segment	China manufacturing segment	Others	Intercompany netting	Total
Revenue from external customers	\$ 248,921	\$ 2,342,083	\$ 3,208,707	\$ -	\$ 5,799,711
Intercompany revenue	923,404	1,262,473	9,203	(2,195,080)	-
Segment Revenue	<u>\$ 1,172,325</u>	<u>\$ 3,604,556</u>	<u>\$ 3,217,910</u>	<u>(\$ 2,195,080)</u>	5,799,711
Interest income	\$ 21,895	\$ 17,442	\$ 10,430	(\$ 7,076)	42,691
Other company's income					73,098
					<u>\$ 5,915,500</u>
Finance costs	4,485	10,227	65,896	(7,076)	\$ 73,532
Depreciation and amortization	23,284	332,131	69,032	(1,938)	422,509
Share of gains (losses) of affiliates accounted for using equity method	(792)	(10,310)	932,590	(922,320)	(832)
Income tax expenses (benefits)	34,964	50,223	19,680	-	104,867
Segments gain (loss)	<u>\$ 138,759</u>	<u>\$ 363,830</u>	<u>\$ 848,876</u>	<u>(\$ 922,320)</u>	<u>\$ 429,145</u>
Segments assets	<u>\$ 1,374,082</u>	<u>\$ 6,112,465</u>	<u>\$ 13,420,513</u>	<u>(\$ 12,492,534)</u>	<u>\$ 8,414,526</u>
Segments liabilities	<u>\$ 552,290</u>	<u>\$ 2,334,033</u>	<u>\$ 3,817,496</u>	<u>(\$ 2,195,400)</u>	<u>\$ 4,508,419</u>

2023

	Taiwan manufacturing segment	China manufacturing segment	Others	Intercompany netting	Total
Revenue from external customers	\$ 300,100	\$ 2,318,808	\$ 2,045,316	\$ -	\$ 4,664,224
Intercompany revenue	860,375	616,344	13,914	(1,490,633)	-
Segment Revenue	<u>\$ 1,160,475</u>	<u>\$ 2,935,152</u>	<u>\$ 2,059,230</u>	<u>(\$ 1,490,633)</u>	4,664,224
Interest income	\$ 14,151	\$ 18,669	\$ 23,630	(\$ 7,793)	48,657
Other company's income					67,468
					<u>\$ 4,780,349</u>
Finance costs	5,351	16,357	50,001	(7,793)	\$ 63,916
Depreciation and amortization	25,003	286,764	50,307	(1,480)	360,594
Share of gains (losses) of affiliates accounted for using equity method	-	(22,889)	630,033	(613,021)	(5,877)
Income tax expenses (benefits)	28,915	5,684	(9,528)	-	25,071
Segments gain (loss)	<u>\$ 26,758</u>	<u>\$ 227,762</u>	<u>\$ 633,000</u>	<u>(\$ 613,021)</u>	<u>\$ 274,499</u>
Segments assets	<u>\$ 1,287,089</u>	<u>\$ 5,550,105</u>	<u>\$11,671,678</u>	<u>(\$11,239,746)</u>	<u>\$ 7,269,126</u>
Segments liabilities	<u>\$ 543,792</u>	<u>\$ 1,544,533</u>	<u>\$ 3,138,993</u>	<u>(\$ 1,474,986)</u>	<u>\$ 3,752,332</u>

(II) Revenue from major products and services

The analysis of profits from the main products and services of the consolidated company's continuing business units is as follows:

	2024	2023
Automotive components	\$ 3,044,918	\$ 2,431,903
Electronic components	2,318,248	1,568,148
Connected fitness equipment	288,955	467,417
Others	147,590	196,756
	<u>\$ 5,799,711</u>	<u>\$ 4,664,224</u>

(III) Regional information

The consolidated company mainly operates in two areas - Taiwan and China.

Revenue of the consolidated company's continuing operations from external customers classified by the location of the business and the non-current assets is listed as follows:

	Revenue from external customers		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Asia	\$ 3,302,440	\$ 2,870,103	\$ 1,876,682	\$ 2,780,178
America	1,436,503	1,087,632	199,699	135,788
Europe	1,060,768	706,489	352,602	290,075
	<u>\$ 5,799,711</u>	<u>\$ 4,664,224</u>	<u>\$ 2,428,983</u>	<u>\$ 3,206,041</u>

Non-current assets do not include deferred income tax assets.

(IV) Information of main customer

The annual revenues of 2024 and 2023 are NT\$5,799,711 thousand and NT\$4,664,224 thousand, the revenue from single customers of the company reaching more than 10% of the total revenue of the consolidated company are as follows:

	2024	2023
Customer J (Note 1)	\$ 803,678	\$ 579,304
Customer Z (Note 2)	666,701	593,260
Customer A (Note 2)	594,640	525,118

Note 1: This is revenue from fitness equipment and electronic category.

Note 2: This is revenue from automotive category.

Lemtech Holdings Co., Limited and its subsidiaries
Loans extended to others
2024

Attachment 1

Unit: Unless Specified Otherwise
, NTD thousands.

No. (Note 1)	Lending company	Borrower	General ledger account	Related party or not	Maximum Balance for the Period	Balance at the end of period (Note 2)	Actual expenditure	Interest range	Nature of loan	Business transaction amount	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Financing limit for each borrower (Note 3)	Total loan limit (Note 3)	Remarks
													Name	Value			
0	Lemtech Holdings Co., Limited	Lemtech Global Solution Co. Ltd.	Other receivables	Yes	\$ 143,198	\$ -	\$ -	5.8%	Necessity of short-term financing		- Operating capital	-	-	-	\$ 1,526,127	\$ 1,526,127	
1	Lemtech Precision Material (China) Co., Ltd	Zhenjiang Emtron Surface Treatment Limited Company (Note 4)	Other receivables	Yes	172,710	\$ -	\$ -	3.5%	Necessity of short-term financing		- Operating capital	-	-	-	1,269,985	1,269,985	
2	Lemtech Technology Limited	Lemtech Holdings Co., Limited.	Other receivables	Yes	426,855	426,205	262,280	0.25%	Necessity of short-term financing		- Operating capital	-	-	-	545,066	545,066	
3	LDC Precision Engineering Co., Ltd	Lemtech Holdings Co., Limited	Other receivables	Yes	170,000	160,000	160,000	2.12%	Necessity of short-term financing		- Operating capital	-	-	-	165,029	165,029	

Note 1: Explanations for the numbering column are as follows:

(1) The issuer is coded 0.

(2) Investees are numbered consecutively from 1 in the order presented in the attachment above.

Note 2: If a public company extend loans by submitting each loan for the board resolution in accordance with Paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, although the drawdown had not been made, the amount resolved by the board shall be included in the balance announced in order to disclose the risks borne; however, if subsequently the amount is repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. If a publicly company authorized the chairman of the board of directors to extend loans in installments or to make a revolving credit line within a certain amount and within a period of one year in accordance with Article 14 (2) of the regulation, the loan limit resolved by the board shall be the reported balance. Although the amount may subsequently be repaid, considering the that further installments may be made, the loan limit resolved by the board shall still be the reported balance.

Note 3: (1) The loan limit to others is approved by the shareholders' meeting of Lemtech Holdings Co., Limited in accordance with the Operational Procedures for Loaning Funds to Others: For loans extended to companies with business ties, 1. the loan limit shall not exceed 20% of the company's net worth; amount of individual loans shall not exceed the total amount of trading between the parties in the most recent year. The amount of trading means the sales or purchasing amount between the parties, whichever is higher. 2. Where the extension of loans for companies with short-term financing needs is necessary, the total amount of loan extended shall not exceed 40% of the company's net value; the amount extended for each individual loans shall not exceed 40% of the company's net value.

(2) According to the above regulations, the maximum value of short-term financing extended by Lemtech Holdings Co., Limited out of necessity is net value of NT\$3,815,317 thousand x 40% = NT\$1,526,127 thousand; the limit for a single entity is NT\$ 3,815,317 thousand x 40% = NT\$1,526,127 thousand.

(3) According to the above regulations, the maximum value of short-term financing extended by Lemtech Precision Material (China) Co., Ltd out of necessity is net value of NT\$ 3,174,963 thousand x 40% = NT\$ 1,269,985 thousand; the limit for a single entity is NT\$ 3,174,963 thousand x 40% = NT\$ 1, 269,985 thousand.

(4) In accordance with the above regulations. According to the above regulations, the maximum value of short-term financing extended by LDC Company out of necessity is net value of NT\$412,572 thousand x 40% = NT\$165,029 thousand; the limit for a single entity is NT\$412,572 thousand x 40% = NT\$165,029 thousand.

(5) When a foreign company whose parent company directly or indirectly holds 100% of the voting shares engages in capital lending for the purpose of financing, the individual financing amount shall not exceed the net value of the latest financial statements of the lending company, and the total financing amount shall not exceed the lending company's net value. Most recent financial statement net worth.

Note 4: The consolidated company sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.

Lemtech Holdings Co., Limited and its subsidiaries
Endorsement/guarantee provided for others
2024

Attachment 2

(NTD thousands, Unless Stated Otherwise)

No. (Note 1)	Endorsement/guarantee provider name	Subject of endorsements/guarantees		Limit on endorsements/g uarantees provided for a single party	Maximum balance for this period	Endorsement and guarantee closing balance	Actual expenditure	Amount of endorsement/gu arantee collateralized by properties	Ratio of Accumulated Endorsements/ Guarantees to Net Worth per Latest Financial Statements (%)	Endorsements/ Guarantees Maximum limit	Guarantee provided by parent company to a subsidiary	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in China
		Name	Relationship (Note 2)										
0	Lemtech Holdings Co., Limited	Lemtech Precision Material (Czech) s.r.o.	2	\$ 4,578,380	\$ 235,520	\$ 234,140	\$ 204,840	\$ -	6.14%	\$ 11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	LDC Precision Engineering Co., Ltd.	2	4,578,380	350,000	-	-	-	-	11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech Energy Solutions Corporation	2	4,578,380	320,000	320,000	-	-	8.39%	11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	LemTech Global Industries Ltd.	2	4,578,380	500,000	435,000	185,000	-	11.40%	11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech International Limited	4	4,578,380	361,185	360,635	-	-	9.45%	11,445,951	Yes	No	No
1	Lemtech Technology Limited	Lemtech Holdings Co., Limited	2	654,079	164,175	-	-	-	-	1,635,198	No	Yes	No
2	Lemtech Precision Material	Lemtech Electronics Technology(Changshu)Co., Ltd	2	3,809,956	44,870	-	-	-	-	9,524,889	No	No	Yes
3	Lemtech Industrial Services Ltd	Kunshan Lemtech Slide Technology Co., Ltd. (China)	2	253,368	45,450	44,780	-	-	1.17%	633,420	No	No	Yes
4	Lemtech International Limited	Lemtech Holdings Co., Limited.	3	533,369	162,350	163,925	-	-	4.30%	1,333,422	No	Yes	No

Note 1: Explanations for the numbering column are as follows:

(1) The issuer is coded 0.

(2) Investees are numbered consecutively from 1 in the order presented in the attachment above.

Note 2: The relationships between endorers/guarantors and endorsees/guarantees are categorized into the following 7 types. Please specify the type.

(1) A company that has business transactions with the Company.

(2) Companies in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(3) Companies that directly and indirectly hold more than 50 percent of the voting shares in the Company.

(4) Companies in which the Company hold, directly or indirectly, 90% or more of the voting shares.

(5) A company fulfills its contractual obligations by providing mutual endorsement/guarantee for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) All capital contributing shareholders make endorsement/guarantee for their jointly invested company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: (1) The endorsement guarantee limit is handled by Lemtech Holdings Co., Limited in accordance with the provisions of Articles 36 and 38 of the Securities Exchange Law and the endorsement guarantee procedures approved by the shareholders' meeting: Lemtech Holdings Co., Limited 's external endorsement guarantee The total amount shall not exceed 300% of the current net value. The endorsement guarantee amount for a single enterprise shall not exceed 120% of the net value of the current period. If the endorsement guarantee is made due to a business relationship, it shall not exceed the total amount of transactions with the company in the most recent year (the purchase or sales amount between the two parties, whichever is higher). The net value is based on the latest financial statement that has been audited and certified by an accountant or reviewed. If the company directly and indirectly holds more than 90% of the voting shares as an endorsement guarantee, the amount shall not exceed 10% of the company's net worth. However, the company directly and indirectly holds 100% of the voting shares as an endorsement guarantee between companies, which is not subject to this limitation.

(2) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech Holdings Co., Limited is net value NT\$3,815,317 thousand $\times 300\% =$ NT\$11,445,951 thousand; the limit for endorsement guarantee for a single enterprise is NT\$815,317 thousand $\times 120\% =$ NT\$4,578,380 thousand.

(3) According to the above provisions, the maximum limit for Lemtech Technology Limited's external endorsement guarantee is net value NT\$545,066 thousand $\times 300\% =$ NT\$1,635,198 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$545,066 thousand $\times 120\% =$ NT\$654,079 thousand.

(4) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech Precision Material (China) is net value NT\$3,174,963 thousand $\times 300\% =$ NT\$9,524,889 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$3,174,963 thousand $\times 120\% =$ NT\$3,809,956 thousand.

(5) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech Industrial Services Ltd is net value NT\$211,140 thousand $\times 300\% =$ NT\$633,420 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$211,140 thousand $\times 120\% =$ NT\$253,368 thousand.

(6) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech International Limited is net value NT\$444,474 thousand $\times 300\% =$ NT\$1,333,422 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$444,474 thousand $\times 120\% =$ NT\$533,369 thousand.

Note 4: The consolidated company sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.

Lemtech Holdings Co., Limited and its subsidiaries
Amount of purchases from and sales to related parties reaching NT\$100 million or 20% of its paid-in capital
2024

Attachment 3

(NTD thousands, Unless Stated Otherwise)

Name of company selling or purchasing	Counterparty	RELATIONS	Transaction details				Situation and reason of why trading conditions are different from general trading		Accounts and notes receivable (payable)		Remarks
			Purchase/sale	Sum	Ratio to Total Purchase (sell)	Loan period	Unit price	Loan period	Balance	Ratio to total note or account receivables (payables)	
LemTech Global Industries Ltd.	Lemtech International Limited	Affiliates	Sales	\$ 377,682	6.51%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables \$ 223,546	78.55%	
Lemtech Precision Material (China) Co., Ltd	Lemtech International Limited	Affiliates	Sales	204,595	3.53%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 67,239	6.04%	
Kunshan Lemtech Slide Technology Co., Ltd. (China)	Lemtech International Limited	Affiliates	Sales	509,400	8.78%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 178,572	58.86%	
Kunshan Lemtech Slide Technology Co., Ltd. (China)	Lemtech Technology Limited	Affiliates	Sales	134,172	2.31%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 82,326	27.14%	
Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech Technology Limited	Affiliates	Sales	114,634	1.98%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 41,335	42.84%	
Lemtech Energy Solutions Corporation	Lemtech International Limited	Affiliates	Sales	367,291	6.33%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 127,784	61.31%	
Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech International Limited	Affiliates	Sales	143,513	2.47%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 40,016	41.47%	

Lemtech Holdings Co., Limited and its subsidiaries
 Account receivables from related parties reaching NT\$100 million or 20% of its paid-in capital
 December 31, 2024

Attachment 4

(NTD thousands, Unless Stated Otherwise)

Name of company with accounts receivable on account	Name of the counterparty	RELATIONS	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amounts received from related parties in subsequent period	Allowance for loss amount
					Sum	Action taken		
Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	Affiliates	Accounts receivables \$ 178,572	4.18	\$ -	—	\$ 86,562	\$ -
LemTech Global Industries Ltd.	Lemtech International Limited	Affiliates	Accounts receivables 223,546	2.88	-	—	73,252	-
Lemtech Energy Solutions Corporation	Lemtech International Limited	Affiliates	Accounts receivables 127,784	3.90	-	—	56,963	-
LDC Precision Engineering Co., Ltd	Lemtech Holdings Co., Limited	Affiliates	Other receivables 161,206	Notes:	-	—	-	-
Lemtech Technology Limited	Lemtech Holdings Co., Limited	Affiliates	Other receivables 262,295	Notes:	-	—	-	-
Lemtech Global Solution Co. Ltd	Lemtech Precision Material (China) Co., Ltd	Affiliates	Payment for shares receivables 635,023	Notes:	-	—	-	-

Notes: Categorized as other receivables, thus turnover rate is not calculated.

Lemtech Holdings Co., Limited and its subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
2023

Attachment 5

(NTD thousands, Unless Stated Otherwise)

No. (Note 1)	Name of the trader	Name of the transaction counterparty	Relationship (Note 2)	Conditions of transactions			
				Account	Sum	Terms of transaction	Percentage of Consolidated Total Revenue or Total Assets (%) (Note 3)
1	Lemtech Precision Material	Lemtech Precision Material (Czech) s.r.o.	3	Sales revenue (purchase)	\$ 86,739	General Terms of Transaction	1.50%
1	Lemtech Precision Material	Lemtech Precision Material (Czech) s.r.o.	3	Account receivables (payment)	73,347	General Terms of Transaction	0.87%
1	Lemtech Precision Material	Lemtech International Limited	3	Sales revenue (purchase)	204,595	General Terms of Transaction	3.53%
1	Lemtech Precision Material	Zhenjiang Emtron Surface Treatment Limited	3	Account receivables (payment)	67,239	General Terms of Transaction	0.80%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	509,400	General Terms of Transaction	8.78%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	3	Account receivables (payment)	178,572	General Terms of Transaction	2.12%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	134,172	General Terms of Transaction	2.31%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech Technology Limited	3	Account receivables (payment)	82,326	General Terms of Transaction	0.98%
3	Lemtech Energy Solutions Corporation	Lemtech International Limited	2	Sales revenue (purchase)	367,291	General Terms of Transaction	6.33%
3	Lemtech Energy Solutions Corporation	Lemtech International Limited	2	Account receivables (payment)	127,784	General Terms of Transaction	1.52%
3	Lemtech Energy Solutions Corporation	Lemtech Technology Limited	3	Sales revenue (purchase)	92,667	General Terms of Transaction	1.60%
3	Lemtech Energy Solutions Corporation	Lemtech Technology Limited	3	Account receivables (payment)	56,806	General Terms of Transaction	0.68%
4	Lemtech Global Solution Co. Ltd.	Lemtech Precision Material (China) Co., Ltd	3	Payment for shares receivables (payables)	635,023	General Terms of Transaction	7.55%
5	LDC Precision Engineering Co., Ltd.	Lemtech Holdings Co., Limited.	2	Other receivables (payables)	161,206	General Terms of Transaction	1.92%
6	Lemtech Technology Limited	Lemtech Holdings Co., Limited	2	Other receivables (payables)	262,295	General Terms of Transaction	3.12%
7	Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	143,513	General Terms of Transaction	2.47%
7	Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech Technology Limited	3	Sales revenue (purchase)	114,634	General Terms of Transaction	1.98%
8	LemTech Global Industries Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	377,682	General Terms of Transaction	6.51%
8	LemTech Global Industries Ltd.	Lemtech International Limited	3	Account receivables (payment)	223,546	General Terms of Transaction	2.66%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered in the "Code" column with the following coding method:

1. Parent company will be coded "0".
2. The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: The transaction relationships with the counterparties are as follows. Please specify the type (the same transaction shall not be disclosed repetitively for transaction between the parent company and the subsidiaries or between the subsidiaries. For example, if the parent company has already disclosed its transaction with a subsidiary, the subsidiary does not need to disclose the information again; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, the other one does not need to disclose it again.)

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Between subsidiaries.

Note 3: For calculations of ratio of the transaction amount accounts to consolidated total revenue or total assets, where the item is either an asset or a liability, the ratio of the ending balance to the consolidated total assets shall be calculated; where the item is either a gain or a loss, the ratio of the aggregated amount at the end of the period to the consolidated total revenue shall be calculated.

Note 4: The above transactions have been offset in the consolidated statements.

Note 5: The significant transactions of this form may be determined by the company according to the principle of materiality.

Lemtech Holdings Co., Limited and its subsidiaries
Name of investee, location, etc.
2024

Attachment 6

Units: NT\$1,000

Investor company	Name of investees	Location	Principal business activities	Original investment amount		Balance at the end of the period			Net gain or loss of the investee	Recognized investment gain/loss of the current period	Remarks
				End of the period	End of last year	Shares	Ratio %	Carrying amount			
The Company	<u>Controllable</u> Lemtech Global Solution Co. Ltd.	Republic of Mauritius	Investment holding companies	\$ 112,397	\$ 112,397	2,500,000	100	\$ 3,829,050	\$ 204,998	\$ 204,998	Subsidiary
The Company	Lemtech International Limited	Hong Kong	Electronic and computer peripheral parts	214,320	214,320	7,000,000	100	444,474	222,821	222,821	Subsidiary
The Company	Lemtech Industrial Services Ltd.	Samoa	Sales of electronics and computer peripheral component	6,583	6,583	1,425,000	57	120,350	51,790	29,520	Subsidiary
The Company	LemTech Global Industries Ltd.	Taiwan	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	30,000	30,000	3,000,000	100	266,551	81,653	81,653	Subsidiary
The Company	Lemtech-Eahwa Precision Technology Co., Ltd.	Taiwan	Manufacturing and wholesale of mechanical equipment, other optical and precision equipment	-	10,974	-	-	-	8,446	3,547	Subsidiary
Lemtech International Limited	Lemtech Energy Solutions Corporation	Taiwan	Manufacturing and wholesale of mechanical equipment, dies, electrical appliances and audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision equipment	30,000	30,000	3,000,000	100	133,781	61,165	61,165	Sub-subsubsidiary
Lemtech International Limited	Lemtech Technology Malaysia Sdn. Bhd.	Malaysia	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	80,502	-	-	50	76,727	(1,584)	(792)	Third-tier subsidiary
Lemtech International Limited	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of automobile parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer software, hardware and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and components; sales of molds; electronics Retail sales of components; sales of metal accessories for construction	-	68	-	-	-	(59,278)	(25)	Sub-subsubsidiary
Lemtech Global Solution Co. Ltd.	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	158,577	158,577	-	48.16	110,756	(59,278)	(57,124)	Sub-subsubsidiary
Lemtech Technology Limited	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of auto parts and accessories;	\$ 162,418	\$ -	-	51.84	\$ 119,226	(\$ 59,278)	(\$ 2,129)	Third-tier subsidiary

Investor company	Name of investees	Location	Principal business activities	Original investment amount		Balance at the end of the period			Net gain or loss of the investee	Recognized investment gain/loss of the current period	Remarks
				End of the period	End of last year	Shares	Ratio %	Carrying amount			
Lemtech Precision Material Limited	Lemtech Technology Limited	Hong Kong	manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	597	597	20,000	100	545,066	(49,872)	(49,872)	Third-tier subsidiary
Lemtech Precision Material Limited	LDC Precision Engineering Co., Ltd.	Taiwan	Sales of automotive, electronics and computer peripheral parts	9,524	9,524	-	100	412,572	(12,505)	(12,505)	Third-tier subsidiary
Lemtech Precision Material Limited	Lemtech Precision Material (Czech) s.r.o.	Czechia	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	195,984	195,984	-	100	263,728	78,986	78,986	Third-tier subsidiary
Lemtech Limited	Technology	Lemtech USA Inc.	USA	1,502	1,502	50,000	100	962	304	304	Third-tier subsidiary
Lemtech Limited	Technology	Lemtech Precision material (Thailand) Co.,Ltd	Thailand	98,355	-	1,017,500	100	95,943	(1,264)	(1,264)	Third-tier subsidiary
LemTech Industries Ltd.	Global	Lemtech Technology Malaysia Sdn. Bhd.	Malaysia	80,502	-	-	50	76,727	(1,584)	(792)	Sub-subsidiary
Lemtech Limited	Technology	<u>With significant influence</u> Aapico Lemtech Co.,Ltd.	Thailand	-	16,452	-	-	-	(1,708)	(683)	Investees accounted for using equity method
Lemtech Global Solution Co. Ltd.	Keycore technology corp.	Taiwan	computer peripheral parts Electronic component manufacturing, general instrument manufacturing, energy technology services, biotechnology services and research and development services, etc.	-	20,085	-	-	-	(524)	(149)	Investees accounted for using equity method

Note 1: Please refer to Attachment 7 for information on investee in China.

Lemtech Holdings Co., Limited and its subsidiaries
Information on investments in China
2024

Attachment 7

Unit: Thousand of NTD; foreign currency (thousand)

1. For investments in China, disclose the name of the investee, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss for the period, carrying amount of the investment, repatriated investment gains:

Investee Company	Principal business activities	Actual paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount in the current period		Ending balance of accumulated outflow of investment from Taiwan	Net gain or loss of the investee	The Company's percentage of ownership directly or indirectly %	Investment gains (losses) recognized in the current period	Carrying amount of investment	Investment revenue transferred back to Taiwan as of the end of the period
					Remit	Regain						
Zhenjiang Emtron Surface Treatment Limited	Surface treatment of mechanical, electronic and automotive components	\$ 249,073 (USD 8,499)	25.56% equity held by Lemtech Holdings Co., Limited (Note 7)	\$ -	\$ -	\$ -	\$ -	(\$28,385)	25.56	(\$11,394)	\$ -	\$ -
Zhenjiang Emtron Surface Treatment Limited	Surface treatment of mechanical, electronic and automotive components	249,073 (USD 8,499)	74.44% equity held by Lemtech Global Solution Co. Ltd. (Note 7)	-	-	-	-	(28,385)	74.44	(16,991)	-	-
Lemtech Precision Material	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	286,242 (RMB66,000)	99.81% equity held by Lemtech Global Solution Co. Ltd.	-	-	-	-	325,252	99.81	324,637	3,168,931	-
Lemtech Precision Material (China) Co., Ltd	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	286,242 (RMB66,000)	0.19% equity held by Lemtech Holdings Co., Limited.	-	-	-	-	325,252	0.19	615	6,032	-
Kunshan Lemtech Slide Technology Co., Ltd.	Design and production of slide rails, shafts and related accessories, and sales of self-produced products, etc.	69,758 (RMB15,000)	100% owned by Industrial Services Ltd.	-	-	-	-	80,072	100	80,072	223,855	-
Lemtech Electronic Technology (Changshu) Co., Ltd.	Electronic component manufacturing, electronic component wholesale, electronic special material manufacturing, electronic special material sales, electronic special material research and development, lighting equipment manufacturing, lighting equipment sales, manufacturing of auto parts and accessories, manufacturing of solar equipment and components, sales of solar equipment and components, manufacturing of computer software and hardware equipment, sales of communication equipment	368,705 (USD 12,500)	100% owned by Lemtech Cooling System Limited	-	-	-	-	14,963	100	14,963	288,212	-

(Continued)

(Continued from previous page)

Investee Company	Principal business activities	Actual paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount in the current period		Ending balance of accumulated outflow of investment from Taiwan	Net gain or loss of the investee	The Company's percentage of ownership directly or indirectly %	Investment gains (losses) recognized in the current period	Carrying amount of investment	Investment revenue transferred back to Taiwan as of the end of the period
					Remit	Regain						
Lemtech Precision Engineering (Tianjin) Co., Ltd	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	\$ 120,868 (USD 4,000)	Held by Lemtech Global Solution Co. Ltd. (Note 8)	\$ -	\$ -	\$ -	\$ -	(\$26,755)	-	(\$1,286)	\$ -	\$ -
Lemtech Precision Engineering (Tianjin) Co., Ltd	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	120,868 (USD 4,000)	100% equity held by Lemtech Precision Material (Note 8)	-	-	-	-	(26,755)	100	(25,469)	77,522	-
Lemtech Precision Material (Huizhou) Co.,Ltd	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	31,014 (RMB7,000)	100% equity held by Lemtech Precision Material	-	-	-	-	(1,450)	100	(1,450)	30,461	-

Notes: The investment gain (loss) is recognized in accordance with the parent company's financial statements for the same period audited by a certified public accountant.

2. Limit on the amount of investment in China

Accumulated investment remitted from Taiwan to China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Upper limit on the amount of investment in China authorized by MOEAIC
\$ -	Not applicable	Not applicable

- Major transactions with any investee company in mainland China directly or indirectly through a third region: Attachment 5.
- Endorsements, guarantees or provision of collateral directly or indirectly between the company and the investees in China through business in a third region: Attachment 2.
- Financing extended directly or indirectly between the company and the investees in China through business in a third region: Attachment 1.
- Other transactions that have significant influence on the profits and losses or financial status of the current period: none.

7. As the consolidated company did not subscribe to the shares of cash capital increase of Emtron Company in proportion to its percentage of ownership through Lemtech Holdings Co., Limited. and Global Solution in April 2024, the percentages of ownership have decreased from 100% to 25.56% and increased from 0% to 74.44%, respectively, and sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.
8. As the consolidated company did not subscribe to the shares of cash capital increase of Lemtech Precision Engineering in proportion to its percentage of ownership through Lemtech Precision Material and Global Solution in January 2024, the percentages of ownership have increased from 49% to 61.75% and decreased from 51% to 38.25%, respectively. Besides, the consolidated company acquired all the shares from Global Solution through Lemtech Precision Material in April 2024, the percentages of ownership have increased from 61.75% to 100%, and decreased from 38.25% to 0%, respectively.
9. The consolidated company has resolved to liquidate Emtron Company by the shareholders meeting on October 28, 2024, and the registration of cancellation has been completed on November 14, 2024.
10. As LIL sold all the shares of Lemtech Mexico held to Lemtech HK in November 2024, the percentage of ownership has decreased from 0.4% to 0%. Besides, as the consolidated company did not subscribe the shares of cash capital increase of Lemtech Mexico in proportion to its percentage of ownership through Lemtech HK and Global Solution in November 2024, the percentages of ownership have increased from 0% to 51.84% and decreased from 99.96% to 48.16%, respectively.

Lemtech Holdings Co., Limited and its subsidiaries
Information on Major Shareholders
December 31, 2024

Attachment 8

Shareholder's name	Shareholding	
	Shareholding (shares)	Shareholding percentage
Hsu, Chi-Feng	8,293,981	13.33%
CTBC BANK CO., LTD IN CUSTODY FOR Yehang Investment Account	5,647,238	9.08%
Chan Kim Seng Maurice	4,631,000	7.44%

Notes: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of the different basis of preparation.