

**Gloria Material Technology Corp.**

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Gloria Material Technology Corp.

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

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

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

#### Occurrence of Sales Revenue

The sales revenue of the Company mainly comes from the production and sale of special steel products such as high-functional materials, alloy steel and stainless steel. The products are utilized in various industries such as energy, aerospace, oil and gas, water, biomedicine, machine tools, molds and shipping. The revenue coming from products for specific industries is material to the financial statements as a whole and is significant to the Company's business performance. Since sales to specific industries are the primary risk, we considered the occurrence of revenue as a key audit matter.

The audit procedures we performed included the following:

1. We obtained an understanding of and evaluated the accounting policies for the recognition of sales revenue.
2. We obtained an understanding of and tested the operating effectiveness of the internal controls in relation to the occurrence of sales revenue.
3. We selected samples and performed tests on sales revenue transactions for the year ended December 31, 2024. We checked the relevant internal and external documents and confirmed that the products have been delivered. We also checked for discrepancies between the counterparty of the transaction and the counterparty of payment and for any abnormalities in the amounts collected after the reporting period.

#### **Other Matter**

We did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method and share of the comprehensive income of subsidiaries and associates accounted for using the equity method were audited by other auditors; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. The total amount of investments in these investees accounted for using the equity method was NT\$1,241,744 thousand and NT\$361,966 thousand, representing 3.5% and 1.3% of the Company's total assets as of December 31, 2024 and 2023, respectively. The amount of the Company's total share of comprehensive (loss) income of subsidiaries and associates accounted for using the equity method was NT\$(350) thousand and NT\$57,771 thousand, representing 0.01% and 2.3% of the Company's total comprehensive income for the years ended December 31, 2024 and 2023, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Min-Hsien Liu and Yung-Hsiang Chao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 25, 2025

Notice to Readers

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

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

# GLORIA MATERIAL TECHNOLOGY CORP.

## PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 5,570,806	16	\$ 5,374,279	19
Financial assets at fair value through profit or loss - current (Note 7)	10,651	-	17,202	-
Notes receivable (Note 9)	9,859	-	28,997	-
Trade receivables (Notes 9 and 28)	1,961,140	6	2,066,087	7
Other receivables (Note 28)	157,017	-	86,982	-
Inventories (Note 10)	7,091,661	20	5,395,650	19
Other current assets (Notes 15, 28 and 29)	261,639	1	488,431	2
Total current assets	15,062,773	43	13,457,628	47
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Note 7)	225,900	1	399,587	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	112,829	-	8,151	-
Investments accounted for using the equity method (Note 11)	6,061,249	17	2,432,826	9
Property, plant and equipment (Notes 12, 28 and 29)	8,217,312	24	8,058,454	28
Right-of-use assets (Notes 13 and 28)	51,276	-	37,531	-
Investment properties (Notes 14, 28 and 29)	143,396	-	400,195	1
Deferred tax assets (Note 22)	151,776	1	115,533	-
Prepayments for equipment (Note 28)	4,872,128	14	3,700,552	13
Other non-current assets (Notes 15 and 29)	108,792	-	128,152	1
Total non-current assets	19,944,658	57	15,280,981	53
<b>TOTAL</b>	<b>\$ 35,007,431</b>	<b>100</b>	<b>\$ 28,738,609</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 1,672,503	4	\$ 950,628	3
Notes payable	104	-	283	-
Trade payables (Note 28)	662,677	2	434,212	2
Other payables (Notes 18 and 28)	662,667	2	697,972	2
Current tax liabilities	378,031	1	465,155	2
Lease liabilities - current (Notes 13 and 27)	8,631	-	4,475	-
Current portion of long-term bank borrowings (Notes 16 and 29)	376,550	1	13,350	-
Other current liabilities	278,699	1	223,670	1
Total current liabilities	4,039,862	11	2,789,745	10
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Notes 17 and 29)	6,363,353	18	6,251,817	22
Long-term borrowings (Notes 16 and 29)	5,512,125	16	4,822,405	17
Deferred tax liabilities (Note 22)	241,570	1	142,712	-
Lease liabilities - non-current (Notes 13 and 28)	45,200	-	34,467	-
Net defined benefit liabilities - non-current (Note 19)	-	-	20,405	-
Other non-current liabilities	36,464	-	35,101	-
Total non-current liabilities	12,198,712	35	11,306,907	39
Total liabilities	16,238,574	46	14,096,652	49
<b>EQUITY (Note 20)</b>				
Share capital				
Ordinary shares	6,024,712	17	5,395,512	19
Capital surplus	6,854,018	20	4,438,857	15
Retained earnings				
Legal reserve	1,350,333	4	1,116,835	4
Special reserve	67,793	-	43,415	-
Unappropriated earnings	4,832,849	14	3,986,056	14
Total retained earnings	6,250,975	18	5,146,306	18
Other equity	(8,680)	-	(67,788)	-
Treasury shares	(352,168)	(1)	(270,930)	(1)
Total equity	18,768,857	54	14,641,957	51
<b>TOTAL</b>	<b>\$ 35,007,431</b>	<b>100</b>	<b>\$ 28,738,609</b>	<b>100</b>

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

## GLORIA MATERIAL TECHNOLOGY CORP.

### PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 28)	\$ 11,792,109	100	\$ 12,439,123	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 21 and 28)	<u>(8,983,203)</u>	<u>(76)</u>	<u>(9,338,104)</u>	<u>(75)</u>
GROSS PROFIT	2,808,906	24	3,101,019	25
UNREALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	(29,842)	-	(57,140)	(1)
REALIZED GROSS PROFIT ON TRANSACTIONS WITH SUBSIDIARIES	<u>57,140</u>	<u>-</u>	<u>91,031</u>	<u>1</u>
REALIZED GROSS PROFIT	2,836,204	24	3,134,910	25
OPERATING EXPENSES (Notes 21 and 28)				
Selling and marketing expenses	(631,919)	(5)	(567,127)	(5)
General and administrative expenses	(421,167)	(3)	(419,420)	(3)
Research and development expenses	(70,556)	(1)	(26,296)	-
Expected credit gain	<u>238</u>	<u>-</u>	<u>1,516</u>	<u>-</u>
Total operating expenses	<u>(1,123,404)</u>	<u>(9)</u>	<u>(1,011,327)</u>	<u>(8)</u>
PROFIT FROM OPERATIONS	<u>1,712,800</u>	<u>15</u>	<u>2,123,583</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Other income	59,686	-	119,066	1
Other gains and losses	831,602	7	341,171	3
Finance costs	(233,329)	(2)	(186,399)	(2)
Interest income	72,476	1	28,711	-
Share of profit of subsidiaries and associates	<u>690,957</u>	<u>6</u>	<u>340,858</u>	<u>3</u>
Total non-operating income and expenses	<u>1,421,392</u>	<u>12</u>	<u>643,407</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	3,134,192	27	2,766,990	22
INCOME TAX EXPENSE (Note 22)	<u>(541,802)</u>	<u>(5)</u>	<u>(427,427)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>2,592,390</u>	<u>22</u>	<u>2,339,563</u>	<u>19</u>

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# GLORIA MATERIAL TECHNOLOGY CORP.

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

	2024		2023	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	\$ 21,136	-	\$ 3,845	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	5,279	-	3,051	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(18,563)	-	11,635	-
Share of other comprehensive income of subsidiaries and associates accounted for using equity method - remeasurement of defined benefit plans	543	-	(41)	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 22)	(4,227)	-	(769)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of the financial statements of foreign operations	83,748	1	(36,110)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	830	-	-	-
Other comprehensive (loss)/income for the year, net of income tax	<u>88,746</u>	<u>1</u>	<u>(18,389)</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 2,681,136</u>	<u>23</u>	<u>\$ 2,321,174</u>	<u>19</u>
<b>EARNINGS PER SHARE (Note 23)</b>				
Basic	<u>\$ 4.40</u>		<u>\$ 4.66</u>	
Diluted	<u>\$ 3.96</u>		<u>\$ 4.18</u>	

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

(Concluded)



**GLORIA MATERIAL TECHNOLOGY CORP.**

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

	Capital Surplus								Retained Earnings			Other Equity		Treasury Shares	Total Equity
	Ordinary Shares	Additional Paid-in Capital	Additional Paid-in Capital - Bond Conversion	Treasury Share Transactions	Donated Assets	Employee Share Options	Adjustment from Changes in Equity of Subsidiaries and Associates	Changes in Ownership Interests in Subsidiaries	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2023	\$ 4,571,224	\$ 216,649	\$ 1,472,057	\$ 324,559	\$ 3,502	\$ 119,163	\$ 13,613	\$ 28,693	\$ 914,627	\$ 103,107	\$ 3,032,679	\$ (7,557)	\$ (35,858)	\$ (221,911)	\$ 10,534,547
Appropriation of 2022 earnings															
Legal reserve	-	-	-	-	-	-	-	-	202,208	-	(202,208)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	(59,692)	59,692	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(1,239,092)	-	-	-	(1,239,092)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	2,339,563	-	-	-	2,339,563
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	3,035	(36,110)	14,686	-	(18,389)
Conversion of corporate bonds to ordinary shares	887,578	-	2,152,945	-	-	(114,193)	-	-	-	-	-	-	-	-	2,926,330
Cancellation of treasury shares	(63,290)	(2,731)	(32,378)	(1,336)	-	-	-	-	-	-	-	-	-	99,735	-
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(118,721)	(118,721)
Disposal of the Company's shares held by subsidiaries	-	-	-	5,260	-	-	-	-	-	-	-	-	-	7,032	12,292
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	13,081	-	-	-	-	-	-	-	-	-	-	13,081
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	(4,074)	-	-	-	727	-	(727)	-	(4,074)
Differences between the consideration and the carrying amount of the subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(10,562)	-	-	-	(10,562)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	(194)	-	-	-	-	-	(37,065)	(37,259)
Equity component of convertible bonds issued by the Company	-	-	-	-	-	244,241	-	-	-	-	-	-	-	-	244,241
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,222	-	(2,222)	-	-
BALANCE AT DECEMBER 31, 2023	5,395,512	213,918	3,592,624	341,564	3,502	249,211	9,539	28,499	1,116,835	43,415	3,986,056	(43,667)	(24,121)	(270,930)	14,641,957
Appropriation of 2023 earnings															
Legal reserve	-	-	-	-	-	-	-	-	233,498	-	(233,498)	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	24,378	(24,378)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	(1,506,178)	-	-	-	(1,506,178)
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	2,592,390	-	-	-	2,592,390
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	17,452	83,748	(12,454)	-	88,746
Purchase of the Company's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(136,307)	(136,307)
Disposal of the Company's shares held by subsidiaries	-	-	-	(507)	-	-	-	-	-	-	-	-	-	55,069	54,562
Issuance of new shares in exchange for the shares of another company	629,200	2,365,792	-	-	-	-	-	-	-	-	-	-	-	-	2,994,992
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	-	23,731	-	-	-	-	-	-	-	-	-	-	23,731
Differences between the consideration and the carrying amount of the subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-	(11,181)	-	-	-	(11,181)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	3,585	-	-	-	-	-	-	3,585
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	22,560	-	-	-	-	-	-	-	22,560
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	12,186	-	(12,186)	-	-
BALANCE AT DECEMBER 31, 2024	\$ 6,024,712	\$ 2,579,710	\$ 3,592,624	\$ 364,788	\$ 3,502	\$ 249,211	\$ 32,099	\$ 32,084	\$ 1,350,333	\$ 67,793	\$ 4,832,849	\$ 40,081	\$ (48,761)	\$ (352,168)	\$ 18,768,857

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

# GLORIA MATERIAL TECHNOLOGY CORP.

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

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 3,134,192	\$ 2,766,990
Adjustments for:		
Depreciation expense	461,361	435,010
Amortization expense	2,507	925
Expected credit gain reversed on trade receivables	(238)	(1,516)
Net gain on fair value changes of financial assets at fair value through profit or loss	(103,790)	(251,282)
Finance costs	233,329	186,399
Interest income	(72,476)	(28,711)
Dividend income	(278)	(573)
Share of profit of subsidiaries and associates	(690,957)	(340,858)
Loss on disposal of property, plant and equipment	8,538	2,985
Expenses arising from property, plant and equipment	138,978	131,976
Gain on disposal of non-current assets held for sale	(868,349)	-
Gain on disposal of investments accounted for using equity method	-	(139,746)
Write-down of inventories	17,804	94,940
Impairment loss recognized on non-financial assets	132,534	-
Unrealized gain on transactions with subsidiaries	29,842	57,140
Realized gain on transactions with subsidiaries	(57,140)	(91,031)
Net (gain) loss on foreign currency exchange	(1,385)	48,369
Loss on sale-leasebacks	938	-
Gain on lease modification	(4)	-
Gain on redemption of corporate bonds	-	(38)
Changes in operating assets and liabilities		
Notes receivable	19,240	20,716
Trade receivables	170,759	(264,444)
Other receivables	(68,805)	15,462
Inventory	(1,713,815)	(301,082)
Other current assets	(54,776)	(94,880)
Notes payable	(179)	(108)
Trade payables	225,621	(266,880)
Other payables	4,218	(24,214)
Other current liabilities	55,029	89,781
Net defined benefit liabilities	(17,216)	(96,832)
Cash generated from operations	985,482	1,948,498
Interest received	71,246	28,711
Dividends received	637,418	70,886
Interest paid	(106,532)	(106,643)
Income tax paid	(570,538)	(374,746)
Net cash generated from operating activities	<u>1,017,076</u>	<u>1,566,706</u>

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# GLORIA MATERIAL TECHNOLOGY CORP.

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

	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (99,400)	\$ (176)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	13,647
Purchase of financial assets at amortized cost	-	(342,906)
Proceeds from sale of financial assets at amortized cost	299,515	-
Purchase of financial assets at fair value through profit or loss	-	(184,897)
Proceeds from sale of financial assets at fair value through profit or loss	10,323	72,269
Acquisition of associates	(310,797)	(97,898)
Proceeds from disposal of associates	295,483	251,180
Proceeds from capital reduction of investments accounted for using equity method	133,765	248,560
Proceeds from disposal of non-current assets held for sale	1,454,104	-
Payments for property, plant and equipment	(2,345,292)	(1,397,203)
Proceeds from disposal of property, plant and equipment	575	355,110
Payments for investment properties	-	(2,095)
Proceeds from disposal of investment properties	-	207,438
Decrease in other non-current assets	<u>17,727</u>	<u>48,449</u>
Net cash used in investing activities	<u>(543,997)</u>	<u>(828,522)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	660,384	-
Repayments of short-term borrowings	-	(362,615)
Repayments of short-term bills payable	-	(20,000)
Proceeds from issuance of convertible bonds	-	5,019,630
Repayments of bonds payable	-	(1,300)
Proceeds from long-term borrowings	1,349,720	4,750,280
Repayments of long-term borrowings	(300,250)	(5,172,690)
Repayments of principal portion of lease liabilities	(6,750)	(3,521)
Increase in other non-current liabilities	7	-
Decrease in other non-current liabilities	-	(25,554)
Dividends paid to owners of the Company	(1,506,178)	(1,239,092)
Acquisition of additional interests in subsidiaries	<u>(473,485)</u>	<u>(258,414)</u>
Net cash (used in) generated from financing activities	<u>(276,552)</u>	<u>2,686,724</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	196,527	3,424,908
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,374,279</u>	<u>1,949,371</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,570,806</u>	<u>\$ 5,374,279</u>

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

(With Deloitte & Touche auditors' report dated February 25, 2025)

(Concluded)

# GLORIA MATERIAL TECHNOLOGY CORP.

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

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### 1. ORGANIZATION AND OPERATIONS

Gloria Material Technology Corp. (the “Company”) was incorporated in the Republic of China (ROC) in March 1993 and its shares have been trading on the Taiwan Stock Exchange since October 1998. The Company mainly engaged in the production and sale of special steel, carbon steel, alloy steel, super alloy and smelting of the raw materials of these products.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on February 25, 2025.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATION

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

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

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

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

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

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

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

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

#### IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the parent company only financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

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

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.



When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

#### h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

#### i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

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

j. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at FVTOCI and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

#### iv. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### b) Impairment of financial assets and contract assets

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

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

## 2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

## 3) Financial liabilities

### a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

### b) Derecognition of financial liabilities

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

## 4) Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Revenue recognition

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

Revenue from sale of goods

Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location or when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Trade receivables are recognized concurrently.

n. Leasing

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

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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



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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the 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 such investments and interests 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 deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

### 3) Current and deferred taxes

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

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

When developing material accounting estimates, if revisions to accounting estimates affect only the current period, they will be recognized in the period of the revision. If revisions affect both current and future periods, they will be recognized in the period of the revision and future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
Cash on hand	\$ 106	\$ 370
Checking accounts and demand deposits	903,853	2,170,244
Cash equivalents		
Time deposits	1,550,000	1,500,000
Repurchase agreements collateralized by bills	<u>3,116,847</u>	<u>1,703,665</u>
	<u>\$ 5,570,806</u>	<u>\$ 5,374,279</u>

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
Bank deposits	0.002%-1.70%	0.001%-1.46%
Repurchase agreements collateralized by bills	1.20%-1.65%	1.08%-1.40%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets at FVTPL - current</u>		
Financial assets at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 8,619	\$ 7,091
Mutual funds	-	10,111
Derivative financial assets (not under hedge accounting)		
Foreign exchange swap contracts	27	-
Foreign exchange forward contracts	<u>2,005</u>	<u>-</u>
	<u>\$ 10,651</u>	<u>\$ 17,202</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 220,900	\$ 394,587
Film investment agreements	<u>5,000</u>	<u>5,000</u>
	<u>\$ 225,900</u>	<u>\$ 399,587</u>

At the end of the reporting period, outstanding foreign exchange swap contracts and foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2024

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
Foreign exchange swap contracts	USD/CNY	2025/01/10	USD2,188/NTD15,953
Foreign exchange forward contracts			
Sell	EUR/USD	2024/12/04-2025/02/25	EUR2,000/USD2,115
Sell	GBP/USD	2024/12/16-2025/02/25	GBP3,500/USD4,426

December 31, 2023: None.

The Company entered into foreign exchange swap contracts and foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Non-current</u>		
Domestic investments		
Listed shares	\$ 111,374	\$ 6,696
Unlisted shares	<u>1,455</u>	<u>1,455</u>
	<u>\$ 112,829</u>	<u>\$ 8,151</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

## 9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 10,058	\$ 29,290
Less: Allowance for impairment loss	<u>(199)</u>	<u>(293)</u>
	<u>\$ 9,859</u>	<u>\$ 28,997</u>

(Continued)

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,231,566	\$ 1,113,605
Less: Allowance for impairment loss	<u>(1,187)</u>	<u>(2,275)</u>
	1,230,379	1,111,330
At FVTOCI	<u>730,761</u>	<u>954,757</u>
	<u>\$ 1,961,140</u>	<u>\$ 2,066,087</u>

(Concluded)

### Trade Receivables

a. At amortized cost

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, the GDP and industry outlook. The not past due trade receivables were provided with an allowance of 0% to 0.1% and 0% to 0.1% and past due trade receivables were provided with an allowance of 0.1% to 100% and 0.1% to 100%, as of December 31, 2024 and 2023, respectively.

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's aging analysis:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Not past due	\$ 1,054,456	\$ 910,083
Past due		
Past due within 60 days	157,097	194,741
Past due 61-120 days	17,852	-
Past due over 120 days	<u>2,161</u>	<u>8,781</u>
	<u>\$ 1,231,566</u>	<u>\$ 1,113,605</u>

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the loss allowance of trade receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, at January 1	\$ 2,275	\$ 3,584
Add: Net remeasurement of loss allowance	-	-
Less: Net remeasurement of loss allowance	(974)	(1,309)
Less: Amounts written off	<u>(114)</u>	<u>-</u>
Balance, at December 31	<u>\$ 1,187</u>	<u>\$ 2,275</u>

b. At FVTOCI

The Company signed a contract with a bank to sell certain accounts receivable without recourse and transaction costs. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets.

The following table details the loss allowance of trade receivables based on the Company's aging analysis:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Not past due	\$ 585,732	\$ 710,415
Past due		
Past due within 60 days	131,403	196,213
Past due 61-120 days	13,620	45,178
Past due over 120 days	<u>6</u>	<u>2,951</u>
	<u>\$ 730,761</u>	<u>\$ 954,757</u>

The movements of the loss allowance of trade receivables at FVTOCI were as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, at January 1	\$ -	\$ -
Add: Recognition	830	-
Less: Reversal	<u>-</u>	<u>-</u>
Balance, at December 31	<u>\$ 830</u>	<u>\$ -</u>

**Notes Receivable**

The following table details the loss allowance of notes receivable based on the Company's aging analysis:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Not past due	\$ 271	\$ 7,532
Past due	<u>9,787</u>	<u>21,758</u>
	<u>\$ 10,058</u>	<u>\$ 29,290</u>

The above aging schedule was based on the number of days past due from the expiration date.

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance, at January 1	\$ 293	\$ 500
Add: Recognition	-	-
Less: Reversal	<u>(94)</u>	<u>(207)</u>
Balance, at December 31	<u>\$ 199</u>	<u>\$ 293</u>

## 10. INVENTORIES

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Raw materials	\$ 2,436,143	\$ 1,547,622
Supplies	548,351	461,040
Work in progress	2,371,555	2,062,633
Finished goods	890,581	985,204
Merchandise	7	7
Inventory in transit	<u>845,024</u>	<u>339,144</u>
	<u>\$ 7,091,661</u>	<u>\$ 5,395,650</u>

The nature of the cost of goods sold is as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cost of inventories sold	\$ 8,933,755	\$ 9,189,638
Unamortized manufacturing expense	31,644	53,526
Inventory write-downs	<u>17,804</u>	<u>94,940</u>
	<u>\$ 8,983,203</u>	<u>\$ 9,338,104</u>

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Investments in subsidiaries	\$ 2,340,059	\$ 2,070,860
Investments in associates	<u>3,721,190</u>	<u>361,966</u>
	<u>\$ 6,061,249</u>	<u>\$ 2,432,826</u>

a. Investments in subsidiaries

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Unlisted companies		
Faith Easy Enterprises Ltd.	\$ 570,744	\$ 754,353
Golden Win Steel Industrial Corp.	129,388	472,342
Alloy Tool Steel Inc.	275,642	242,227
Ho Yang Investment Corp.	11,409	93,338
All Win Enterprises Ltd.	876,404	450,643
Rong Yang Investment Corp.	46,061	45,262
Gloria Material Technology Japan Co., Ltd.	23,535	12,695
Listed companies		
Golden Win International Corp. (Mutto Optronics Corporation)	<u>406,876</u>	<u>-</u>
	2,340,058	2,070,860
Add: Credit balance of investments accounted for using the equity method	<u>-</u>	<u>-</u>
	<u>\$ 2,340,059</u>	<u>\$ 2,070,860</u>

On September 12, 2024, the Company subscribed for 79,000 thousand shares in the private placement of Golden Win International Corp. (formerly Mutto Optronics Corp. which was renamed upon approval on February 4, 2025.), resulting in a shareholding ratio of 53.83% after the private placement. Refer to Note 24 for details.

The share of comprehensive income of subsidiaries and associates is recognized using the financial statements audited by the accountants for the years ended December 31, 2024 and 2023.

Refer to Note 34 for details of the subsidiaries indirectly held by the Company.

b. Investments in associates

	<b>December 31</b>	
<b>Associates That Are Not Individually Material</b>	<b>2024</b>	<b>2023</b>
Material associate corporation		
Soft-World International Corporation	\$ 2,886,322	\$ -
Associate that is not individually material	<u>834,868</u>	<u>361,966</u>
	<u>\$ 3,721,190</u>	<u>\$ 361,966</u>

Refer to Table 7 “Name, locations, and related information on investees” for the nature of activities, principal place of business and country of incorporation of the associates.

Material associate

	<b>December 31</b>	
<b>Proportion of Ownership and Voting Rights (%)</b>	<b>2024</b>	<b>2023</b>
Soft-World International Corporation	18	-

In order to deepen the strategic cooperative relationship between the two parties, the board of directors of the Company resolved to conduct a share exchange with Soft-World International Corporation on December 21, 2023. The Company issued 62,920 thousand new shares for a total amount of \$2,994,992 thousand as consideration for the transfer of 28,600 thousand shares of Soft-World International Corporation. The base date for the share exchange was January 31, 2024, and it has been declared effective by the regulator. After the share exchange, the Company holds 18.39% of the voting rights in Soft-World International Corporation and is the single shareholder holding the largest portion of equity. Considering the relative size of and dispersion of the shareholdings owned by the other shareholders, the Company had a significant influence on Soft-World International Corporation, which has been recognized as an associate accounted for using the equity method.

Fair values (Level 1) of investments in the material associate with available published price quotations are summarized as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Soft-World International Corporation	<u>\$ 3,775,200</u>	<u>\$ _____</u> -

All associates are accounted for using the equity method by the Company.

Soft-World International Corporation is listed Company in Taiwan. Please access the Market Observation Post System website of the Taiwan Stock Exchange (the "TWSE") for related financial information. Therefore, no information is disclosed here.

Aggregate information of associates that are not individually material

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
The Company's share of:		
Profit for the year	\$ 19,663	\$ 54,821
Other comprehensive income	<u>(3,025)</u>	<u>2,950</u>
Total comprehensive income for the year	<u>\$ 16,638</u>	<u>\$ 57,771</u>

## 12. PROPERTY, PLANT AND EQUIPMENT

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Land	\$ 2,613,807	\$ 2,654,422
Buildings	1,387,296	1,460,726
Equipment	2,194,494	2,322,489
Transportation equipment	47,522	49,202
Machinery	4,212	1,669
Other equipment	163,161	145,932
Construction in progress	<u>1,806,820</u>	<u>1,424,014</u>
	<u>\$ 8,217,312</u>	<u>\$ 8,058,454</u>



	Land	Buildings	Machinery	Transportation Equipment	Tools and Equipment	Other Equipment	Construction in Progress	Total
<b>Cost</b>								
Balance at January 1, 2023	\$ 2,654,422	\$ 3,021,583	\$ 10,794,641	\$ 313,243	\$ 113,192	\$ 263,401	\$ 1,068,798	\$ 18,229,280
Additions	-	11,803	633,572	24,845	578	11,088	363,527	1,045,413
Disposals	-	(3,568)	(2,002,686)	(6,655)	(2,533)	(7,052)	-	(2,022,494)
Reclassified	-	(3,410)	(94,701)	-	-	-	(8,311)	(106,422)
Balance at December 31, 2023	<u>\$ 2,654,422</u>	<u>\$ 3,026,408</u>	<u>\$ 9,330,826</u>	<u>\$ 331,433</u>	<u>\$ 111,237</u>	<u>\$ 267,437</u>	<u>\$ 1,424,014</u>	<u>\$ 17,145,777</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2023	\$ -	\$ 1,510,128	\$ 8,323,608	\$ 276,488	\$ 110,762	\$ 110,632	\$ -	\$ 10,331,618
Disposals	-	(3,569)	(1,645,428)	(5,896)	(2,533)	(6,973)	-	(1,664,399)
Reclassified	-	(1,541)	-	-	-	-	-	(1,541)
Depreciation expense	-	60,664	330,157	11,639	1,339	17,846	-	421,645
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 1,565,682</u>	<u>\$ 7,008,337</u>	<u>\$ 282,231</u>	<u>\$ 109,568</u>	<u>\$ 121,505</u>	<u>\$ -</u>	<u>\$ 9,087,323</u>
Carrying amount at December 31, 2023	<u>\$ 2,654,422</u>	<u>\$ 1,460,726</u>	<u>\$ 2,322,489</u>	<u>\$ 49,202</u>	<u>\$ 1,669</u>	<u>\$ 145,932</u>	<u>\$ 1,424,014</u>	<u>\$ 8,058,454</u>
<b>Cost</b>								
Balance at January 1, 2024	\$ 2,654,422	\$ 3,026,408	\$ 9,330,826	\$ 331,433	\$ 111,237	\$ 267,437	\$ 1,424,014	\$ 17,145,777
Additions	-	15,414	663,512	13,328	3,178	40,599	384,646	1,120,677
Disposals	-	-	(88,730)	(5,652)	(2,292)	(2,019)	-	(98,693)
Reclassified as held for sale	(40,615)	(39,955)	(472,005)	(33,624)	(20,856)	(4,208)	-	(611,263)
Reclassified	-	1,316	(134,571)	-	-	-	(1,840)	(135,095)
Balance at December 31, 2024	<u>\$ 2,613,807</u>	<u>\$ 3,003,183</u>	<u>\$ 9,299,032</u>	<u>\$ 305,485</u>	<u>\$ 91,267</u>	<u>\$ 301,809</u>	<u>\$ 1,806,820</u>	<u>\$ 17,421,403</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2024	\$ -	\$ 1,565,682	\$ 7,008,337	\$ 282,231	\$ 109,568	\$ 121,505	\$ -	\$ 9,087,323
Disposals	-	-	(79,936)	(5,652)	(2,292)	(1,701)	-	(89,581)
Reclassified as held for sale	-	(11,033)	(307,353)	(32,371)	(20,856)	(4,208)	-	(375,821)
Reclassified	-	-	-	-	-	-	-	-
Impairment losses recognized	-	-	132,534	-	-	-	-	132,534
Depreciation expense	-	61,238	350,956	13,755	635	23,052	-	449,636
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 1,615,887</u>	<u>\$ 7,104,538</u>	<u>\$ 257,963</u>	<u>\$ 87,055</u>	<u>\$ 138,648</u>	<u>\$ -</u>	<u>\$ 9,204,091</u>
Carrying amount at December 31, 2024	<u>\$ 2,613,807</u>	<u>\$ 1,387,296</u>	<u>\$ 2,194,494</u>	<u>\$ 47,522</u>	<u>\$ 4,212</u>	<u>\$ 163,161</u>	<u>\$ 1,806,820</u>	<u>\$ 8,217,312</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

#### Buildings

Houses and buildings (structure)	22-55 years
Mechanical and electrical facilities	2-10 years
Engineering system	1-15 years

#### Equipment

Production line for forging	10-20 years
Process equipment	2-20 years
Mechanical system	5 years
Molds	1-3 years

#### Transportation equipment

Stackers	3-10 years
Cranes	5-8 years

#### Machinery

Analyzers and radiation detectors	3-10 years
Other tools and instruments	2-5 years

#### Other equipment

2-13 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 29.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

2024

	<b>Land</b>	<b>Transportation Equipment</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>				
Balance, at January 1	\$ 39,183	\$ 15,965	\$ -	\$ 55,148
Add	12,069	2,650	6,104	20,823
Less	<u>-</u>	<u>(940)</u>	<u>-</u>	<u>(940)</u>
Balance, at December 31	<u>\$ 51,252</u>	<u>\$ 17,675</u>	<u>\$ 6,104</u>	<u>\$ 75,031</u>
<u>Accumulated depreciation</u>				
Balance, at January 1	\$ 10,064	\$ 7,553	\$ -	\$ 17,617
Depreciation expense	<u>1,884</u>	<u>3,745</u>	<u>509</u>	<u>6,138</u>
Balance, at December 31	<u>\$ 11,948</u>	<u>\$ 11,298</u>	<u>\$ 509</u>	<u>\$ 23,755</u>
Carrying amount at December 31, 2024	<u>\$ 39,304</u>	<u>\$ 6,377</u>	<u>\$ 5,595</u>	<u>\$ 51,276</u>

2023

	<b>Land</b>	<b>Transportation Equipment</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>				
Balance, at January 1	\$ 39,183	\$ 6,215	\$ -	\$ 45,398
Add	-	9,750	-	9,750
Less	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, at December 31	<u>\$ 39,183</u>	<u>\$ 15,965</u>	<u>\$ -</u>	<u>\$ 55,148</u>
<u>Accumulated depreciation</u>				
Balance, at January 1	\$ 8,590	\$ 5,923	\$ -	\$ 14,513
Depreciation expense	<u>1,474</u>	<u>1,630</u>	<u>-</u>	<u>3,104</u>
Balance, at December 31	<u>\$ 10,064</u>	<u>\$ 7,553</u>	<u>\$ -</u>	<u>\$ 17,617</u>
Carrying amount at December 31, 2023	<u>\$ 29,119</u>	<u>\$ 8,412</u>	<u>\$ -</u>	<u>\$ 37,531</u>

b. Lease liabilities

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Carrying amount</u>		
Current	\$ <u>8,631</u>	\$ <u>4,475</u>
Non-current	\$ <u>45,200</u>	\$ <u>34,467</u>

Details of lease liabilities were as follows:

December 31, 2024

	<u>Due Date</u>	<u>Discount Rate</u>	<u>Balance, End of Period</u>
Land	2029.08.01-2043.09.30	1.85%-2.14%	\$ 41,747
Transportation equipment	2026.08.17-2026.12.31	1.79%-2.02%	6,464
Buildings	2029.08.01	2.14%	<u>5,620</u>
			<u>\$ 53,831</u>

December 31, 2023

	<u>Due Date</u>	<u>Discount Rate</u>	<u>Balance, End of Period</u>
Land	2043.09.30	1.85%	\$ 30,488
Transportation equipment	2024.09.30-2026.10.31	1.79%-2.02%	<u>8,454</u>
			<u>\$ 38,942</u>

c. Material leasing activities and terms

In line with the Company's strategy of specialized production division of labor, the Company disposed of the land, plant and related equipment of the vacuum induction melting (VIM) plant to S-Tech Corp. in August 2024. However, some of the refineries in the plant, which are not part of the VIM process, are still owned and used by the Company and have not been sold. They are temporarily occupied due to its location in the VIM plant. Therefore, the Company pays rent to S-Tech Corp. for the land area occupied by the plant. The annual lease payments amounted to \$938 thousand with a lease term of five years, and the loss on sale and leaseback was \$938 thousand.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Expenses relating to short-term leases and low-value asset leases	\$ <u>4,569</u>	\$ <u>3,502</u>
Total cash outflow for leases	\$ <u>(10,498)</u>	\$ <u>(6,356)</u>

The Company's leases of certain assets qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

#### 14. INVESTMENT PROPERTIES

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2024	\$ 189,518	\$ 382,270	\$ 571,788
Additions	-	-	-
Disposals	-	-	-
Reclassification	<u>(112,675)</u>	<u>(249,963)</u>	<u>(362,638)</u>
Balance at December 31, 2024	<u>\$ 76,843</u>	<u>\$ 132,307</u>	<u>\$ 209,150</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ -	\$ 171,593	\$ 171,593
Disposals	-	-	-
Reclassification	-	(111,426)	(111,426)
Depreciation expenses	<u>-</u>	<u>5,587</u>	<u>5,587</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 65,754</u>	<u>\$ 65,754</u>
Carrying amount at December 31, 2024	<u>\$ 76,843</u>	<u>\$ 66,553</u>	<u>\$ 143,396</u>
<u>Cost</u>			
Balance at January 1, 2023	\$ 189,518	\$ 632,885	\$ 822,403
Additions	-	2,095	2,095
Disposals	-	(256,120)	(256,120)
Reclassification	<u>-</u>	<u>3,410</u>	<u>3,410</u>
Balance at December 31, 2023	<u>\$ 189,518</u>	<u>\$ 382,270</u>	<u>\$ 571,788</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ -	\$ 208,473	\$ 208,473
Disposals	-	(48,682)	(48,682)
Reclassification	-	1,541	1,541
Depreciation expenses	<u>-</u>	<u>10,261</u>	<u>10,261</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 171,593</u>	<u>\$ 171,593</u>
Carrying amount at December 31, 2023	<u>\$ 189,518</u>	<u>\$ 210,677</u>	<u>\$ 400,195</u>

Refer to Note 28, the Company sold the investment property to S-Tech Corp. with the price of \$207,438 thousand for the year ended December 31, 2023.

As of December 31, 2024 and 2023, the determination of fair value was performed by independent qualified professional valuers in the balance sheet date.

The fair value as appraised was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value	\$ <u>598,374</u>	\$ <u>1,464,213</u>

The depreciation of investment properties is recognized using the straight-line method over their useful lives as follows:

Houses and buildings (structure)	25-50 years
Mechanical and electrical facilities	2-10 years
Engineering system	2-20 years

The Company leased property, plant and equipment to Taiwan Steel Group Aerospace Technology Corporation. The lease terms were 3 years. Rents are paid at the end of each month.

Investment properties pledged as collateral for bank borrowings were set out in Note 29

## 15. OTHER ASSETS

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Prepayments	\$ 185,124	\$ 130,344
Refundable deposits (Note 29)	96,315	126,568
Restricted deposits (Note 29)	58,492	58,007
Other financial assets	-	300,000
Others	<u>30,500</u>	<u>1,664</u>
	<u>\$ 370,431</u>	<u>\$ 616,583</u>
Current	\$ 261,639	\$ 488,431
Non-current	<u>108,792</u>	<u>128,152</u>
	<u>\$ 370,431</u>	<u>\$ 616,583</u>

## 16. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Unsecured borrowings</u>		
Letters of credit	\$ 143,043	\$ 4,598
Line of credit borrowings	<u>1,529,460</u>	<u>946,030</u>
Bank loans	<u>\$ 1,672,503</u>	<u>\$ 950,628</u>
Range of interest rates per annum	3.50%-6.11%	4.78%-6.98%

b. Current portion of long-term borrowing

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Current portion of long-term borrowing	\$ <u>376,550</u>	\$ <u>13,350</u>

c. Long-term borrowings

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Secured borrowings (Note 29)</u>		
Bank loans	\$ 5,888,675	\$ 4,835,755
Less: Current portion	<u>(376,550)</u>	<u>(13,350)</u>
Long-term borrowings	<u>\$ 5,512,125</u>	<u>\$ 4,822,405</u>
Range of interest rates per annum	2.1421%	2.0105%-2.19%

1) In order to repay outstanding financial liabilities and enrich medium-term working capital, the Company obtained a syndicated loan, which has the maturity of 5 years with a credit line of NT\$4,200,000 thousand from Chang Hwa Bank and multiple financial institutions. In August 2023, the Company repaid all of the syndicated loan in advance.

- a) Term Loan A: Loan limit NT\$2,238,320 thousand; non-revolving credit line.
- b) Term Loan B: Loan limit NT\$1,496,230 thousand; revolving credit line.
- c) Term Loan C: Loan limit NT\$465,450 thousand; revolving credit line.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- a) Current ratio: No less than 1.0.
- b) Debt to net worth ratio: No higher than 1.8.
- c) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed semi-annual financial statements.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

- 2) Due to loan repayment, capital expenditure and operating fund needs, the Company obtained a syndicated loan with a credit line of NT\$6,200,000 thousand from First Bank and multiple financial institutions. The maturity period was 5 years starting from the initial drawdown date. In August 2023, the Company repaid all of the syndicated loan in advance.
  - a) Term Loan A: Loan limit NT\$3,060,000 thousand; non-revolving credit line.
  - b) Term Loan B: Loan limit NT\$1,700,000 thousand; non-revolving credit line.
  - c) Term Loan C: Loan limit NT\$1,440,000 thousand; revolving credit line.
  - d) Term Loan D: Loan limit NT\$1,440,000 thousand; revolving credit line. The shared credit line of Term Loan C and Term Loan D cannot exceed the credit line of Term Loan C.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- a) Current ratio: No less than 1.0.
- b) Debt to net worth ratio: No higher than 1.8.
- c) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed financial statements of Q1 and Q2.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

- 3) Due to bank loan repayment and operating fund needs, the Company obtained a syndicated loan with a credit line of NT\$8,000,000 thousand from First Bank and multiple financial institutions. The maturity period was 5 years, starting from the initial drawdown date.
  - a) Term Loan A: Loan limit NT\$3,800,000 thousand; non-revolving credit line.
  - b) Term Loan B: Loan limit NT\$4,200,000 thousand; revolving credit line.

- c) Term Loan C: Loan limit NT\$2,100,000 thousand; revolving credit line.
- d) The shared credit line of Term Loan B and Term Loan C cannot exceed the credit line of Term Loan B.

In addition to the general requirements, the maintenance of certain financial ratios is also required. If the Company is unable to comply with the financial ratio restrictions, the decision on whether the Company is in violation of the financial ratios will be made by a majority vote of the syndicate of banks.

According to the joint credit agreement aforementioned, during the loan period, the Company is required to maintain certain financial ratios as follows:

- a) Current ratio: No less than 1.0.
- b) Debt to net worth ratio: No higher than 1.8.
- c) Debt service coverage ratio: No less than 3.0.

The above financial ratios are reviewed every six months based on either the audited annual financial statements or the reviewed financial statements of Q1 and Q2.

If the Company is unable to comply with any of the aforementioned financial ratio restrictions, the Company should propose a financial improvement plan immediately to the managing bank, and if the financial ratios in the next period's financial statements are in compliance with the restrictions, the Company will be deemed as not in violation of the financial ratio restrictions. However, the interest of the outstanding borrowings will be increased by 0.1% of the original agreed loan interest rate from the interest payment date of the month following the month the current financial statements are submitted to the interest payment date of the following month when the financial ratio restrictions are met.

## 17. BONDS PAYABLE

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Secured domestic bonds (Note 29)	\$ 1,500,000	\$ 1,500,000
Less: Discount on bonds payable	<u>(51,626)</u>	<u>(64,316)</u>
	<u>1,448,374</u>	<u>1,435,684</u>
Unsecured domestic convertible bonds	5,075,398	5,075,398
Less: Discount on bonds payable	<u>(160,419)</u>	<u>(259,265)</u>
	<u>4,914,979</u>	<u>4,816,133</u>
	<u>\$ 6,363,353</u>	<u>\$ 6,251,817</u>

### a. Secured domestic bonds

On November 29, 2021, the Company issued \$1,500,000 thousand, which was 0.65% of its NTD denominated secured bonds in Taiwan, with maturity date on November 29, 2028. The interest will be paid annually and the bonds will be repaid on the maturity date. The bonds are guaranteed by Hua Nan Commercial Bank and as trustee for the bondholders by Taishin International Commercial Bank, Ltd.



b. The 6th unsecured domestic convertible bonds

On August 15, 2022, the Company issued 30,000 unsecured convertible bonds with a face value of \$100 thousand each at an interest rate of 0% at 101% of par value, with a total principal amount of \$3,000,000 thousand. The maturity period is three years from August 15, 2022 to August 15, 2025. The Company redeemed the bonds at par on December 12, 2023 and terminated the over-the-counter trading on December 13, 2023.

Unless the holders of the convertible bonds apply for conversion into the Company's ordinary shares or the Company repurchases and cancels the bonds from securities dealers, the Company repays the bonds in cash within five business days from the maturity date of the convertible bonds at the face value plus interest compensation (101.5075% of the face value and 0.5% real rate of return).

From the day following the expiration of three months after the date of issuance of the convertible bonds (November 16, 2022) to the maturity date (August 15, 2025), the bondholders may, except for (a) The period during which the transfer of the ordinary shares is legally suspended; (b) The period from the fifteen business days prior to the date of cessation of transfer of the Company's allotment, the date of cessation of transfer of cash dividends or the date of cessation of transfer of stock options from cash capital increase to the base date; (c) Except for the period from the base date of the capital reduction to the day before the commencement of trading of the capital reduction for the conversion of shares, the Company may request the Company's share agent to convert the bonds into shares of the Company's ordinary shares anytime, by forwarding a request to Taiwan Central Depository & Clearing Corporation (TDCC) through a trading broker.

The conversion price is determined on a base date of August 5, 2022. The base price was calculated by the arithmetic mean of the closing price of one day, three days or five days of the business days before the base date (not included). The conversion price is determined by multiplying the base price by 110% of the conversion rate (calculated to the nearest dollar, rounded up to the nearest dollar). The calculation is based on the following: If there is an ex-rights or ex-dividend date, the closing price used to calculate the conversion price shall be set as the ex-rights or ex-dividend price; if there is an ex-rights or ex-dividend date after the conversion price is determined and before the actual issuance date, the conversion price shall be adjusted according to the conversion price adjustment formula. In accordance with the above, the conversion price is set at NT\$33.9 per share upon issuance of the conversion bonds.

This convertible bond consists of a liability and an equity component, which is expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 1.5258%.

Issue price (net of transaction costs and adjusted for related income tax effects)	\$ 3,024,721
Components of equity (net of transaction costs allocated to equity and adjusted for related income tax effects)	<u>(114,739)</u>
Components of liabilities at issue date (net of transaction costs allocated to liabilities)	2,909,982
Interest calculated at an effective rate of 1.5258%	30,303
Convertible bonds converted into ordinary shares	(2,938,997)
Redeemed convertible bonds	<u>(1,288)</u>
Liability components as of December 31, 2023	<u>\$ -</u>

c. The 7th unsecured domestic convertible bonds

On July 31, 2023, the Company issued 50,000 unsecured convertible bonds with a face value of \$100 thousand each at an interest rate of 0% at 100.5% of par value, with a total principal amount of \$5,000,000 thousand. The maturity period is three years from July 31, 2023 to July 31, 2026.

Unless the holders of the convertible bonds apply for conversion into the Company's ordinary shares, redeemed, or the Company repurchases and cancels the bonds from securities dealers, the Company repays the bonds in cash within five business days from the maturity date of the convertible bonds at the face value plus interest compensation (101.51% of the face value and 0.5% real rate of return).

From the day following the expiration of three months after the date of issuance of the convertible bonds (November 1, 2023) to the maturity date (July 31, 2026), the bondholders may, except for (a) The period during which the transfer of the ordinary shares is legally suspended; (b) The period from the fifteen business days prior to the date of cessation of transfer of the Company's allotment, the date of cessation of transfer of cash dividends or the date of cessation of transfer of stock options from cash capital increase to the base date; (c) The period from the base date of the capital reduction to the day before the commencement of trading of the capital reduction for the conversion of shares; (d) Except for the period from the start date of the suspension of conversion (subscription) for the change of face value of the stock to the day before the day of the issue of new shares in exchange for the old shares, the Company may request the Company's share agent to convert the bonds into shares of the Company's ordinary shares anytime, by forwarding a request to Taiwan Central Depository & Clearing Corporation (TDCC) through a trading broker.

The conversion price is determined on a base date of July 21, 2023. The base price was calculated by the arithmetic mean of the closing price of one day, three days or five days of the business days before the base date (not included). The conversion price is determined by multiplying the base price by 110% of the conversion rate (calculated to the nearest dollar, rounded up to the nearest dollar). The calculation is based on the following: If there is an ex-rights or ex-dividend date, the closing price used to calculate the conversion price shall be set as the ex-rights or ex-dividend price; if there is an ex-rights or ex-dividend date after the conversion price is determined and before the actual issuance date, the conversion price shall be adjusted according to the conversion price adjustment formula. In accordance with the above, the conversion price is set at NT\$59.2 per share upon issuance of the conversion bonds.

This convertible bond consists of a liability and an equity component, which is expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 2.0524%.

Issue price (net of transaction costs and adjusted for related income tax effects)	\$ 5,019,682
Components of equity (net of transaction costs allocated to equity and adjusted for related income tax effects)	<u>(244,291)</u>
Components of liabilities at issue date (net of transaction costs allocated to liabilities)	4,775,391
Interest calculated at an effective rate of 2.0524%	40,838
Convertible bonds converted into ordinary shares	<u>(96)</u>
Liability components as of December 31, 2023	4,816,133
Interest calculated at an effective rate of 2.0524%	<u>98,846</u>
Liability components as of December 31, 2024	<u>\$ 4,914,979</u>

## 18. OTHER PAYABLES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Other payables		
Payable for salaries and bonuses	\$ 232,463	\$ 261,555
Payable for annual leave	50,383	46,313
Payable for purchase of equipment	61,708	110,864
Payable for fuel	49,666	24,982
Payable for export fees	77,893	70,934
Payable for utility bill	70,160	32,922
Payable for repair costs	10,928	19,522
Others	<u>109,466</u>	<u>130,880</u>
	<u>\$ 662,667</u>	<u>\$ 697,972</u>

## 19. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

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

### b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and the average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2.93% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

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

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Present value of defined benefit obligation	\$ 297,563	\$ 314,644
Fair value of plan assets	<u>(315,510)</u>	<u>(294,239)</u>
Net defined benefit liabilities (assets)	<u>\$ (17,947)</u>	<u>\$ 20,405</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2023	<u>\$ 364,892</u>	<u>\$ (243,810)</u>	<u>\$ 121,082</u>
Service cost			
Current service cost	851	-	851
Past service cost	16	-	16
Net interest expense (income)	<u>4,488</u>	<u>(3,010)</u>	<u>1,478</u>
Recognized in profit or loss	<u>5,355</u>	<u>(3,010)</u>	<u>2,345</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,639)	(2,639)
Actuarial loss - experience adjustments	(2,480)	-	(2,480)
Actuarial loss - changes in demographic assumptions	(2)	-	(2)
Actuarial loss - changes in financial assumptions	<u>1,276</u>	<u>-</u>	<u>1,276</u>
Recognized in other comprehensive income	<u>(1,206)</u>	<u>(2,639)</u>	<u>(3,845)</u>
Contributions from the employer	-	(97,842)	(97,842)
Benefits paid	(53,062)	53,062	-
Liabilities extinguished on settlement	<u>(1,335)</u>	<u>-</u>	<u>(1,335)</u>
Balance at December 31, 2023	<u>314,644</u>	<u>(294,239)</u>	<u>20,405</u>
Service cost			
Current service cost	690	-	690
Net interest expense (income)	<u>3,683</u>	<u>(3,470)</u>	<u>213</u>
Recognized in profit or loss	<u>4,373</u>	<u>(3,470)</u>	<u>903</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(25,454)	(25,454)
Actuarial loss - experience adjustments	13,547	-	13,547
Actuarial loss - changes in financial assumptions	<u>(9,229)</u>	<u>-</u>	<u>(9,229)</u>
Recognized in other comprehensive income	<u>4,318</u>	<u>(25,454)</u>	<u>(21,136)</u>
Contributions from the employer	-	(18,119)	(18,119)
Benefits paid	<u>(25,772)</u>	<u>25,772</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 297,563</u>	<u>\$ (315,510)</u>	<u>\$ (17,947)</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
Discount rate(s)	1.60%	1.20%
Expected rate(s) of salary increase	1.00%	1.00%

Mortality rate for the years ended December 31, 2024 and 2023 was based on the sixth life experience table of the life insurance industry in Taiwan. The mortality rate is 10% of the disability rate.

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

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
Discount rate(s)		
0.25% increase	<u>\$ (5,560)</u>	<u>\$ (6,276)</u>
0.25% decrease	<u>\$ 5,719</u>	<u>\$ 6,468</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 5,739</u>	<u>\$ 6,465</u>
0.25% decrease	<u>\$ (5,606)</u>	<u>\$ (6,304)</u>

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

	<u>December 31</u>	
	<b>2024</b>	<b>2023</b>
Expected contributions to the plan for the next year	<u>\$ 5,133</u>	<u>\$ 5,216</u>
Average duration of the defined benefit obligation	7 years	8 years

## 20. EQUITY

### a. Share capital

#### Ordinary shares

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Number of shares authorized (in thousands)	<u>1,000,000</u>	<u>800,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 8,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>602,471</u>	<u>539,551</u>
Shares issued	<u>\$ 6,024,712</u>	<u>\$ 5,395,512</u>

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

As of December 12, 2023, the holders of the Company's 6th unsecured domestic convertible bonds had applied for conversion into the cumulative amount of 89,142 thousand shares of the Company's ordinary shares, respectively. The Company has redeemed the bonds payable on December 12, 2023.

As of December 31, 2023, the holders of the Company's 7th unsecured domestic convertible bonds had applied for conversion into the cumulative amount of 2 thousand shares of the Company's ordinary shares.

On April 13, 2023, the board of directors of the Company resolved to cancel the treasury shares. The base date for capital reduction was May 22, 2023. After canceling 6,329 thousand treasury shares, the registration was completed in June 2023.

On December 21, 2023, the board of directors of the Company resolved to increase capital and issue new shares in exchange for the new shares issued by Soft-World International Corporation. The Company issued 62,920 thousand new shares as consideration in exchange for 28,600 thousand ordinary shares of Soft-World International Corporation. The base date for the share exchange was January 31, 2024, and the change registration was completed on March 8, 2024.

### b. Capital surplus

The premium from shares issued in excess of par (share premium from issuance of ordinary shares, bond conversion and treasury shares transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from adjustment from changes in equity of associates may only be used to offset a deficit.

The capital surplus from employee share options and convertible bonds share options may not be used for any purpose.

c. Retained earnings and dividends policy

The Company explicitly stipulate that the proposal for profit distribution or offsetting of losses should be made at the end of each quarter of the fiscal year.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a quarter, the profit shall be first utilized for paying taxes, offsetting losses of previous years, paying employee retention credits, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The distribution of cash dividends should be resolved by the Company's board of directors, while the distribution of share dividends should be resolved by the shareholders in their meeting.

When the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. The distribution of share dividends should be resolved by the shareholders in their meeting. In accordance with Article 240, paragraph 5 of the Company Act, the distribution of cash dividends should be resolved by a majority of the directors present at a meeting of the board of directors attended by at least two-thirds of the total number of directors. The Company's Articles also stipulate a dividends policy whereby the payment of cash dividends takes precedence over the issuance of share dividends.

The Company's Articles stipulated that the Company's a dividends policy is designed to meet present and future development projects and consideration of the investment environment, funding requirements, international, domestic competitive conditions and shareholders' interests simultaneously. The distribution of dividends could be either cash or shares, while cash dividends shall not be less than 50% of the total dividends.

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

The appropriations of earnings for 2023 and 2022, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 233,498	\$ 202,208
Special reserve	\$ 24,378	\$ (59,692)
Cash dividends	\$ 1,506,178	\$ 1,239,092
Cash dividends per share (NT\$)	\$ 2.5	\$ 2.3694

Cash dividends were approved by board of directors on February 29, 2024 and April 13, 2023, respectively. Other appropriations of earnings were approved by the shareholders in the shareholders' meetings on May 29, 2024 and May 25, 2023, respectively.

The board of directors proposed the following distribution of earnings for 2024 on February 25, 2025:

	<b>2024</b>
Legal reserve	<u>\$ 261,084</u>
Special reserve	<u>\$ (59,112)</u>
Cash dividends	<u>\$ 1,566,425</u>
Cash dividends per share (NT\$)	\$ 2.6

The above cash dividends have been resolved by the board of directors. Other appropriations of earnings for 2024 are subject to the resolution in the shareholders' meeting to be held in May 2025.

d. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Held by Subsidiaries (In Thousands of Shares)</b>	<b>Shares Transferred to Employees (In Thousands of Shares)</b>	<b>Total (In Thousands of Shares)</b>
Number of shares at January 1, 2024	13,378	-	13,378
Increase during the year	2,966	-	2,966
Decrease during the year	<u>(245)</u>	<u>-</u>	<u>(245)</u>
Number of shares at December 31, 2024	<u>16,099</u>	<u>-</u>	<u>16,099</u>
Carrying amount of shares at December 31, 2024	<u>\$ 352,168</u>	<u>\$ -</u>	<u>\$ 352,168</u>
Number of shares at January 1, 2023	9,527	6,329	15,856
Increase during the year	4,255	-	4,255
Decrease during the year	<u>(404)</u>	<u>(6,329)</u>	<u>(6,733)</u>
Number of shares at December 31, 2023	<u>13,378</u>	<u>-</u>	<u>13,378</u>
Carrying amount of shares at December 31, 2023	<u>\$ 270,930</u>	<u>\$ -</u>	<u>\$ 270,930</u>

For the years ended December 31, 2024 and 2023, subsidiaries sold 245 thousand and 404 thousand shares of the Company, respectively, for \$11,547 thousand and \$22,119 thousand, respectively.

The Company's Board of Directors resolved to retire the treasury shares on April 13, 2023, and the base date of capital reduction was on May 22, 2023. The Company cancelled 6,329 thousand shares of treasury shares, and the share capital and additional paid-in capital decreased by \$63,290 thousand and \$36,445 thousand, respectively.

For information on the shares of the Company held by its subsidiaries, please refer to the financial reports' Table 3.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The shares held by subsidiaries were accounted for as treasury shares.



## 21. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations included the following items:

a. Other income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Dividends income	\$ 278	\$ 573
Rental income	25,981	57,626
Sale of electricity	4,959	13,380
Others	<u>28,468</u>	<u>47,487</u>
	<u>\$ 59,686</u>	<u>\$ 119,066</u>

b. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 194,893	\$ 173,497
Amortization of long-term borrowing costs	3,450	11,387
Interest on lease liabilities	822	667
Interest on bonds payable	122,641	76,751
Less: Amount included in the cost of qualifying assets	<u>(88,477)</u>	<u>(75,903)</u>
	<u>\$ 233,329</u>	<u>\$ 186,399</u>

Information on capitalized interest was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Capitalized interest	\$ 88,477	\$ 75,903
Capitalization rate	1.44%-2.37%	1.34%-2.61%

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value changes of financial assets designated as at FVTPL	\$ 103,790	\$ 251,282
Gain on disposal of associates	-	139,746
Loss on disposal of property, plant and equipment	(8,538)	(2,985)
Gain on disposal of non-current assets held for sale	868,349	-
Net foreign currency exchange gains	413,076	468,284
Net foreign currency exchange losses	(330,040)	(400,614)
Impairment loss	(132,534)	-
Others	<u>(82,501)</u>	<u>(114,542)</u>
	<u>\$ 831,602</u>	<u>\$ 341,171</u>

d. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
An analysis of depreciation by function		
Operating costs	\$ 400,788	\$ 344,144
Operating expenses	32,375	25,025
Other losses	<u>28,198</u>	<u>65,841</u>
	<u>\$ 461,361</u>	<u>\$ 435,010</u>
 An analysis of amortization by function		
Operating costs	\$ 1,642	\$ 366
Operating expenses	<u>865</u>	<u>559</u>
	<u>\$ 2,507</u>	<u>\$ 925</u>

e. Employee benefits expense

	<b>For the Year Ended December 31</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Salaries	\$ 772,882	\$ 245,113	\$ 1,017,995	\$ 795,558	\$ 242,922	\$ 1,038,480
Labor and health insurance	66,777	24,303	91,080	65,530	16,253	81,783
Defined contribution plan	26,441	6,362	32,803	30,167	5,607	35,774
Defined benefit plan	745	158	903	2,071	274	2,345
Remuneration of directors	-	36,334	36,334	-	36,251	36,251
Other employee benefits	<u>45,810</u>	<u>4,937</u>	<u>50,747</u>	<u>44,392</u>	<u>17,757</u>	<u>62,149</u>
	<u>\$ 912,655</u>	<u>\$ 317,207</u>	<u>\$ 1,229,862</u>	<u>\$ 937,718</u>	<u>\$ 319,064</u>	<u>\$ 1,256,782</u>

As of December 31, 2024 and 2023, the number of employees of the Company was 991 and 981, respectively. Of the total employees, the total number of directors who were not concurrently serving as employees was 8 for both years.

- 1) Average labor costs for the years ended December 31, 2024 and 2023 were \$1,214 thousand and \$1,254 thousand, respectively.
- 2) Average salary and bonus for the years ended December 31, 2024 and 2023 were \$1,036 thousand and \$1,067 thousand, respectively.
- 3) The average salary and bonus decreased by 2.91% year over year.
- 4) An audit committee was set up as a replacement of supervisors.
- 5) The Company evaluates the performance achievement rate of individual directors and managers and their contribution to the Company's performance and provides a reasonable level of remuneration in accordance with the Company's Articles and its related regulations. The performance evaluation and reasonableness of remuneration are reviewed by the committee, the compensation committee and the board of directors. In addition, the Company conducts employee performance appraisals every year as the basis for promotion, salary adjustments and bonus payments.

f. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. On February 25, 2025 and February 29, 2024, the employees' compensation and the remuneration of directors and supervisors were as follows:

Amount

	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Cash</b>	<b>Shares</b>	<b>Cash</b>	<b>Shares</b>
Employees' compensation	\$ 50,000	\$ -	\$ 50,000	\$ -
Remuneration of directors and supervisors	25,000	-	25,000	-

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

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

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

## 22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ 525,898	\$ 443,909
Adjustments for prior year	<u>(42,484)</u>	<u>(29,773)</u>
	<u>483,414</u>	<u>414,136</u>
Deferred tax		
In respect of the current year	<u>58,388</u>	<u>13,291</u>
Income tax expense recognized in profit or loss	<u>\$ 541,802</u>	<u>\$ 427,427</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax from continuing operations	<u>\$ 3,134,192</u>	<u>\$ 2,766,990</u>
Income tax expense calculated at the statutory rate	\$ 626,838	\$ 553,398
Nondeductible expenses in determining taxable income	(35,432)	(57,915)
Tax-exempt income	(7,120)	(38,283)
Adjustments for prior years	<u>42,484</u>	<u>(29,773)</u>
Income tax expense recognized in profit or loss	<u>\$ 541,802</u>	<u>\$ 427,427</u>

b. Deferred tax assets and liabilities

The movements of deferred tax assets were as follows:

For the year ended December 31, 2024

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Recognized in Equity</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Unrealized foreign exchange loss	\$ 9,244	\$ (5,099)	\$ -	\$ -	\$ 4,145
Defined benefit obligation	3,802	425	(4,227)	-	-
Payable for annual leave	9,262	815	-	-	10,077
Allowance for impairment loss	31,849	3,561	-	-	35,410
Property, plant and equipment	35,153	-	-	-	35,153
Others	<u>26,223</u>	<u>40,768</u>	<u>-</u>	<u>-</u>	<u>66,991</u>
	<u>\$ 115,533</u>	<u>\$ 40,470</u>	<u>\$ (4,227)</u>	<u>\$ -</u>	<u>\$ 151,776</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized foreign exchange gains	\$ 3,902	\$ 871	\$ -	\$ -	\$ 4,773
Investment gain on foreign operations	138,726	93,762	-	-	232,488
Defined benefit obligation	-	3,902	-	-	3,902
Others	<u>84</u>	<u>323</u>	<u>-</u>	<u>-</u>	<u>407</u>
	<u>\$ 142,712</u>	<u>\$ 98,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,570</u>

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Compre- hensive Income</b>	<b>Recognized in Equity</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Unrealized foreign exchange loss	\$ -	\$ 9,244	\$ -	\$ -	\$ 9,244
Defined benefit obligation	23,942	(19,371)	(769)	-	3,802
Payable for annual leave	9,260	2	-	-	9,262
Allowance for impairment loss	21,041	10,808	-	-	31,849
Property, plant and equipment	35,153	-	-	-	35,153
Others	<u>35,085</u>	<u>(8,914)</u>	<u>-</u>	<u>52</u>	<u>26,223</u>
	<u>\$ 124,481</u>	<u>\$ (8,231)</u>	<u>\$ (769)</u>	<u>\$ 52</u>	<u>\$ 115,533</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized foreign exchange gains	\$ 1,942	\$ 1,960	\$ -	\$ -	\$ 3,902
Investment gain on foreign operations	135,710	3,016	-	-	138,726
Others	<u>-</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>84</u>
	<u>\$ 137,652</u>	<u>\$ 5,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,712</u>

c. Income tax assessments

The Company's tax returns through 2022 have been assessed by the tax authorities, and the Company agrees with the assessment.

**23. EARNINGS PER SHARE**

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

**Net Profit for the Year**

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Profit for the year attributable to owners of the Company	\$ 2,592,390	\$ 2,339,563
Effect of dilutive potential ordinary shares:		
Employees' compensation	-	-
Interest on convertible bonds (after tax)	<u>79,078</u>	<u>43,606</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 2,671,468</u>	<u>\$ 2,383,169</u>

**Number of Shares (In Thousands)**

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	589,622	502,590
Effect of dilutive potential ordinary shares:		
Employees' compensation	1,251	1,198
Convertible bonds	<u>84,458</u>	<u>66,985</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>675,331</u>	<u>570,773</u>

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

**24. ACQUISITION OF INVESTMENT SUBSIDIARIES - ACQUISITION OF CONTROL OVER A BUSINESS**

	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>	<b>Consideration Transferred</b>
Golden Win International Corporation	Production and sale of stainless steel	September 13, 2024	53.83	<u>\$ 434,500</u>

Golden Win International Corporation has conducted a private placement of ordinary shares in order to enrich its working capital and expand its business scale by introducing strategic partners. Refer to Note 26 of the Company's consolidated financial statements for the year ended December 31, 2024 for the detail.

**25. PARTIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL**

In February 2023, the Company acquired additional shares of Ho Yang Investment Corp. in the amount of \$57,954 thousand, increasing its continuing interest from 34% to 47%.

In October 2023, the Company did not acquire additional shares issued by Ho Yang Investment Corp. based on shareholdings, increasing its continuing interest from 47% to 49%.

In September 2024, the Company acquired additional shares of Golden Win Steel Industrial Corp. in the amount of \$38,985 thousand, increasing its continuing interest from 46% to 49%.

In November 2024, the Company disposed of 12% shares of Golden Win Steel Industrial Corp., decreasing its continuing interest from 49% to 37%.

In December 2024, the Company disposed of 20% shares of Golden Win Steel Industrial Corp., decreasing its continuing interest from 37% to 17%.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over these subsidiaries. Refer to Note 27 of the Company's consolidated financial statements for the year ended 2024 for details on the disposal of Golden Win Steel Industrial Corp.

## 26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged in the predictable future.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements. However, the financial ratio restrictions stipulated in the loan contract are also included in the consideration of the Company's optimal capital structure.

The management of the Company re-examines the capital structure quarterly, and the inspection includes consideration of the cost of various types of capital and related risks. The Company will balance its overall capital structure by paying dividends, issuing new shares, buying back shares, and issuing new debts or repaying old debts based on the recommendations of key management personnel.

## 27. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are not measured at fair value

In addition to the following table, the Company's management believes that the carrying amounts of the financial assets and financial instruments that are not measured at fair value approximate their fair value in the financial statements.

#### December 31, 2024

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	<u>\$ 4,914,979</u>	<u>\$ 5,177,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,177,396</u>

#### December 31, 2023

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	<u>\$ 4,816,133</u>	<u>\$ 5,332,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,332,393</u>

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	<u>\$ 111,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,374</u>
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,455</u>	<u>\$ 1,455</u>
Investments in debt instruments				
Trade receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,761</u>	<u>\$ 730,761</u>
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	<u>\$ 8,619</u>	<u>\$ -</u>	<u>\$ 220,900</u>	<u>\$ 229,519</u>
Film investment agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Derivative financial assets	<u>\$ -</u>	<u>\$ 2,032</u>	<u>\$ -</u>	<u>\$ 2,032</u>

December 31, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares and emerging market shares	<u>\$ 6,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,696</u>
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,455</u>	<u>\$ 1,455</u>
Investments in debt instruments				
Trade receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 954,757</u>	<u>\$ 954,757</u>
<u>Financial assets at FVTPL</u>				
Listed shares and emerging market shares	<u>\$ 7,091</u>	<u>\$ -</u>	<u>\$ 394,587</u>	<u>\$ 401,678</u>
Mutual funds	<u>\$ 10,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,111</u>
Film investment agreements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>

There were no transfers between Levels 1 and 2 in the current and prior years.



2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

<b>Financial Assets</b>	<b>Financial Assets at</b>	
	<b>FVTPL</b>	<b>FVTOCI</b>
Balance at January 1, 2024	\$ 399,587	\$ 956,212
Recognized in profit or loss (included in other losses)	100,018	-
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	(830)
Net changes in trade receivables	-	(223,166)
Sales	<u>(273,705)</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 225,900</u>	<u>\$ 732,216</u>

For the year ended December 31, 2023

<b>Financial Assets</b>	<b>Financial Assets at</b>	
	<b>FVTPL</b>	<b>FVTOCI</b>
Balance at January 1, 2023	\$ -	\$ 828,334
Recognized in profit or loss (included in other losses)	224,690	-
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-
Net changes in trade receivables	-	127,878
Purchases	<u>174,897</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 399,587</u>	<u>\$ 956,212</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The future cash flows of trade receivables at FVTOCI are estimated using the discounted cash flow method based on trade receivables at the end of the period, discounted at a rate that reflects the credit risk of the transaction. The valuation of unlisted shares is determined by using the market approach and adjusted for the impact of a lack of market liquidity. Valuation of domestic listed private stocks is based on observable stock prices at the end of the period and discounted for lack of liquidity. The film investment agreement adopts the income method and calculates the present value of the income that can be obtained and distributed by holding this contract based on the discounted cash flow method.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets</u>		
Financial assets at amortized cost (Remark 1)	\$ 6,990,423	\$ 7,025,787
FVTPL	236,551	416,789
Financial assets at FVTOCI		
Equity instruments	112,829	8,151
Debt instruments	730,761	954,757
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Remark 2)	14,961,470	12,857,504

Remark 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, refundable deposits and restricted deposits.

Remark 2: The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term borrowings (including current portion), short-term bills payable, trade and other payables, bonds payable and deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, bonds payable, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There were no changes to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency exchange risk

The Company had foreign currency denominated sales and purchases, which exposed the Company to foreign currency exchange risk. Approximately over 50% of the Company's sales is denominated in currencies other than the functional currency of the Company, whilst the cost of raw materials imported from abroad is denominated in currencies other than the functional currency of the Company. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 33. The carrying amounts of the Company's derivative financial instruments exposed to foreign currency risk is immaterial.

Sensitivity analysis

The Company was mainly exposed to the USD, CNY and the EUR.

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. A sensitivity rate of 5% is used when reporting foreign currency exchange risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis included only outstanding foreign currency denominated monetary items and their adjusted translation at the end of the year for a 5% change in foreign currency rates. The sensitivity analysis also included borrowings denominated in non-functional currencies. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 5% against the relevant currency. For a 5% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
CNY impact	\$ (81)	\$ 950
USD impact	\$ (11,894)	\$ 29,466
EUR impact	\$ 6,949	\$ 6,162
GBP impact	\$ 12,010	\$ 9,036

The result was mainly attributable to the exposure on outstanding receivables, payables and borrowing in foreign currency that were not hedged at the end of the reporting period.

The management believes that the sensitivity analysis could not represent the inherent risk of foreign currency risk, since the exposure of foreign currency risk at the end of the reporting period could not reflect foreign currency risk exposure during the reporting period.

b) Interest rate risk

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value interest rate risk		
Financial assets	\$ 4,680,617	\$ 3,516,561
Financial liabilities	6,417,184	6,290,759
Cash flow interest rate risk		
Financial assets	555,174	1,206,552
Financial liabilities	7,561,178	5,786,383

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher or lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased by \$7,006 thousand and \$4,580 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and mutual funds and does not actively trade these investments. The Company's equity price risk is mainly concentrated in equity instruments in Taiwan.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices and mutual funds prices had been 10% higher/lower, pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$11,283 thousand and \$815 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI, and the pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by \$22,952 thousand and \$41,179 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The policy adopted by the Company is to engage in transactions with creditworthy counterparties, and to use publicly available financial information and mutual transaction records to conduct credit evaluations on the customers.

In addition, the credit risk is limited, since the counterparties of the transactions for liquid funds are banks with good credit ratings.

The counterparties of accounts receivable are spread across many customers from different industries and geographic regions. The Company evaluates the financial status of the counterparties of accounts receivable continuously.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Company had available unutilized bank loan facilities of \$6,068,152 thousand and \$6,504,622 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 743,592	\$ 153,948	\$ 427,908	\$ -	\$ -
Lease liabilities	797	1,593	7,170	25,239	25,282
Debt instruments	<u>183,732</u>	<u>599,946</u>	<u>1,443,472</u>	<u>12,755,420</u>	<u>-</u>
	<u>\$ 928,121</u>	<u>\$ 755,487</u>	<u>\$ 1,878,550</u>	<u>\$ 12,780,659</u>	<u>\$ 25,282</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10+ Years</b>
Lease liabilities	<u>\$ 9,560</u>	<u>\$ 25,239</u>	<u>\$ 9,193</u>	<u>\$ 16,089</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 511,861	\$ 113,123	\$ 507,483	\$ -	\$ -
Lease liabilities	434	868	3,862	12,704	27,210
Debt instruments	<u>236,491</u>	<u>377,565</u>	<u>453,310</u>	<u>11,477,147</u>	<u>-</u>
	<u>\$ 748,786</u>	<u>\$ 491,556</u>	<u>\$ 964,655</u>	<u>\$ 11,489,851</u>	<u>\$ 27,210</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10+ Years</b>
Lease liabilities	<u>\$ 5,164</u>	<u>\$ 12,704</u>	<u>\$ 9,193</u>	<u>\$ 17,927</u>

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the period.

December 31, 2024

	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>
<u>Gross settled</u>			
Foreign exchange swap contracts			
- outflows	\$ 72,759	\$ -	\$ -
Foreign exchange forward contracts			
- outflows	<u>44,893</u>	<u>169,565</u>	<u>-</u>
	<u>\$ 117,652</u>	<u>\$ 169,565</u>	<u>\$ -</u>

December 31, 2023: None.

e. Transfers of financial assets

Factored trade receivables at the end of the year were as follows:

December 31, 2024

<b>Counterparty</b>	<b>Receivables Factoring Proceeds</b>	<b>Amount Reclassified to Other Receivables</b>	<b>Advances Received - Used</b>	<b>Annual Interest Rates on Advances Received (Used) (%)</b>
Financial institution	<u>\$ 144,039</u>	<u>\$ 14,404</u>	<u>\$ 129,635</u>	4-6

December 31, 2023

<b>Counterparty</b>	<b>Receivables Factoring Proceeds</b>	<b>Amount Reclassified to Other Receivables</b>	<b>Advances Received - Used</b>	<b>Annual Interest Rates on Advances Received (Used) (%)</b>
Financial institution	<u>\$ 52,323</u>	<u>\$ 10,465</u>	<u>\$ 41,858</u>	7

The Company has factoring agreements with financial institutions. The credit limit is US\$10,000 thousand for both 2024 and 2023 and the credit can be recycled.

Pursuant to the Company's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Company, while losses from credit risk are borne by the banks.

## 28. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are disclosed as follows:

a. Related parties and their relationships with the Company

Related Party	Relationship
Faith Easy Enterprises Ltd.	Subsidiary
Golden Win Steel Industrial Corp.	Subsidiary
Alloy Tool Steel Inc.	Subsidiary
Ho Yang Investment Corp.	Subsidiary
Rong Yang Investment Corp.	Subsidiary
Guangzhou Goldway Special Material Co., Ltd.	Subsidiary
Zhejiang Jiaying Goldway Special Material Co., Ltd.	Subsidiary
Tianjin Goldway Special Material Co., Ltd.	Subsidiary
Xian Goldway Special Material Co., Ltd.	Subsidiary
G-Yao Enterprises Ltd.	Subsidiary
Zhejiang Jiaying Shiang Yang Metal Material Technology Co., Ltd.	Subsidiary
Vietnam Goldway Special Material Co., Ltd.	Subsidiary
All Win Enterprises Ltd.	Subsidiary
Rainbow Shines Limited	Subsidiary
Gloria Material Technology Japan 株式會社	Subsidiary
Golden Win International Corp.	Subsidiary
Sheaffer Innovation Co., Ltd.	Subsidiary
S-Tech Corp.	Associate
Soft-World International Corporation	Associate
Kuei Tien Cultural & Creative Entertainment Co., Ltd.	Associate
Chun Yu Works & Co., Ltd.	Related party in substance
Chun Zu Machinery Industry Co., Ltd.	Related party in substance
Chun Yu Bio-Tech Corp.	Related party in substance
Tsg Transport Corp.	Related party in substance
Tsg Environmental Technology Corp.	Related party in substance
Tsg Power Corp.	Related party in substance
Taiwan Steel Group Aerospace Technology Corporation	Related party in substance
Zung-Fu Co., Ltd.	Related party in substance
Tsg Sports Marketing Co., Ltd.	Related party in substance
TSG Hawks Baseball Co., Ltd.	Related party in substance
Dong-Ying Management Consulting Co., Ltd.	Related party in substance
Kuei Tien Creative Co., Ltd.	Related party in substance
Lin, Yan-Jhao	Related party in substance

b. Sales of goods

Account Items	Related Party Category	For the Year Ended December 31	
		2024	2023
Sales of goods	Golden Win Steel Industrial Corp.	\$ 583,322	\$ 592,717
	All Win Enterprises Ltd.	625,854	681,605
	Subsidiary	416,973	386,717
	Associate	149,258	275,671
	Related party in substance	<u>18,583</u>	<u>10,495</u>
		<u>\$ 1,793,990</u>	<u>\$ 1,947,205</u>

The terms of the transactions with All Win Enterprises Ltd. and Vietnam Goldway Special Material Co., Ltd. is 60 days T/T. The terms of the transactions with Alloy Tool Steel, Inc. (export) is 120-210 days T/T from the boarding date. The terms of the transactions with S-Tech Corp. is 30-60 days (offsetting trade receivables and trade payables). The terms of the transactions with other domestic parties is 30 days T/T. The terms of the transactions with related parties and that of non-related parties were not significantly different.

c. Purchases of goods

<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiary	\$ 46,475	\$ 64,672
Related party in substance	56,750	25,886
Associate	<u>215,438</u>	<u>312,656</u>
	<u>\$ 318,663</u>	<u>\$ 403,214</u>

The terms of the transactions with All Win Enterprises Ltd is 60 days. The terms of the transactions with domestic parties is 30 days. The terms of the transactions with related parties and that of non-related parties were not significantly different.

d. Operating expenses and non-operating income and expenses

<b>Account Item</b>	<b>Related Party Category</b>	<b>For the Year Ended December 31</b>	
		<b>2024</b>	<b>2023</b>
Manufacturing expenses	Associate	\$ 1,318	\$ 1,229
	Related party in substance	<u>46,656</u>	<u>76,169</u>
		<u>\$ 47,974</u>	<u>\$ 77,398</u>
Operating expenses	Subsidiary	\$ 24,599	\$ 3,571
	Associate	708	2,412
	Tsg Transport Corp.	382,301	90,888
	Related party in substance	<u>87,129</u>	<u>63,921</u>
	<u>\$ 494,737</u>	<u>\$ 160,792</u>	
Non-operating income and expenses	Subsidiary	\$ 14,334	\$ 11,905
	S-Tech Corp.	25,238	60,559
	Related party in substance	<u>8,193</u>	<u>14,380</u>
	<u>\$ 47,765</u>	<u>\$ 86,844</u>	
Other losses	Associate	\$ 77	\$ -
	Related party in substance	<u>-</u>	<u>727</u>
	<u>\$ 77</u>	<u>\$ 727</u>	



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

Account Items	Related Party Category	December 31	
		2024	2023
Trade receivables from related parties	Golden Win Steel Industrial Corp.	\$ 50,565	\$ 67,623
	Subsidiary	120,711	114,822
	Related party in substance	171	6,196
	Associate	<u>28,955</u>	<u>43,072</u>
		<u>\$ 200,402</u>	<u>\$ 231,713</u>
Other receivables	Subsidiary	\$ 2,070	\$ 2,868
	Associate	5,595	7,486
	Related party in substance	<u>952</u>	<u>1,485</u>
		<u>\$ 8,617</u>	<u>\$ 11,839</u>

The outstanding trade receivables from related parties are unsecured.

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

Account Items	Related Party Category	December 31	
		2024	2023
Payables to related parties	Subsidiary	\$ 4,722	\$ -
	Related party in substance	16,390	9,081
	Associate	<u>21,019</u>	<u>51,012</u>
		<u>\$ 42,131</u>	<u>\$ 60,093</u>
Other payables	Subsidiary	\$ -	\$ 3,102
	Related party in substance	2,681	13,386
	Associate	<u>428</u>	<u>86</u>
		<u>\$ 3,109</u>	<u>\$ 16,574</u>

The outstanding trade payables to related parties are unsecured.

g. Other assets

Account Items	Related Party Category	December 31	
		2024	2023
Other current assets	Related party in substance	\$ 6,979	\$ -
	Associate	<u>3,000</u>	<u>-</u>
		<u>\$ 9,979</u>	<u>\$ -</u>
Prepayments for equipment	Related party in substance	<u>\$ 24,738</u>	<u>\$ 3,819</u>
Refundable deposits	Subsidiary	<u>\$ 6,035</u>	<u>\$ 6,035</u>
Other current liabilities	Subsidiary	<u>\$ 169,997</u>	<u>\$ 61,397</u>

h. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Year Ended December 31	
	2024	2023
Tsg Power Corp.	\$ 4,750	\$ 385

i. Disposals of property, plant and equipment

Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
S-Tech Corp.	\$ 513	\$ 340,729	\$ 194	\$ 277
Related party in substance	39	97	39	18
	\$ 552	\$ 340,826	\$ 233	\$ 295

j. Lease arrangements

Related Party Category/Name	December 31	
	2024	2023
<u>Acquisitions of right-of-use assets</u>		
S-Tech Corp.	\$ 18,172	\$ -

Account Item	Related Party Category	December 31	
		2024	2023
Lease liabilities	S-Tech Corp.	\$ 19,111	\$ -

	For the Year Ended December 31	
	2024	2023

Interest expense

S-Tech Corp.	\$ 104	\$ -
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Lease expense

S-Tech Corp.	\$ 1,052	\$ -
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In August 2024, the Company leased land and buildings located in Yishi Rd., Liuying Dist., Tainan City, from S-Tech Corp. Under operating lease with lease term of 5 years, and the rental is based on similar asset's market rental rates and fixed lease payments are received monthly.

k. Acquisition of investment property

<b>Related Party Category/Name</b>	<b>Proceeds</b>	
	<b>2024</b>	<b>2023</b>
Related party in substance	\$ <u>          -</u>	\$ <u>  2,095</u>

l. Disposals of investment property

<b>Related Party Category/Name</b>	<b>Proceeds</b>		<b>Gain (Loss) on Disposal</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
S-Tech Corp.	\$ <u>          -</u>	\$ <u> 207,438</u>	\$ <u>          -</u>	\$ <u>          -</u>

m. Acquisition of financial assets

For the year ended December 31, 2024

<b>Related Party Category</b>	<b>Line Item</b>	<b>Number of Shares (In Thousands)</b>	<b>Underlying Assets</b>	<b>Purchase Prices</b>
S-Tech Corp.	Investment accounted for using the equity method	2	Golden Win Steel Industrial Corp.	\$ <u>      56</u>

For the year ended December 31, 2023

<b>Related Party Category</b>	<b>Line Item</b>	<b>Number of Shares (In Thousands)</b>	<b>Underlying Assets</b>	<b>Purchase Prices</b>
S-Tech Corp.	Investment accounted for using the equity method	3,900	Ho Yang Investment Corp.	\$ <u> 57,954</u>

n. Disposal of financial assets

For the year ended December 31, 2024

<b>Related Party Category</b>	<b>Line Item</b>	<b>Number of Shares (In Thousands)</b>	<b>Underlying Assets</b>	<b>Purchase Prices</b>
Golden Win International Corp.	Investment accounted for using the equity method	6,049	Golden Win Steel Industrial Corp.	\$ <u> 248,000</u>

For the year ended December 31, 2023: None.

o. Disposal of non-current assets held for sale

<b>Related Party Category/Name</b>	<b>Proceeds</b>		<b>Gain (Loss) on Disposal</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
S-Tech Corp.	\$ <u> 1,454,104</u>	\$ <u>          -</u>	\$ <u>  868,349</u>	\$ <u>          -</u>

The board of directors of the Company resolved on April 15, 2024 to approve the sale of the land, plant and equipment of the vacuum induction melting (VIM) plant to S-Tech Corp. and signed the relevant sale and purchase agreement on June 5, 2024. The disposal procedures were completed in August 2024.

- p. Endorsements and guarantees provided by the Company (Refer to Table 1)

<b>Related Party Category</b>	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiary	<u>\$ 404,297</u>	<u>\$ 604,609</u>

- q. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2024 and 2023 were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 108,237	\$ 106,452
Post-employment benefits	<u>916</u>	<u>907</u>
	<u>\$ 109,153</u>	<u>\$ 107,359</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, issuance of bonds and letters of credit:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Restricted deposits (classified as other current assets)	\$ 58,492	\$ 58,007
Pledged foreign currency time deposits (classified as refundable deposits)	13,770	12,896
Pledged time deposits (classified as refundable deposits)	200	200
Pledged demand accounts (classified as refundable deposits)	30,000	56,000
Land	1,679,681	1,679,681
Buildings, net	<u>663,880</u>	<u>688,594</u>
	<u>\$ 2,446,023</u>	<u>\$ 2,495,378</u>

### 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company were as follows:

- a. As of December 31, 2024 and 2023, unused letters of credit for purchases of raw materials and machinery and equipment were as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
USD	<u>\$ 147</u>	<u>\$ 656</u>
EUR	<u>\$ 1,454</u>	<u>\$ 5,875</u>
JPY	<u>\$ 28,203</u>	<u>\$ 13,463</u>
CNY	<u>\$ 570</u>	<u>\$ -</u>

- b. As of December 31, 2024 and 2023, unrecognized commitments for the purchase of additional machinery and equipment and plant expansion were as follows:

Total commitment price

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
NTD	<u>\$ 2,739,424</u>	<u>\$ 2,794,669</u>
EUR	<u>\$ 14,981</u>	<u>\$ 46,311</u>
USD	<u>\$ 4,301</u>	<u>\$ 2,728</u>
CNY	<u>\$ 237,522</u>	<u>\$ 145,773</u>
CHF	<u>\$ 133</u>	<u>\$ 95</u>

Payments made based on progress of commitments

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
NTD	<u>\$ 2,205,177</u>	<u>\$ 2,222,903</u>
EUR	<u>\$ 12,786</u>	<u>\$ 36,569</u>
USD	<u>\$ 3,034</u>	<u>\$ 795</u>
CNY	<u>\$ 158,379</u>	<u>\$ 66,968</u>
CHF	<u>\$ 93</u>	<u>\$ 67</u>

- c. As of December 31, 2024 and 2023, \$1,970,750 thousand and \$1,900,750 thousand of issued bills were used as refundable deposits of the credit line of the issued bills, which can be cancelled when the guarantee obligations are terminated.

- d. On February 15, 2023, the president of the ROC announced the amendments to the “Climate Change Response Act”, which added the provision of carbon fee collection. Subsequently, the Ministry of Environment announced the “Regulations Governing the Collection of Carbon Fees”, “Regulations for Administration of Voluntary Reduction Plans” and “Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees” on August 29, 2024 and the carbon fee rate on October 21, 2024. The fees will be levied starting from January 1, 2025.

Based on the emissions of the Company for the year ended December 31, 2024, the Company expects that it will be the entity subject to carbon fees. The Company will recognize the provision of the carbon fees based on its actual emissions in 2025 and will pay them in May 2026.

### 31. SIGNIFICANT LOSSES FROM DISASTERS: NONE

### 32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. The board of directors resolved to distribute earnings for the fourth quarter of 2024 on February 25, 2025.
- b. In order to promote sports activities and the development of Taiwan's sports industry, the board of directors resolved to donate an amount of \$40,000 thousand to the TSG Hawks of TSG Hawks Baseball Co., Ltd. through the Sports Administration's special account on February 25, 2025.

### 33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 43,529	32.785 (USD:NTD)	\$ 1,427,096
EUR	7,981	34.140 (EUR:NTD)	272,477
AUD	549	20.390 (AUD:NTD)	11,189
GBP	5,831	41.190 (GBP:NTD)	240,190
JPY	95,263	0.2099 (JPY:NTD)	19,996
CNY	13,892	4.4780 (CNY:NTD)	62,211
Non-monetary items			
USD	26,733	32.785 (USD:NTD)	876,438
<u>Financial liabilities</u>			
Monetary items			
USD	50,785	32.785 (USD:NTD)	1,664,979
EUR	3,910	34.140 (EUR:NTD)	133,500
GBP	14,196	0.2099 (GBP:NTD)	2,980
JPY	14,252	4.4780 (JPY:NTD)	63,821

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 40,745	30.705 (USD:NTD)	\$ 1,251,062
EUR	7,987	33.980 (EUR:NTD)	291,408
AUD	1,028	20.980 (AUD:NTD)	21,558
GBP	9,858	39.150 (GBP:NTD)	385,941
JPY	82,811	0.2172 (JPY:NTD)	17,987
CNY	4,382	4.3352 (CNY:NTD)	18,999
Non-monetary items			
USD	33,126	30.705 (USD:NTD)	1,017,134
<u>Financial liabilities</u>			
Monetary items			
USD	21,552	30.705 (USD:NTD)	661,757
EUR	4,361	33.980 (EUR:NTD)	148,175
GBP	5,242	39.150 (GBP:NTD)	205,226
JPY	11,704	0.2172 (JPY:NTD)	2,542

The following information was aggregated by the functional currencies of entities holding foreign currencies, and the exchange rates between the presentation currency and the respective functional currencies were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>
<b>Foreign Currency</b>				
NTD	1 (NTD:NTD)	<u>\$ 83,036</u>	1 (NTD:NTD)	<u>\$ 67,670</u>

#### **34. SEPARATELY DISCLOSED ITEMS**

a. Information on significant transactions and b. Information on investees:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 3)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
  - 9) Trading in derivative instruments (Table 7)
- c. Information on investees (Table 7)
- d. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- e. Information of major shareholders: (Table 10)



## GLORIA MATERIAL TECHNOLOGY CORP.

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Gloria Material Technology Corp.	Alloy Tool Steel Inc.	b	\$ 3,012,356 (Note 3)	\$ 26,268	\$ 26,228	\$ 26,228	\$ -			Y	N	N	
		Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	c	3,012,356 (Note 3)	-	-	-	-			Y	N	Y	
		Tianjin Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	45,450	44,780	448	-			Y	N	Y	
		All Win Enterprises Ltd.	b	3,012,356 (Note 3)	225,270	32,785	-	-			Y	N	N	
		Xian Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	262,822	218,541	50,102	-			Y	N	Y	
		Faith Easy Enterprises Ltd.	b	3,012,356 (Note 3)	65,090	32,785	-	-			Y	N	N	
		Guangzhou Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	213,428	49,178	-	-			Y	N	Y	
		Zhejiang Jiaxing Goldway Special Material Co., Ltd.	c	3,012,356 (Note 3)	67,305	-	-	-			Y	N	Y	
						<u>\$ 404,297</u>	<u>\$ 76,778</u>		2	\$ 6,024,712 (Note 3)				

Note 1: The numbers denote the following:

- 0 represents the issuer
- Investees are numbered starting from 1

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee is categorized as follows:

- Business partner.
- A subsidiary whose ordinary shares are more than 50% owned by the endorser/guarantor.
- An investee over which the Company and its subsidiary have a combined shareholding of more than fifty percent (50%).
- A parent company that directly or indirectly through its subsidiary owns more than fifty percent (50%) of the investee.
- Guaranteed by the Company according to the construction contract.
- An investee company of which the guarantees were provided based on the Company's proportionate share in the investee company.
- According to the Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 3: The limit on endorsements/guarantees is calculated as follows:

- The limit on endorsements or guarantees provided for each borrower is NT\$6,024,712 (paid-in capital) × 50% = NT\$3,012,356.
- The aggregate endorsement/guarantee limit is NT\$6,024,712 (paid-in capital) × 100% = NT\$6,024,712.
- Endorsements/guarantees provided for subsidiaries are not subject to the above restrictions.

## GLORIA MATERIAL TECHNOLOGY CORP.

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2024				Note
				Number of Shares (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
Gloria Material Technology Corp.	Ordinary shares							
	Taiwan Styrene Monomer Corporation	-	Financial assets at fair value through other comprehensive income - non-current	88	\$ 840	-	\$ 840	
	CJW International Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	251	2,589	-	2,589	
	Ofco Industrial Corporation	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	103	2,105	-	2,105	
	Zung Fu Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	42	1,455	-	1,455	
	Datavan International Corporation	-	Financial assets at fair value through other comprehensive income - non-current	7,000	105,840	5	105,840	
	Taiwan Styrene Monomer Corporation	-	Financial assets at fair value through profit or loss - current	41	391	-	391	
	D-link Corporation	-	Financial assets at fair value through profit or loss - current	323	8,228	-	8,228	
Huang Jia International Gourmet Co., Ltd. (Ensure Global Corp., Ltd.)	-	Financial assets at fair value through profit or loss - non-current	5,000	220,900	3	220,900		

Note 1: Marketable securities in the table above refer to shares, bonds, beneficiary certificates and other related derivative securities that fall within the scope in accordance with IFRS 9 "Financial Instruments."

Note 2: If the securities issuer is not a related party, the column is left blank.

Note 3: For securities measured at fair value, the carrying amount after fair value adjustments and deduction of accumulated impairment is indicated. For securities not measured at fair value, the carrying amount indicated is the original acquisition cost or amortized cost less accumulated impairment loss.

Note 4: For information on investments in subsidiaries, please see Tables 7 and 8.

## GLORIA MATERIAL TECHNOLOGY CORP

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance (Note 5)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Gloria Material Technology Corp.	Ordinary share Soft-World International Corporation	Investments accounted for using the equity method	Soft-World International Corporation	-	-	\$ -	28,600,000	\$ 2,994,992	-	\$ -	\$ -	\$ -	28,600,000	\$ 2,994,992
	Golden Win International Corp.	Investments accounted for using the equity method	Golden Win International Corp	-	-	-	79,000,000	434,500	-	-	-	-	79,000,000	434,500

Note 1: Marketable securities in this table include shares, bonds, beneficiary certificates and securities derived from these items.

Note 2: The two columns should be filled in if marketable securities are accounted for using the equity method.

Note 3: The accumulated buying and selling amount should be calculated separately at the market price, whether it reaches \$300 million or 20% of the paid-in capital.

Note 4: Paid-in capital is the paid-in capital of the Company. If the shares of the issuers have no par value, or NT\$10 per share, the transaction amounts of 20% of paid-in capital shall be calculated according to 10% of the total equity attributable to the owners of the Company on the balance sheet.

Note 5: Original cost.

**GLORIA MATERIAL TECHNOLOGY CORP.**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Gloria Material Technology Corp.	Property, plant and equipment	2024.4.15	Note 4	\$ 486,653	\$ 1,454,104	Completed	\$ 868,349 (Note 5)	S-Tech Corp.	Associate	Effective utilization of resources in the light of the Group's overall business planning	Professional valuation report (appraised value of approximately \$1,466,727 thousand and \$1,457,470 thousand, respectively)	-

Note 1: If the disposal assets are subject to appraisal which should be stated in the column of "Reference basis for price determination".

Note 2: Paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the 20% of paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company in the balance sheet.

Note 3: The term "event date" refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of boards of directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

Note 4: Land: Acquired from the Ministry of Economic Affairs in June 2018 for approximately \$153,252 thousand.

Buildings: Self-constructed, with completion dates in July 2011 and July 2015; at acquisition amounts of approximately \$174,441 thousand and \$115,477 thousand, respectively.

Machinery and equipment:

- a. From a related party, S-Tech Corp, acquired between June 2015 and January 2016, for approximately \$13,896 thousand.
- b. From a non-related party, acquired between July 2011 and January 2022, for approximately \$517,034 thousand.

Note 5: The net amount was \$975,444 thousand after deducting unrealized gain and rental credits.

## GLORIA MATERIAL TECHNOLOGY CORP.

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)			Note (Note 2)
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Account	Ending Balance	% of Total	
Gloria Material Technology Corp.	Golden Win Steel Industrial Corp.	Subsidiary	Sale	\$ 583,322	5	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	\$ 50,565	3	
Golden Win Steel Industrial Corp.	Gloria Material Technology Corp.	Parent company	Purchase	583,322	67	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	50,565	89	
Gloria Material Technology Corp.	Alloy Tool Steel Inc.	Subsidiary	Sale	408,196	3	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	103,586	5	
Alloy Tool Steel Inc.	Gloria Material Technology Corp.	Parent company	Purchase	408,196	100	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	103,586	97	
Gloria Material Technology Corp.	All Win Enterprises Ltd.	Subsidiary	Sale	625,854	5	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	12,294	1	
All Win Enterprises Ltd.	Gloria Material Technology Corp.	Parent company	Purchase	625,854	81	Net 60 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	12,294	39	
Gloria Material Technology Corp.	S-Tech Corp.	Associate	Sale	149,258	1	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade receivables	28,955	1	
Gloria Material Technology Corp.	S-Tech Corp.	Associate	Purchase	215,438	2	Net 30 days from the end of the month of when invoice is issued, T/T	No significant difference	No significant difference	Trade payables	21,019	3	

Note 1: If the related party transaction terms are different from the general transaction terms, the description of the terms of the transaction and the reasons for the difference should be stated in the columns of unit price and payment terms.

Note 2: If there are any prepayments, the reason, contractual terms, amount, and differences from general transactions should be stated in the Note column.

**GLORIA MATERIAL TECHNOLOGY CORP.**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Gloria Material Technology Corp.	Alloy Tool Steel Inc.	Subsidiary	\$ 103,586 (Note)	4.78	\$ -	-	\$ 45,625	\$ -

Note: Includes trade receivables and other receivables.

## GLORIA MATERIAL TECHNOLOGY CORP.

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss) (Note 2)	Note
				December 31, 2024	December 31, 2023	Number of Shares (In Thousands)	Shareholding Percentage	Carrying Amount			
Gloria Material Technology Corp.	Faith Easy Enterprises Ltd.	Samoa	General investment and trading	\$ 192,558	\$ 192,558	6,000,000	96	\$ 570,744	\$ 17,675	\$ 24,639	Subsidiary
	Golden Win Steel Industrial Corp.	Republic of China	Processing and trading of special steel, carbon steel, super alloy material rollers	11,500	283,933	715,280	17	129,388	81,778	30,779	Subsidiary
	Alloy Tool Steel Inc.	USA	Sale of alloy steel	100,487	100,487	4,300,000	100	275,642	27,778	27,778	Subsidiary
	Ho Yang Investment Corp.	Republic of China	General investment	360,379	360,379	24,385,660	49	11,409	34,653	(1,999)	Subsidiary
	All Win Enterprises Ltd.	Seychelles	General investment	286,604	286,604	10,000,000	100	876,404	461,564	456,222	Subsidiary
	Rong Yang Investment Corp.	Republic of China	General investment	50,000	50,000	5,000,000	100	46,061	1,719	1,719	Subsidiary
	Gloria Material Technology Japan	Japan	Sale of alloy steel	15,852	15,852	1,380	100	23,535	11,375	11,375	Subsidiary
	S-Tech Corp.	Republic of China	Production and sales of titanium alloys	608,233	297,435	29,292,756	13	569,718	309,039	25,194	Associate
	Soft-World International Corporation	Republic of China	Publishing of game software, publishing and trading of game software magazines and books	2,994,992	-	28,600,000	18	2,886,322	1,139,432	136,526	Associate
	Kuei Tien Cultural & Creative Entertainment Co., Ltd.	Republic of China	TV series production, screenwriting and artist management	273,705	-	25,700,000	13	265,150	(40,040)	(5,531)	Associate
Golden Win International Corp	Republic of China	Production and selling of stainless steel	434,500	-	79,000,000	54	406,876	(63,760)	(15,745)	Subsidiary	

Note 1: If the public company has a foreign holding company and uses financial statements as its main financial statements in accordance with local laws and regulations, the Company may only disclose relevant information of the holding company.

Note 2: For companies that do not belong to the type as described in Note 1, the information is disclosed as follows:

- The columns of investee company, location, main businesses and products, original investment amount and number of shares are filled out in order of the reinvestment situation of the public company and the reinvestment situation of each investee company that is directly or indirectly controlled. In the remarks column, the relationship between each investee and the public company (subsidiary/second-tier subsidiary) is disclosed.
- The profit or loss of the investee company is disclosed in the column of net income (loss) of the investee.
- The Company is only required to list the amount of profit or loss of each of subsidiary that the Company has directly invested in and each investee that is accounted for using the equity method. The rest of the information is exempt from disclosure.

Note 3: For information on investments in mainland China, please see Table 8.

TABLE 8

## GLORIA MATERIAL TECHNOLOGY CORP.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Guangzhou Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,000 thousand (paid-in capital of CNY24,856 thousand)	b	US\$ 2,837 HK\$ 700	\$ -	\$ -	US\$ 2,837 HK\$ 700	\$ (5,162)	96	Note 2 (2) (4,921)	\$ 107,387	\$ 109,064	
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,000 thousand (paid-in capital of CNY22,124 thousand)	b	- (Note 4)	-	-	- (Note 4)	1,851	96	Note 2 (2) 1,803	151,934	112,926	
Tianjin Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$3,300 thousand (paid-in capital of CNY26,719 thousand)	b	US\$ 3,300	-	-	US\$ 3,300	5,444	96	Note 2 (2) 5,428	141,240	40,597	
Xian Goldway Special Material Co., Ltd.	Production and sale of alloy steel	Registered capital US\$2,000 thousand (paid-in capital of CNY12,660 thousand)	b	- (Note 5)	-	-	- (Note 5)	39,462	96	Note 2 (2) 38,505	171,695	-	
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Production and sale of alloy steel	Registered capital US\$10,000 thousand (paid-in capital of CNY63,926 thousand)	b	US\$ 10,000	-	-	US\$ 10,000	381,458	100	Note 2 (2) 381,458	670,367	87,296	

(Continued)



<b>Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2024</b>	<b>Investment Amount Authorized by the Investment Commission, MOEA</b>	<b>Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA</b>
US\$ 16,137 HK\$ 700	\$ 999,943 (US\$ 30,500)	\$ 11,521,790 (Note 3)

Note 1: Methods of investment are classified as below:

- a. Investments through a holding company registered in a third region.
- b. Reinvestments through a holding company set up in a third region.
- c. Reinvestments through a holding company existing in a third region.
- d. Direct investment.
- e. Others.

Note 2: Investment gain or loss was recognized as a percentage of the shares held:

- a. Companies that are still in the preparatory stage and therefore have no investment gain or loss should be disclosed.
- b. Investment gain or loss recognized based on the following should be disclosed:
  - 1) Financial statements which were audited by an international accounting firm with a cooperative relationship with an accounting firm in the ROC.
  - 2) Financial statements which were audited by the parent company's accounting firm.
  - 3) Other financial statements which were not audited by the accounting firm.

Note 3: The consolidated net asset value of the Company:  $\$19,202,984 \times 60\% = \$11,521,790$ .

Note 4: Amount represents the retained earnings received by Faith Easy Enterprises Ltd. from Guangzhou Goldway Special Material Co., Ltd., that was transferred to the share capital of Zhejiang Jiaying Goldway Special Material Co., Ltd.

Note 5: Amount represents the retained earnings of Faith Easy Enterprises Ltd. transferred to the share capital of Xian Goldway Special Material Co., Ltd.

(Concluded)

## GLORIA MATERIAL TECHNOLOGY CORP.

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollar)

Investee Company	Transaction Type	Purchase/Sale		Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	Percentage	Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage		
Guangzhou Goldway Special Material Co., Ltd.	Sale	\$ 28,298	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	\$ -	-	\$ 5	Note 1
Zhejiang Jiaxing Goldway Special Material Co., Ltd.	Sale	87,037	1	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	-	-	-	Note 1
Tianjin Goldway Special Material Co., Ltd.	Sale	14,186	-	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	-	-	3,880	Note 1
Xian Goldway Special Material Co., Ltd.	Sale	238,285	2	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	9,607	-	14,967	Note 1
Zhejiang Jiaxing Shiang Yang Metal Material Technology Co., Ltd.	Sale	259,986	2	Normal	Net 90 days from the end of the month of issuance of the invoice, payment by telegraphic transfer	No significant difference	9,562	-	5,018	Note 1

Note 1: The Company transacted with the above companies through All Win Enterprises Ltd.

Note 2: For information of the Company's endorsements and guarantees provided for the above companies, refer to Table 1.

**GLORIA MATERIAL TECHNOLOGY CORP.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Soft-World International Corporation	62,920,000	10.44
Kings Asset Management Corp.	31,292,000	5.19

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Company based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

# GLORIA MATERIAL TECHNOLOGY CORP.

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**GLORIA MATERIAL TECHNOLOGY CORP.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Item</b>	<b>Description</b>	<b>Amount</b>
Cash on hand		\$ 106
Cash in banks		
Checking accounts		407,170
Demand deposits		267,780
Foreign currency deposits		228,903
	US\$3,334 thousand × 32.785	
	EUR613 thousand × 34.14	
	AUD195 thousand × 20.39	
	GBP484 thousand × 41.19	
	JPY75,780 thousand × 0.2099	
	CNY13,143 thousand × 4.478	
Time deposits		1,550,000
Repurchase agreements collateralized by bills		<u>3,116,847</u>
		<u>\$ 5,570,806</u>

**GLORIA MATERIAL TECHNOLOGY CORP.**

**STATEMENT OF TRADE RECEIVABLES**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Amount</b>
AA0004	\$ 101,636
Others (Remark)	<u>1,860,691</u>
Balance	1,962,327
Less: Allowance for impairment loss	<u>(1,187)</u>
	<u>\$ 1,961,140</u>

Remark: The amount of individual client included in others does not exceed 5% of the account balance.

**GLORIA MATERIAL TECHNOLOGY CORP.****STATEMENT OF INVENTORIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Net Realizable Value</b>
Raw materials	\$ 2,436,143	\$ 2,537,761
Supplies	548,351	557,465
Work in process	2,371,555	4,116,432
Finished goods	890,581	1,268,695
Merchandise	7	7
Inventory in transit	<u>845,024</u>	<u>845,024</u>
	<u>\$ 7,091,661</u>	<u>\$ 9,325,384</u>

## GLORIA MATERIAL TECHNOLOGY CORP.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee	Balance, January 1, 2024		Increase during the Year		Decrease during the Year		Increase (Decrease) in Investments Accounted for Using the Equity Method	Balance, December 31, 2024			Market Value or Net Asset Value Total Amount	Collateral
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount		Number of Shares (In Thousands)	%	Amount		
FAITH EASY ENTERPRISES LTD. (Note 1)	6,000	\$ 754,353	-	\$ -	-	\$ -	\$ (183,609)	6,000	96	\$ 570,744	\$ 570,744	None
Golden Win Steel Industrial Corp. (Notes 1 and 2)	18,726	472,342	1,414	39,894	(19,425)	(416,917)	34,069	715	17	129,388	129,388	None
S-Tech Corp. (Notes 1, and 3)	19,580	361,966	9,713	310,797	-	-	(103,045)	29,293	13	569,718	845,096	None
Alloy Tool Steel Inc. (Note 1)	4,300	242,227	-	-	-	-	33,415	4,300	100	275,642	275,642	None
Ho Yang Investment Corp. (Notes 1)	24,386	93,338	-	-	-	-	(81,929)	24,386	49	11,409	11,409	None
All Win Enterprises Ltd. (Notes 1)	10,000	450,643	-	-	-	-	425,761	10,000	100	876,404	876,404	None
Rong Yang Investment Corp. (Note 1)	5,000	45,262	-	-	-	-	799	5,000	100	46,061	46,061	None
Gloria Material Technology Japan. (Notes 1)	1	12,695	-	-	-	-	10840	1	100	23,535	23,535	None
Golden Win International Corp (Notes 1 and 4)	-	-	79,000	434,500	-	-	(27,624)	79,000	54	406,876	1,090,200	None
Soft-World International Corporation (Notes 1 and 5)	-	-	28,600	2,994,992	-	-	(108,670)	28,600	18	2,886,322	3,575,000	None
Kuei Tien Cultural & Creative Entertainment Co., Ltd.(Notes 1 and 6)	-	-	25,700	273,705	-	-	(8,555)	25,700	13	265,150	267,280	None
		<u>\$ 2,432,826</u>		<u>\$ 4,053,888</u>		<u>\$ (416,917)</u>	<u>\$ (8,548)</u>			<u>\$ 6,061,249</u>	<u>\$ 7,710,759</u>	

Note 1: The increase (decrease) in investments accounted for using the equity method was due to the profit or loss of investment company shares in the amount of \$690,957 thousand. Other changes were the adjustment of the dividends received, carrying amount of the Company's shares held by the subsidiaries, the change of exchange differences on translating the financial statements of foreign operations and the adjustment of related equity transactions.

Note 2: The increase of 1,414 thousand shares in the current year was due to additional investments in the subsidiary in the amount of \$39,894 thousand. The decrease in the current year was due to the sale of investment company shares and capital deduction.

Note 3: The increase of 9,713 thousand shares in the current year was due to additional investments in the associates and the new shares of participate in cash capital.

Note 4: The increase of 79,000 thousand shares in the current year was due to subscribed for private placement shares.

Note 5: The increase of 28,600 thousand shares in the current year was due to exchange for the new shares.

Note 6: The increase of 25,700 thousand shares in the current year was due to significant influence acquired recognized as financial assets reclassified to "investment accounted for using equity method."



**GLORIA MATERIAL TECHNOLOGY CORP.****STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Loan Type</b>	<b>Description</b>	<b>Balance, End of Year</b>	<b>Contract Period</b>	<b>Range of Interest Rates</b>	<b>Financing Amount</b>
Line of credit borrowing	Financial institution borrowing	\$ 1,529,460	1 year	3.86%-6.11%	\$ 4,792,032
Letter of credit loan	Financial institution borrowing	<u>143,043</u>	1 year	3.50%-5.56%	<u>398,901</u>
		<u>\$ 1,672,503</u>			<u>\$ 5,190,933</u>

**GLORIA MATERIAL TECHNOLOGY CORP.**

**STATEMENT OF TRADE PAYABLES**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
A	\$ 43,246
B	40,828
C	40,291
Other (Remark)	<u>538,312</u>
	<u>\$ 662,677</u>

Remark: The amount of individual vendor included in others does not exceed 5% of the account balance.

**GLORIA MATERIAL TECHNOLOGY CORP.**

**STATEMENT OF LONG-TERM BORROWINGS**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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<b>Loan Type</b>	<b>Balance, End of Year</b>	<b>Contract Period</b>	<b>Range of Interest Rates</b>	<b>Collateral</b>
Line of credit borrowings				
First Commercial Bank	\$ 5,900,000	2023.08.04-2028.08.04	2.1421%	Land and buildings
Less: Unamortized discount	<u>(11,325)</u>			
	<u>\$ 5,888,675</u>			

**GLORIA MATERIAL TECHNOLOGY CORP.**

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

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<b>Item</b>	<b>Amount</b>
Stainless steel	\$ 6,877,980
Alloy steel	4,661,703
Others (Remark)	<u>252,426</u>
	<u>\$ 11,792,109</u>

Remark: The amount of individual vendor included in others does not exceed 10% of the account balance.

**GLORIA MATERIAL TECHNOLOGY CORP.****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw materials, beginning of year	\$ 1,886,766
Additions:	
Raw material purchased	5,831,877
Others	2,729
Deductions:	
Others	(8,842)
Raw materials, end of year	<u>(3,281,167)</u>
Raw materials used (1)	<u>4,431,363</u>
Supplies, beginning of year	461,040
Additions:	
Supplies purchased	1,835,859
Deductions:	
Others	(1,264,063)
Supplies, end of year	<u>(548,351)</u>
Supplies used (2)	<u>484,485</u>
Direct labor (3)	<u>681,853</u>
Manufacturing expenses (4)	<u>3,502,153</u>
Manufacturing cost (1) + (2) + (3) + (4)	<u>9,099,854</u>
Additions:	
Work in process, beginning of year	2,062,633
Others	4,541
Deductions:	
Others	(112,825)
Work in process, end of year	<u>(2,371,555)</u>
Cost of finished goods	<u>8,682,648</u>
Additions:	
Finished goods, beginning of year	985,204
Others	38,036
Deductions:	
Others	(4,007)
Finished goods, end of year	<u>(890,581)</u>
Cost of selling finished goods	<u>8,811,300</u>
Additions:	
Unamortized manufacturing expense	31,644
Cost of selling raw materials and supplies	31,699
Deductions:	
Revenue from sale of scraps	<u>(6,369)</u>
Cost of manufacturing	<u>8,868,274</u>
Cost of selling	<u>114,929</u>
Operating costs	<u>\$ 8,983,203</u>

**GLORIA MATERIAL TECHNOLOGY CORP.**

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

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<b>Item</b>	<b>Manufacturing Expenses</b>
Consumables expense	\$ 955,036
Utility expense	693,828
Fuel expense	478,841
Depreciation expense	376,551
Processing fee	278,433
Repair and maintenance costs	206,062
Others (Remark)	<u>513,402</u>
	<u>\$ 3,502,153</u>

Remark: The amount of each item in others does not exceed 5% of the account balance.

**GLORIA MATERIAL TECHNOLOGY CORP.**

**STATEMENT OF SELLING AND MARKETING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Selling and Marketing Expenses</b>
Export expense	\$ 453,125
Salary expense	68,094
Commission expenses	57,661
Others (Remark)	<u>53,039</u>
	<u>\$ 631,919</u>

Remark: The amount of each item in others does not exceed 5% of the account balance.

**GLORIA MATERIAL TECHNOLOGY CORP.**

**STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>General and Administrative Expenses</b>
Salary expense	\$ 181,218
Donations	74,350
Depreciation expense	30,407
Others (Remark)	<u>135,192</u>
	<u>\$ 421,167</u>

Remark: The amount of each item in others does not exceed 5% of the account balance.



**GLORIA MATERIAL TECHNOLOGY CORP.**

**STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Research and Development Expenses</b>
Salary expense	\$ 32,136
Commissioned research expense	23,185
Others (Remark)	<u>15,235</u>
	<u>\$ 70,556</u>

Remark: The amount of each item in others does not exceed 5% of the account balance.