Stock Code：6243

ENE TECHNOLOGY INC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

December 31st, 2024 AND 2023

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Representation Letter

The entities included in the consolidated financial statements as of December 31st, 2024, and for the year then ended prepared under the International Financial Reporting Standards, No.10 as recognized by the FSC are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. The Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

ENE TECHNOLOGY INC
Dylan Chung
February 25th , 2025

Translated Independent Auditor’s Review Report

To the Board of Directors of ENE TECHNOLOGY INC. :

Opinion

We have audited the accompanying consolidated financial statements of ENE TECHNOLOGY INC and subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing stands generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of ENE Technology INC. and its subsidiaries 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 judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

1. Key Audit Matters - Allowance to reduce inventory to market

Description of matters:

ENE TECHNOLOGY INC. designs, manufactures, and sells integrated circuit-related products. Due to the short lifecycle of electronic products and intense market competition, there is a higher risk of inventory obsolescence and losses from price declines. For information regarding the accounting policies, accounting estimates, and assumption uncertainty of the valuation of inventory, as well as allowance to reduce inventory to market, please refer to Notes 4(12), 5(2), and 6(5).

Due to the rapid change of technologies industry in which ENE TECHNOLOGY INC operates, and the subjectivity involved in assessing the net realizable value of obsolete inventory and the basis for evaluating inventory obsolescence losses, there is a high degree of estimation uncertainty. Given the significant impact of inventory and its allowances for declines in value on the consolidated financial statements, the auditor has identified the assessment of inventory allowances for declines in value as the most critical area for audit in the current year.

Our key audit procedures performed in respect of the mentioned item included the following:

The auditor has performed the following procedures regarding the critical audit area mentioned above:

1. Based on the auditor's understanding of ENE TECHNOLOGY INC's business and industry characteristics, evaluating the policy on inventory valuation and obsolescence loss as well as the reasonableness of allowances on inventory valuation and obsolescence loss.

2. Verify the accuracy and completeness of the inventory aging report and its underlying system logic.

3. Test the market value basis for individual inventory item's net realizable value, and select samples to confirm the accuracy of their net realizable value calculations.

Other Matter - Individual financial statements

ENE TECHNOLOGY INC has prepared the parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified audit opinion.

Responsibilities of Management and Those Charges with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statement, management is responsible for assessing the ENE TECHNOLOGY INC'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 ENE TECHNOLOGY INC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the ENE TECHNOLOGY INC's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 auditing standards generally accepted in 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 based on this consolidated financial statement.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also do below :

1. Identify an assess the risks of material misstatement of the consolidated 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 ENE TECHNOLOGY INC'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the ENE TECHNOLOGY INC to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Pei-Chuan Huang

CPA

Chin-Chang Chen

2025.02.25th

ENE Technology Inc. and Subsidiaries

Consolidated Balance Sheet

January 1st to December 31st, 2024 & 2023

Unit: NTD thousands

	Assets	Note	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current Assets					
1100	Cash & cash equivalents	6(1)	$ 638,638	50	$ 257,242	23
1110	Financial assets at fair value through P&L- current	6(2)	90	-	-	-
1136	Financial asset after amortization current	6(3) & 8	124,671	10	230,682	20
1170	Net accounts receivables	6(4)	158,776	13	210,965	18
1180	Accounts receivable- related parties	7	51,748	4	35,161	3
130X	Inventories	6(5)	162,725	13	290,265	25
1410	Pre-payments	7	3,412	-	4,683	-
1479	Other current assets-others		4,753	-	4,883	1
11XX	**Total Current Assets**		1,144,813	90	1,033,881	90
	Non-Current Asset					
1535	Financial assets after amortization －non current	6(3)&8	1,076	-	1,060	-
1600	Property, plant and equipment	6(6)&7	53,189	4	30,021	3
1755	Right-of-use asset	6(7)&7	20,011	2	27,498	3
1780	Intangible asset	6(8)&7	26,550	2	23,862	2
1840	Deferred tax asset	6(21)	19,299	2	15,916	1
1900	Other non-current assets	6(12)&7	2,069	-	15,189	1
15XX	**Total Non-current assets**		122,194	10	113,546	10
1XXX	**Total Assets**		$ 1,267,007	100	$ 1,147,427	100

(Continue next page)

ENE Technology Inc. and Subsidiaries
Consolidated Balance Sheet
January 1st to December 31st, 2024 & 2023

Unit: NTD thousands

	Liabilities and Equity	Note	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current Liabilities					
2100	Short term loan	6(9)	$ -	-	$ 160,000	14
2170	Account payables		18,148	1	45,348	4
2180	Account payable - related parties	7	18,308	1	23,088	2
2200	Other account payables	6(10)	43,976	3	42,772	4
2220	Other account payables-related party	7	3,191	-	478	-
2280	Lease liabilities-current	6(7)	6,180	1	6,101	1
2399	Other current liabilities-others	6(14)	32,170	3	28,890	2
21XX	**Total current liabilities**		121,973	9	306,677	27
	Non-Current liabilities					
2530	Corporate bonds payables	6(11)	283,315	23	-	-
2570	Deferred income tax liabilities	6(21)	3,661	-	-	-
2580	Lease liabilities－non current	6(7)	13,297	1	20,759	2
2600	Other non current liabilities	6(5)	3	-	3	-
25XX	**Non current liabilities**		300,276	24	20,762	2
2XXX	**Total liabilities**		422,249	33	327,439	29
	Equity					
	Equity attributed to Parent					
	Capital	6(15)				
3110	Ordinary share capital		452,688	36	452,688	39
	Capital surplus	6(16)				
3200	Capital surplus		289,058	23	277,236	24
	Retained earnings	6(17)				
3310	Legal reserve		19,879	1	13,215	1
3350	Undistributed earnings		84,844	7	86,878	8
	Other equity					
3400	Other equity		(1,711)	-	(10,029)	(1)
3XXX	**Total equity attributed to Parent company**		844,758	67	819,988	71
	Significant or liable and unrecognized committed contract	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 1,267,007	100	$ 1,147,427	100

<u>ENE Technology Inc. and Subsidiaries</u>
<u>Consolidated Statement of Comprehensive Income</u>
<u>January 1st to December 31st, 2024 & 2023</u>

	Item	Note	2024 Amount	%	2023 Amount	%
4000	Operating revenue	6(18) &7	$ 721,222	100	$ 875,342	100
5000	Operating cost	6(5)	(462,150)	(64)	(563,442)	(64)
5900	Gross margin		259,072	36	311,900	36
	Operating expense	6(20)&7				
6100	Selling expense		(76,269)	(11)	(76,343)	(9)
6200	General & admin expense		(75,871)	(10)	(75,417)	(9)
6300	R & D expense		(114,006)	(16)	(108,079)	(12)
6450	Expected credit loss	6(4)	194	-	448	-
6000	Total operating expense		(265,952)	(37)	(259,391)	(30)
6900	Operating profit (loss)		(6,880)	(1)	52,509	6
	Non-operating income and expense					
7100	Interest income		18,830	3	17,678	2
7010	Other income		442	-	1,491	-
7020	Other profit and loss	6(19)	43,863	6	(2,723)	-
7050	Financial cost		(5,342)	(1)	(4,069)	-
7000	Total of non operating income and expense		57,793	8	12,377	2
7900	**Profit before income tax**		50,913	7	64,886	8
7950	Income tax expense	6(21)	(1,014)	-	1,790	-
8200	**Net profit for the period**		$ 49,899	7	$ 66,676	8
	Other comprehensive profit and loss (net)					
8311	Gain/Loss of remeasurement of defined benefit plan	6(12)	$ -		($ 35)	-
	Items may be reclassified to profit and loss					
8361	Cumulative translation differences of foreign operation		-		(201)	-
8399	Income tax relating to items may be reclassified	6(21)	-		40	-
8300	**Other comprehensive profit and loss (net)**		$ -		($ 196)	-
8500	**Total comprehensive profit and loss**		$ 49,899	7	$ 66,480	8
	Net profit attributed to:					
8610	Parent company		$ 49,899	7	$ 66,676	8
	Comprehensive P&L attributed to:					
8710	Parent company		$ 49,899	7	$ 66,480	8
			$			
	Earning per share	6(22)				
9750	Basic earning per share		1.12		1.50	
9850	Diluted earning per share		$ 1.10		$ 1.42	

ENE Technology Inc. & Subsidiaries
Consolidated Statements of Changes in Equity
January 1st to December 31st, 2024 & 2023

Unit：NTD$ Thousands

		Equity attributed to Parent Company								
			Capital surplus		Retained earnings		Others			
	Note	Ordinary shares capital	Capital Surplus－Premium	Capital Surplus－Others	Legal reserve	Undistributed earning	Cumulative translation differences of foreign operation	Unrealized P&L from financial assets measured at fair value through P&L	Other equity－Others	Total equity
2023										
Balance as of 0101		$ 453,228	$ 232,218	$ 44,549	$ -	$ 6,007	$ 81,820	$ 161	($ 25,099)	$ 792,884
Net profit of the period		-	-	-	-	-	66,676	-	-	66,676
Comprehensive P & L of the period		-	-	-	-	-	(35)	(161)	-	(196)
Total of comprehensive P&L of the period		-	-	-	-	-	66,641	(161)	-	66,480
2022 earning distributions and allotment	6(17)									
Legal reserve		-	-	-	-	7,208	(7,208)	-	-	-
Cash dividends		-	-	-	-	-	(54,375)	-	-	(54,375)
Share-based payment transaction	6(13)	(540)	6,112	(5,643)	-	-	-	-	15,070	14,999
Balance as of 1231		$ 452,688	$ 238,330	$ 38,906	$ -	$ 13,215	$ 86,878	$ -	($ 10,029)	$ 819,988
2024										
Balance as of 0101		$ 452,688	$ 238,330	$ 38,906	$ -	$ 13,215	$ 86,878	$ -	($ 10,029)	$ 819,988
Net profit of the period		-	-	-	-	-	49,899	-	-	49,899
Total of comprehensive P&L of the period		-	-	-	-	-	49,899	-	-	49,899
2023 earnings distribution and allotment	6(17)									
Legal reserve		-	-	-	-	6,664	(6,664)	-	-	-
Cash dividends		-	-	-	-	-	(45,269)	-	-	(45,269)
Cash dividends from capital surplus	6(16)	-	(9,054)	-	-	-	-	-	-	(9,054)
Share-based payment transaction	6(13)	-	8,658	(8,658)	-	-	-	-	8,318	8,318
Convertible CB recognized as equity- stock options	6(11)	-	-	-	20,876	-	-	-	-	20,876
Balance as of 1231		$ 452,688	$ 237,934	$ 30,248	$ 20,876	$ 19,879	$ 84,844	$ -	($ 1,711)	$ 844,758

ENE Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1st to December 31st, 2024 & 2023

Unit: NTD$ Thousands

	Notes	20240101~1231	20230101~1231
Cash flow from operating activities:			
Income before income tax		$ 50,913	$ 64,886
Adjustments			
Income and expenses/loss items			
Depreciation	6(20)	23,379	18,773
Amortization	6(20)	32,776	20,393
Expected credit impairment loss	6(4)	(194)	(448)
Net financial asset at fair value through P&L (profit) loss	6(2)(19)	376	(177)
Interest expenses		5,342	4,069
Interest income		(18,830)	(17,678)
Cost for share-based payment compensation	6(13)(20)	8,318	14,999
Loss from disposal of real estate, plant and equipment	6(19)	-	1,109
Loss from disposal of investment	6(19)	-	1,160
Unrealized foreign exchange profit (loss)		1,075	(702)
Profit from change of lease	6(7)(19)	-	(143)
Other revenue		-	(1,340)
Changes in operating assets and liabilities			
Net changes in operating related assets			
Current financial assets at fair value through profit or loss		44	177
Account receivables (include related parties)		35,796	(44,037)
Inventories		127,540	84,979
Prepaid payments		1,271	15,142
Net defined benefit assets		5,706	(113)
Other current assets		1,134	958
Net changes in operating related liabilities			
Account payables (include related parties)		(31,980)	(18,394)
Other account payables (include related parties)		(136)	(1,101)
Other current liabilities		3,280	-
Cash flows from operating activities (outflow) inflow		245,810	142,512
Interest received		18,934	17,656
Interest paid		(2,093)	(4,040)
Income tax paid		(1,844)	(1,719)
Net cash outflow from operating activities		260,807	154,409
Cash flow from investment activities			
Acquisition of financial asset after amortization		(119,173)	(15,422)
Disposal of financial assets after amortization		224,093	46,883
Acquisition of real estate, plant and equipment	6(23)	(38,741)	(21,367)
Acquisition of intangible assets	6(23)	(24,148)	(23,890)
Net cash inflow from the disposal of a subsidiary		-	(2,817)
Increase of guarantee deposits (other non-current asset)		(86)	(828)
Increase of other non-current asset		-	(7,500)
Net cash inflow from investment activities (outflow)		41,945	(24,941)
Cash flow from financing activities			
Short term loan repayments	6(24)	(160,000)	(36,000)
Corporate bonds	6(24)	300,350	-
Long term loan repayment	6(24)	-	(3,636)
Lease liabilities principle repayment	6(24)	(7,383)	(7,300)
Cash dividends from capital surplus	6(16)	(9,054)	-
Cash dividends	6(17)	(45,269)	(54,375)
Refundable deposits (decrease) increase		-	(3)
Net cash outflow from financing activities		78,644	(101,314)
FX impact on cash and cash equivalent		-	(36)
Net (decrease) increase in cash and cash equivalent		381,396	28,118
Cash and cash equivalent at beginning of period		257,242	229,124
Cash and cash equivalent at end of period		$ 638,638	$ 257,242

ENE Technology Inc. and Subsidiaries
Notes to Consolidated Financial Statements
January 1st to December 31st, 2024 & 2023

Unit：NTD$ thousands
(except otherwise indicated)

1. Company history

ENE TECHNOLOGY INC. (the “Company”) was incorporated as a company by shares on May 20th, 1998. The Company and its subsidiaries (the “Group”) is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services.

Alcor Micro Corp. is the parent company since June 9th, 2021, the ultimate controlling parent company is Egis Technology Inc.

2. The date and procedure of authorization for issuance of the consolidated financial statements

These consolidated financial statements were approved and authorized by the Board of Directors on February 25th, 2025.

3. Application of New Standards, Amendments, Principles and Interpretations

(1) Effects of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS) as endorsed by the Financial Supervisory Commission (FSC)

The new standards, amendments, principles and interpretations endorsed by the FSC effective from 2024 adopted by the Company are as follows

New Standards／Amendments／Principles and Interpretations	Effective date by IASB
Amendments to IFRS 16 “Lease liabilities in a sale and leaseback”	2024.01.01
Amendments to IAS 1 “To classify debt as current or non-current”	2024.01.01
Amendments to IAS 1 “Non-current liabilities with contractual terms”	2024.01.01
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	2024.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

(2) The impact of IFRSs issued by IASB and endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, and endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	**Effective date by IASB**
Amendments to IAS 21 “Lack of exchangeability”	2025.01.01

After assessing the above standards and interpretations, the Group found no major impact on the consolidated financial report.

(3) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	**Effective date by IASB**
Amendments to IFRS 9 and IFRS 7 “Classification and measurements of financial instruments”	2026.01.01
Amendments to IFRS 9 and IFRS 7 “Contracts that reference nature dependent electricity”	2026.01.01
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”	TBD
IFRS 17 “Insurance Contracts”	2023.01.01
Amendments to IFRS 17 “Insurance Contracts”	2023.01.01
Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – Comparative information”	2023.01.01
IFRS 18 “presentation and disclosure in Financial Statements	2027.01.01
IFRS 19 Subsidiaries without Public Accountability: Disclosures	2027.01.01
Improvements to IFRS 2010s- Version 11th	2026.01.01

Except for IFRS 18 "Presentation and Disclosure in Financial Statements," which is still under evaluation, the Group has assessed that the above standards and interpretations do not have a material impact on its financial position and financial performance.

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the statement of profit or loss and other comprehensive income. It introduces new disclosures on management-defined performance measures and enhances the principles for aggregation and disaggregation used in the primary financial statements and the notes.

4. Summary of Significant Accounting Policies

The principle accounting policies applied in the preparation of the consolidated financial statements are outlined below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

(1) Statement of Compliance

These consolidated financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein after as the "IFRSs").

(2) Preparation basis

Other than the items below, the consolidated report is prepared based on historical cost:

(1) Financial asset and liability at fair value through profit and loss, financial asset and liability at fair value through other comprehensive income.

(2) Defined benefit asset measured by pension asset less present value of defined benefit obligation.

Please refer to Note 5 for significant assumptions and estimations.

(3) Basis of consolidation

1. Preparation of the consolidated financial report

(1) The Group includes all subsidiaries (including structured entities) that are controlled by the Group in the preparation of the consolidated financial statements. The Group controls a entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is lost.

(2) Transactions, balances, and unrealized gains or losses between companies within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(3) Components of income and other comprehensive income are attributed to the owners of the parent company and non-controlling interests. The total comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if it results in a deficit in non-controlling interests

(4) Changes in the parent company's holdings of subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e. transactions with owners. The adjustment amount of non-controlling interests between the fair value of consideration paid or received is directly recognized in equity.

(5) When the Group loses control of a subsidiary, the remaining investment in the subsidiary is remeasured at fair value and recognized as the fair value of the originally recognized financial asset, or the cost of originally recognized investment in an associated enterprise or joint venture. The difference between the fair value and the carrying amount is recognized in the current income statement. For all amounts related to the subsidiary previously recognized in other comprehensive income, the accounting treatment is the same as the basis for disposing of related assets or liabilities directly by the Group. That is, if the previously recognized benefit or loss in other comprehensive income is reclassified to income when disposing of

related assets or liabilities, then when the Group loses control of the subsidiary, the benefit or loss will be reclassified from equity to income.

2. List of subsidiaries in the consolidated financial statements:
   The company has sold subsidiary ENE Touch on 2024.04.20th There is no subsidiaries to be listed into the financial report.
3. List of subsidiaries which are not included in the consolidated financial statement: None.
4. Adjustment and treatment for subsidiaries with different accounting periods: None.
5. Significant restrictions: None.
6. Subsidiaries with significant non-controlling interests in the Group: None.

(4) Foreign currency translation

All items presented in the financial statements of each entity within the Group are measured using the functional currency of that entity's primary economic environment. The functional currency is the currency in which an entity primarily generates and expends cash. The consolidated financial statements are presented in the functional currency of the Company, which is the New Taiwan Dollar (NTD).

1. Foreign currency transactions and balances
   (1) Foreign currency transactions are translated into the functional currency using the exchange rates on the transaction or measurement date, and any resulting translation differences are recognized in the current period's income statement.
   (2) Foreign currency monetary assets and liabilities are remeasured at the exchange rates on the balance sheet date, and any resulting translation differences are recognized in the current period's income statement.
   (3) The balances of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are adjusted to reflect the spot exchange rates as of the balance sheet date. The resulting exchange differences from the adjustments are recognized in the current period's profit or loss. For those denominated in foreign currencies that are measured at fair value through other comprehensive income, the resulting exchange differences from the adjustments are recognized in the other comprehensive income section of the statement of comprehensive income. For those not measured at fair value, they are measured at the historical exchange rates on the initial transaction date.
   (4) All other exchange gains or losses are reported in the "Other gains and losses" section of the statement of profit or loss based on the nature of the transactions.

2. Conversion of operating agencies overseas

Conversion of functional currency and presentation currency for all entities, related companies, and joint agreements that have different functional currency and presentation currency. The operating results and financial status are converted to presentation currency as follows:

(1) Assets and liabilities on each balance sheet are converted using the closing exchange rate on the date of the balance sheet

(2) Revenue and expenses on each income statement are converted using the average exchange rate for the current period

(3) Any exchange differences arising from the conversion are recognized as other comprehensive income.

(5) <u>Standards for Assets and Debts Classified as Current and Non-Current</u>

1. An asset is classified as current when:

(1) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.

(2) The Company holds the asset primarily for the purpose of trading.

(3) The Company expects to realize the asset within twelve months after the reporting period.

(4) The asset is cash or cash equivalent unless the asset is restricted from. being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all assets that do not meet the above criteria as non-current assets.

2. A liability is classified as current when:

(1) The Company expects to settle the liability in its normal operating cycle.

(2) The Company holds the liability primarily for the purpose of trading.

(3) The liability is due to be settled within twelve months after the reporting period.

(4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all assets that do not meet the above criteria as non-current liability

(6) Cash equivalent

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets through profit & loss at fair value

1. Refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive profit or loss. ◦
2. The Company adopts transaction date accounting for financial assets measured at fair value through profit or loss that are consistent with conventional transactions. ◦
3. The company measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit and loss. Subsequently, it is measured at fair value, and its profits or losses are recognized in profit and loss. ◦

(8) Financial assets measured at amortized cost

1. Refers to items that meet all of the following criteria:

   (1) The financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial asset.

   (2) The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. The Group applies the trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with market conventions.

3. The Group initially measures these financial assets at fair value plus transaction costs. Subsequently, interest income is recognized over the holding period using the effective interest method under the amortized cost approach, and impairment losses are recognized as incurred. Upon derecognition, any resulting gain or loss is recognized in profit or loss.

4. The Group holds time deposits that do not qualify as cash equivalents. However, due to their short holding periods and the immaterial effect of discounting, they are measured at the investment amount.

(9) Accounts Receivable

1. Refers to the amount receivable for goods or services transferred under a. contract, which has an unconditional right to receive.

2. Short-term accounts receivable that have not yet accrued interest are measured at their original invoice amounts as the effect of discounting is not significant.

(10) Impairment of Financial Assets

On each balance sheet date, the Group considers all reasonable and. supportable information (including forward-looking information) to assess the credit risk of debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. For financial assets for which credit risk has not increased significantly since initial recognition, the Group measures the expected credit loss amount over 12 months as the provision for impairment losses. For financial assets for which credit risk has increased significantly since initial recognition, the Group measures the expected credit loss amount over the remaining life of the financial asset as the provision for impairment losses. For trade receivables or contract assets that do not contain a significant financing component, the Group measures the provision for impairment losses based on the expected credit loss amount over the remaining life of the financial asset.

(11) Derecognition of financial assets

When the contractual rights to receive cash flows from a financial asset have expired, the Group derecognizes the financial asset

(12) Inventory

Inventory is measured at cost or net realizable value, whichever is lower, using the weighted average method for cost determination. When comparing cost and net realizable value, the lower amount is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary selling expenses.

(13) Property, Plants and Equipment

1. Property, plant and equipment are recorded at cost of acquisition.

2. Subsequent costs are included in the carrying amount of an asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Any replaced part's carrying amount is derecognized. All other maintenance expenses are recognized in profit or loss as incurred.

3. Property, plant and equipment are measured using the cost model and depreciated using the straight-line method over their estimated useful lives. Depreciation of significant components of property, plant and equipment is recognized separately.

4. The Group reviews the residual values, useful lives, and depreciation methods of all assets at the end of each financial year. If there is a difference in the expected residual value or useful life compared to previous estimates, or there is a significant change in the expected consumption pattern of future economic benefits of an asset, the change is accounted for in accordance with the provisions of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The estimated useful lives of each asset are as follows:

Research & development equipment	2~8 years
Office and miscellaneous equipment	2~10 years
Lease improvement	5~10 years

(14) Lease Transactions of Lessee - Right-of-Use Assets/Lease Liabilities

1.Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the company. When the lease contract is a short-term lease or relates to a low-value underlying asset, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. Lease liabilities are recognized on the lease commencement date at the. present value of lease payments not yet paid, discounted at the incremental borrowing rate of the company. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently, the interest method is used to measure the lease. Liabilities at amortized cost and interest expense is recognized over the lease term. When a lease modification does not qualify as a separate contract and results in a change in the lease term or lease payments, the lease liabilities are remeasured, and the right-of-use assets are adjusted accordingly.

3. Right-of-use assets are recognized at cost on the lease commencement date, which includes:

(1) the initial measurement of lease liabilities.

(2) any lease payments made before or on the lease commencement date. Subsequently, the cost model shall be used to measure the right-of-use asset, and depreciation expense shall be recognized when the asset reaches the end of its useful life or at the end of the lease term, whichever comes earlier. Any adjustment to the lease liability's remeasurement shall result in an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of the lease, the lessee shall reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between the adjusted lease liability and the right-of-use asset as a gain or loss in profit or loss.

(15) Intangible Assets

Computer software is recognized as costs and amortized using the straight-line method over the estimated useful lives of 1 to 3 years.

(16) Impairment of non-financial assets

For assets showing impairment indicators, the Group estimates their recoverable amounts on the balance sheet date. If the recoverable amount is lower than the carrying amount, impairment losses are recognized. The recoverable amount refers to the higher of the fair value of an asset less disposal costs or its value in use. Impairment losses are reversed when there is an indication that the impairment loss recognized in prior years has decreased or no longer exists. However, the carrying amount of an asset increased by the reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, less any depreciation or amortization charged in subsequent periods.

(17) Loan

This refers to long-term and short-term borrowings obtained from banks. When initially recognized, the Group measures these borrowings at fair value less transaction costs, and subsequently any difference between the carrying amount and the redemption value, net of transaction costs, is recognized as interest expense over the period of the borrowings using the effective interest method and an amortization schedule in the statement of comprehensive income.

(18) Account payable and Guarantee Notes

1. This refers to the liabilities arising from purchasing raw materials, goods, or services on credit, as well as the notes payable arising from both operating and non-operating activities.

2. These are short-term accounts payable and notes payable with unpaid interest, which are measured by the original invoice amount as the discount effect is not significant to the Group.

(19) Convertible company bonds

The convertible bonds issued by the Group contain embedded features, including a conversion option (i.e., the holder's right to convert the bonds into the Group's ordinary shares at a fixed amount for a fixed number of shares) and a put option. At initial recognition, the issuance proceeds are allocated between financial assets or equity instruments in accordance with the terms of the instrument, as follows:

1. Embedded Put Option: Initially recognized at fair value and accounted for as a financial asset at fair value through profit or loss (FVTPL). Subsequent changes in fair value are measured at each reporting date, with gains or losses recognized in profit or loss under FVTPL.

2. Host Debt Component: Recognized initially at fair value. The difference between the fair value and the redemption amount is recorded as a bond premium or discount. This component is subsequently measured using the effective interest method, with interest expense recognized in profit or loss as part of finance costs over the term of the bond.

3. Embedded Conversion Option (classified as equity): If the conversion option meets the definition of equity, the residual amount of the issuance proceeds, after deducting the fair value of the put option and the host debt component, is recognized in equity under "Capital Surplus – Stock Warrants." This equity component is not subsequently remeasured.

4. Transaction Costs: Any directly attributable transaction costs are allocated to each component (financial assets, liabilities, and equity) in proportion to their initial carrying amounts.

5. Conversion by Bondholders: Upon conversion, the carrying amounts of the liability components (including both the host debt and the FVTPL financial asset) are derecognized in accordance with their respective measurement bases. The total of these amounts, together with the carrying amount of the "Capital Surplus – Stock Warrants," is transferred to equity as the cost of the ordinary shares issued upon conversion.

(20) Derecognition of financial liabilities

The Group derecognizes financial liabilities when they are fulfilled, cancelled, or expire according to the terms of the contract.

(21) Liability provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the best estimate of the expenditures required to settle the obligation at the balance sheet date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense. Provisions are not recognized for future operating losses

(22) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid, and are recognized as an expense when the related service is provided.

2. Pension

(1) Defined contribution plans

For defined benefit plans, the amount of retirement benefits to be accrued is recognized as retirement benefit costs in the current period based on the occurrence of obligations and responsibilities. Prepaid contribution is recognized as an asset within the scope of refundable cash or reduced future benefits.

(2) Defined benefit plans

1. The net obligation under a defined benefit plan is calculated by discounting the future benefit payments earned by employees for their current or past service, using the present value of the defined benefit obligation as of the balance sheet date less the fair value of plan assets. The net obligation under the defined benefit plan is calculated annually by an actuary using the projected unit credit method, and the discount rate used is determined based on the market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity that match the expected cash flows of the obligations. In countries where there is no deep market for high-quality corporate bonds, the

discount rate is based on the market yields of government bonds as of the balance sheet date.

2. The remeasurement amount arising from defined benefit plans is recognized in other comprehensive income in the period in which it occurs and presented in retained earnings.
3. Expenses related to prior service costs are recognized immediately in the income statement.

3. Remuneration to employee and directors

Employee compensation and remuneration to directors and supervisors are recognized as expenses and liabilities when a legal or constructive obligation exists and the amount can be reasonably estimated. If the actual amounts subsequently approved differ from the estimates, the difference is accounted for as a change in accounting estimate. For employee compensation settled in shares, the number of shares to be issued is calculated based on the closing price of the Company's stock on the day before the resolution of the Board of Directors.

(23) Employee Share-Based Payment

1. The equity-settled share-based payment arrangement is a method of providing employee compensation by granting equity instruments at fair value on the grant date. The fair value of the equity instruments should reflect the effects of vesting conditions and non-vesting conditions. The related compensation cost is recognized as an expense over the vesting period, and the equity is correspondingly adjusted. The recognized compensation cost is adjusted for the expected number of awards that will ultimately vest, including the effects of non-market-based vesting conditions, until the amount recognized is based on the number of awards that actually vest on the vesting date.

2. Restricted Stock for Employees

(1) Recognize the cost of employee compensation over the vesting period based on the fair value of the equity instruments granted on the grant date.

(2) For employees who are not prohibited from participating in dividend distributions and are not required to return dividends already received upon resignation during the vesting period, the portion of dividends expected to be received by employees who are expected to resign within the vesting period is recognized as compensation cost at the fair value of the dividends on the date of the dividend announcement.

(3) Employees do not need to pay a purchase price to obtain restricted stock. If employees resign during the vesting period, the company will reclaim the shares at no cost and cancel them.

(24) Income Tax

1.Income tax expense includes current and deferred income tax. Except for income taxes related to items included in other comprehensive income or directly in equity, income tax is recognized in income.

2. The Group calculates the current income tax based on the tax rates that have been legislated or substantively enacted in the countries where the Group operates and generates taxable income as of the balance sheet date. Management assesses the status of income tax filings periodically in accordance with the applicable income tax regulations and estimates income tax liabilities based on expected tax payments to be made to tax authorities when applicable. Income tax expense on undistributed earnings, as required by income tax laws, is recognized when a resolution for the distribution of earnings is passed by the shareholders' meeting in the year following the year in which the earnings are generated and based on the actual distribution of earnings.

3. The deferred income tax is calculated based on the balance sheet method, recognizing temporary differences between the tax base of assets and liabilities and their carrying amounts on the consolidated balance sheet. The applicable tax rate (and tax law) expected to be used upon realization of the deferred income tax assets or settlement of the deferred income tax liabilities is based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

4. Deferred income tax assets may be recognized for the temporary differences that are likely to be utilized to offset future taxable income, and the unrecognized and recognized deferred income tax assets are re-evaluated on each balance sheet date.

(25) Capital

Common stock is classified as equity. The net amount after deducting income tax of the incremental cost attributed to the issuance of new shares or stock options is directly allocated to equity as a deduction from proceeds.

(26) Dividend distribution

Dividends distributed to the shareholders of this company are recognized in the financial statements when they are approved for distribution at the shareholders' meeting. Cash dividends are recognized as liabilities.

(27) Recognition of Revenue

Sale of Goods

1. The Group designs and sells products related to integrated circuits, and sales revenue is recognized when control of the products is transferred to customers, that is, when the products are delivered to the customers, and the customers have the discretion over the sales channel and price of the products. The Group has no remaining performance obligations that may affect the customers' acceptance of the products. When the products are shipped to the designated location, the risks of obsolescence, damage, and loss have been transferred to the customers, and the revenue recognition occurs when the customer accepts the products in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.

2. Sales revenue is recognized as the net amount of contract price, excluding. business tax, sales return, quantity discount and allowance. The amount of revenue recognition is limited to the portion that is highly probable not to be subject to significant reversals in the future and is updated at each balance sheet date based on estimation. Payment terms for sales transactions are typically 40 to 190 days after shipment, which is consistent with market practice, and therefore it is determined that there is no significant financing component included in the contracts.

3. Accounts receivable are recognized when goods are delivered to customers, as the Group has an unconditional right to payment for the contract price from that point in time, with only the passage of time required before the customer pays.

(28) Operating Segments

The operational information of this group is reported in a consistent manner in the internal management report provided to the main operational decision makers. The main operational decision makers are responsible for allocating resources to the operating departments and evaluating their performance. It has been identified that the board of directors is the main decision maker of this group.

5. **Critical Accounting Judgements, Estimations and Key Sources of Assumption Uncertainty**

The preparation of the Group's consolidated financial statements, the management. of this group has exercised its judgment to determine the accounting policies adopted and made accounting estimates and assumptions based on its reasonable expectations of future events as of the date of the balance sheet. Significant accounting estimates and assumptions made may differ from actual results, which will be continuously evaluated and adjusted based on historical experience and other factors. These estimates and assumptions carry the risk of significant adjustments to the amounts of assets and liabilities in the next financial year. Please refer to the following explanation regarding the uncertainties associated with significant accounting judgments, estimates, and assumptions:

(1) Accounting policy adoption significant judgments

None.

(2) Significant accounting estimates and assumptions

Inventory evaluation

Inventories are stated at the lower of cost or net realizable value., this group. must exercise judgment and estimation to determine the net realizable value of inventory as of the balance sheet date. This group evaluates the amount of inventory that has normal wear and tear, is obsolete or has no market sales value as of the balance sheet date and reduces the inventory cost to its net realizable value. Because the determination of the net realizable value used in the inventory valuation and the estimation of inventory obsolescence losses often involve subjective judgment and have a high degree of estimation uncertainty and because inventory and the provision for inventory obsolescence losses have a significant impact on the financial statements, significant changes may occur

6. **Contents of significant accounts**

(1) Cash and Cash Equivalent

	2024.12.31		2023.12.31	
Cash	$	30	$	30
Cash in Bank and Cheque		205,635		154,024
Term Deposit		432,973		103,188
	$	638,638	$	257,242

1. The above said term deposit is deemed as high liquidation investment matured within 3 months.
2. The Group deals with a number of financial institutions with good credibility, to lower credit risks. Thus, the risk to contract breach is deemed very low.
3. Cash and cash equivalents were not pledged for collateral. 。

(2) Financial assets valued through profit and loss

	2024.12.31		2023.12.31	
Financial assets valued at P&L				
Derivative tools- buy back option of convertible bonds	$	510	$	-
Value adjustments	(	420)		-
	$	90	$	-

1. The Group recognized net (losses) gains on financial assets at fair value through profit or loss in the amounts of ($376) and $177 for the years ended 2024 and 2023, respectively.
2. The Group did not pledge any financial assets at fair value through profit or loss as collateral.
3. For further information on the fair value of financial assets at fair value through profit or loss, please refer to N12(3).

(3) Financial assets at amortized cost

	2024.12.31		2023.12.31	
Current				
>3 months Term deposit	$	124,671	$	5,000
Term deposit pledged for collateral		-		225,682
Total	$	124,671	$	230,682
Non current				
Term deposit pledged for collateral	$	1,076	$	1,060

1. Regardless of the collateral held or other credit enhancements, it is the most representative of the Group's holdings of financial assets measured at amortized cost, the largest credit risk on December 31, 2024 and 2023. The insurance amount is the book value of the recognized financial assets.
2. Please refer to Note 8 for details on financial asset at amortized cost pledged as collateral.
3. Please refer to Note 12(2) for the credit risks on financial assets at amortized. cost. It is deemed that the possibility of contract breach is very low.

(4) Account receivables

	2024.12.31	2023.12.31
Account receivables	$ 159,665	$ 212,048
Less: allowances for doubtful accounts	(889)	(1,083)
	$ 158,776	$ 210,965

1. Age analysis:

	2024.12.31	2023.12.31
	Account receivables	Account receivables
Not past due	$ 158,822	$ 208,274
Past due 0~30 days	-	2,786
Past due 31-90 days	-	-
Past due over 91 days	843	988
	$ 159,665	$ 212,048

2. Balance of account receivables as of 2024.12.31, 2023.12.31 and 2023.01.01 are $159,665, $212,048 and $168,809.

3. The Group adopts a simplified approach to estimate expected credit. losses based on the provision matrix. The loss rate is adjusted based on historical and current information for a specific period to estimate the provision loss of accounts receivable.

4.Expected loss for the Group as of 2024.12.31, 2023.12.31 areas following:

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2024.12.31					
Expected loss %	0%~0.03%	0%~0.16%	1.49%~13.58%	100%	
AR total	$ 158,822	$ -	$ -	$ 843	$159,665
Allowance for credit impairment loss	$ 46	$ -	$ -	$ 843	$ 889

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2023.12.31					
Expected loss %	0%~0.03%	0%~0.81%	0%~30.56%	100%	
AR total	$ 208,274	$ 2,786	$ -	$ 988	$212,048
Allowance for credit impairment loss	$ 73	$ 22	$ -	$ 988	$ 1,083

5.The Group has adapted simplified measure for changes in allowance for impairment loss:

	2024	2023
	Account receivable	Account receivable
01.01	$ 1,083	$ 1,649
Allowance for impairment loss	(194)	(448)
Impact of consolidated/parent change	-	(118)
12.31	$ 889	$ 1,083

6. Please refer to Note 12(2) for details on AR credit risk.

(5) Inventory

2024.12.31	Costs	Allowance for inventory valuation loss	Book Value
Raw material	$ 109,435	($ 62,129)	$ 47,306
Work in process	112,027	(17,557)	94,470
Finished goods	21,423	(474)	20,949
	$ 242,885	($ 80,160)	$ 162,725

2023.12.31	Costs	Allowance for inventory valuation loss	Book Value
Raw material	$ 126,217	($ 22,158)	$ 104,059
Work in process	190,614	(28,817)	161,797
Finished goods	30,273	(5,864)	24,409
	$ 347,104	($ 56,839)	$ 290,265

1.Inventory cost recognized as loss for the period

	2024	2023
Cost of good sold	$ 428,271	$ 533,867
Inventory valuation loss	30,810	28,761
Others	3,069	814
	$ 462,150	$ 563,442

2. Inventory was not pledged for collateral.
3. The Group enters a long-term contract with the supplier, which stipulates the minimum amount or quantity to be purchased. If the Group fails to fulfill the contractual amount, the loss shall be recognized as the cost of the current period. N6(14).

(6) Real estate, plant and equipment

2024	R&D equipment	Office equipment	Improvement on lease	Equipment to be verified	Total
2024.01.01					
Cost	$ 91,537	$ 19,739	$ 5,247	$ -	$ 116,523
Accumulated depreciation	(71,473)	(13,505)	(1,524)	-	(86,502)
	$ 20,064	$ 6,234	$ 3,723	$ -	[redacted]
2024.01.01	$ 20,064	$ 6,234	$ 3,723	$ -	$ 30,021
Acquisition	36,036	1,823	130	1,071	39,060
Depreciation expense	(12,590)	(2,436)	(866)	-	(15,892)
2024.12.31	$ 43,510	$ 5,621	$ 2,987	$ 1,071	$ 53,189
2024.12.31					
Cost	$ 126,778	$ 21,438	$ 5,377	$ 1,071	$ 154,664
Accumulated depreciation	(83,268)	(15,817)	(2,390)	-	(101,475)
	$ 43,510	$ 5,621	$ 2,987	$ 1,071	$ 53,189

2023	R&D equipment	Office equipment	Improvement on lease	Total
2023.01.01				
Cost	$ 73,591	$ 17,970	$ 3,417	$ 94,978
Accumulated depreciation	(63,263)	(11,211)	(1,232)	(75,706)
	$ 10,328	$ 6,759	$ 2,185	$ 19,272
2023.01.01	$ 10,328	$ 6,759	$ 2,185	$ 19,272
Acquisition	17,946	1,838	3,181	22,965
Disposal	-	-	(1,109)	(1,109)
Depreciation expense	(8,210)	(2,363)	(534)	(11,107)
2023.12.31	$ 20,064	$ 6,234	$ 3,723	$ 30,021
2023.12.31				
Cost	$ 91,537	$ 19,739	$ 5,247	$ 116,523
Accumulated depreciation	(71,473)	(13,505)	(1,524)	(86,502)
	$ 20,064	$ 6,234	$ 3,723	$ 30,021

The real estate, plant and equipment were not pledged for collateral.

(7) Lease－lessee

	2024.12.31		2023.12.31	
Right-of-use assets:				
buildings	$	18,558	$	25,248
Transportation vehicles		1,453		2,250
	$	20,011	$	27,498
Lease liabilities:				
Current	$	6,180	$	6,101
Non current		13,297		20,759
	$	19,477	$	26,860

1. The lease include building and transportation vehicle. The contracts are normally 2~5 years. The lease contracts are negotiated separately with different terms and conditions. There are no other restrictions other than leased assets shall not be pledged for collaterals.
2. Depreciation expenses for right-of-use assets:

	2024		2023	
Building	$	6,689	$	7,003
Transport vehicle		798		663
	$	7,487	$	7,666

3. Acquisition of right-of-use asset for 01.01 to 12.31, 2024 and 2023 are $0 and $32,042.
4. Car park lease contract does not exceed 12 months. Office printer is regarded as low value lease asset.
5. P& L items related to lease contracts:

	2024		2023	
Interest expense from lease liabilities	$	642	$	567
Expenses of short term lease		630		261
Expenses of low-value lease		97		125
Expenses of changes in lease payment		-	(	143)

Note: the company terminated the office lease in June, 2024.

6. Cash outflow from lease for the period 01.01 to 12.31 of 2024 and 2023are $8,752 and $8,253.

7. Due to changes in lease contract during 2023, the amounts for right-of-use asset are decreased by $7,344; and lease liabilities are decreased by $7,487.

(8) Intangible asset

	2024	2023
	Computer software	Computer software
01.01		
Cost	$ 44,255	$ 25,204
Accumulated amortization	(20,393)	(4,369)
	$ 23,862	$ 20,835
01.01	$ 23,862	$ 20,835
Acquisition	35,464	23,890
Reclassified (note)	-	(470)
Amortization expenses	(32,776)	(20,393)
12.31	$ 26,550	$ 23,862
12.31		
Cost	$ 79,719	$ 44,255
Accumulated amortization	(53,169)	(20,393)
	$ 26,550	$ 23,862

Note: Reclassify computer software to prepaid items

Intangible assets amortization expenses:

	2024	2023
	Computer software	Computer software
Administration expenses	$ 2,478	$ 1,912
R&D expenses	30,298	18,481
	$ 32,776	$ 20,393

(9) Short term loan

	2024.12.31
Guarantee bank loan	$ 160,000
Range of interests	1.71%~1.99%

Not applicable for 2024.12.31.

1. Unused quota as of 2024.12.31 and 2023.12.31 are $350,000 and $220,000.
2. Please refer to Note 8 for details on short term loan pledged for collateral.

(10) Other account payables

	2024.12.30		2023.12.31	
Salary and bonus	$	15,458	$	13,462
Compensation to employee and directors		15,139		19,381
Intangible assets		3,816		-
Computer software royalty		2,400		1,978
Equipment		247		2,371
Others		6,916		5,580
	$	43,976	$	42,772

(11) Corporate bond

	2024.12.31	
Corporate bond	$	300,000
Less: discount	(	16,685)
	$	283,315

1. Not applicable for 2023.12.31.
2. Domestic corporate bond

2.1 conditions for 3rd domestic unsecured convertible corporate bond:

a. With the approval of the competent authority, the Company has issued the third unsecured domestic convertible bonds in total amount of NT$300,000 thousands. The bonds bear a zero percent (0%) coupon rate and have a maturity of three (3) years, commencing from June 25, 2024, and maturing on June 25, 2027. Upon maturity, the bonds will be redeemed in full at par value in cash. The bonds are scheduled to be listed on the Taipei Exchange (TPEx) and commence trading on June 25, 2024

b. Holders of these convertible bonds may, at any time starting from the day following the expiry of three months from the issuance date (i.e., September 26, 2024) and up to forty (40) days prior to the maturity date (i.e., May 16, 2027), request conversion of the bonds into the Company’s common shares, except during book closure periods as stipulated by applicable laws or regulations. The common shares issued upon conversion shall carry the same rights and obligations as the existing issued common shares of the Company.

c. The conversion price of these convertible bonds is determined in accordance with the pricing model set forth in the Conversion Rules. In the event of any anti-dilution adjustments as stipulated in the Conversion Rules, the conversion price shall be adjusted accordingly using the prescribed pricing model. Furthermore, on the reference dates specified in the Conversion Rules, the conversion price may be re-determined in accordance with the same pricing model. The initial conversion price for these convertible bonds is set at NT$65.8 per share.

d. From the day following one month after the issuance date until 40 days prior to the maturity date, if the closing price of the Company's common shares exceeds 150% of the then-effective conversion price for 30 consecutive trading days, or from the day following three months after the issuance date until 40 days prior to the maturity date, if the outstanding balance of the convertible bonds falls below 10% of the original total issuance amount, the Company may, at its discretion and at any time thereafter, redeem all outstanding bonds in cash at par value.

e. In accordance with the regulations, all convertible bonds that are redeemed by the Company (including those repurchased through the Taipei Exchange), repaid, or converted shall be cancelled, and all rights and obligations attached to such bonds shall be extinguished accordingly. No reissuance of such bonds will be made.

2.2 As of December 31, 2024, there had been no conversions of the convertible bonds into common shares, nor any repurchases of the bonds by the Company.

3. In accordance with IAS 32 "Financial Instruments: Presentation," at the time of issuance of the convertible bonds, the Company separated the equity component of the embedded conversion right from the liability component and recognized it under "Capital surplus – stock options from convertible bonds" in the amount of NT$20,876 thousands.

In addition, the embedded call option was separated in accordance with IFRS 9 "Financial Instruments," as its economic characteristics and risks are not closely related to those of the host debt instrument. Accordingly, it was recognized under "Financial assets at fair value through profit or loss."

After the separation, the effective interest rate of the host liability component was determined to be 2.03%.

(12) Pension

1. Defined benefit

(1) The company and its domestic subsidiaries have established a retirement. method with defined benefits in accordance with the provisions of the "Labor Standards Law", which is applicable to the full-time employees before the implementation of the "Labor Pension Regulations" on July 1, 1994, and after the implementation of the "Labor Pension Regulations", the employees who choose to continue to apply the Labor Standards Law have their subsequent years of service. For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before

retirement. The service years within 15 years (inclusive) will be given two bases for each full year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, maximum payout base is 45. The company allocates 2% of the total salary to the retirement fund on a monthly basis in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, estimation of the balance of the special account for labor retirement reserves will be made at the end of the year. If the balance is insufficient to cover the estimated amount of pensions calculated for employees who meet the retirement requirements in the next year, the balance will be calculated again before the end of March the following year.

(2) The amounts recognized in the balance sheet are as follows:

	2023.12.31	
Defined benefit obligation.	($	1,542)
Plan assets at fair value		7,248
Net defined benefit asset (Note).	$	5,706

Note: Classified as other non-current assets.

(3) The changes in net defined benefit liability are as follows:

	2024		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2024.01.01	($ 1,542)	$ 7,248	$ 5,706
Interest (expense) income	(460)	460	-
	(2,002)	7,708	5,706
Remeasurements:			
Plan assets return (note)	-	-	-
Financial assumption sensitivity	-	-	-
Experience adjustment	-	-	-
	-	-	-
Pension payments	2,002	(1,800)	202
Collect plan assets	-	(5,908)	(5,908)
2024,12,31	$ -	$ -	$ -

	2023		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2023.01.01	($ 1,462)	$ 7,090	$ 5,628
Interest (expense) income	(29)	142	113
	(1,491)	7,232	5,741
Remeasurements:			
Plan Assets Return (note)	-	16	16
Financial assumption sensitivity	(34)	-	(34)
Experience adjustment	(17)	-	(17)
	(51)	16	(35)
Pension payments	-	-	-
2023,12,31	($ 1,542)	$ 7,248	$ 5,706

Note: The amount included in interest income or expenses is not included.

(4) The assets of our company's defined benefit retirement plan fund are. managed by the Bank of Taiwan according to the proportion and amount range of entrusted operating items specified in the investment and utilization plan for that fund's fiscal year. The entrusted operations are carried out in accordance with Article 6 of the Labor Retirement Fund Income and Expenditure Custody and Utilization Regulations (i.e., depositing funds in domestic and foreign financial institutions, investing in equities traded on domestic and foreign stock exchanges or over-the-counter markets, or privately placed, and investing in securities of securitized products of domestic and foreign real estate, etc.). The related utilization situation is supervised by the Labor Retirement Fund Supervisory

Committee. For the fund's utilization, the minimum return for annual settlement and distribution shall not be lower than the interest rate calculated based on the two-year fixed deposit rate of local banks. If there is any shortfall, it shall be supplemented by the national treasury upon approval by the competent authority. Because our company has no right to participate in the operation and management of the fund, we are unable to disclose the classification of the fair value of plan assets as required by paragraph 142 of International Accounting Standard No. 19. Please refer to the annual labor retirement fund utilization reports announced by the government for the fair value of the total assets of that fund as of December 31, 2024 and 2023.

(5) The summary of actuarial assumptions regarding retirement benefits is as follows:

	2023
Discount rate.	1.88%
Future salary growth rate	2.50%

The assumption for future mortality rates is estimated based on the Taiwan life insurance industry's sixth experience life table. The impact on the determination of the present value of defined benefit obligations due to changes in the main actuarial assumptions used is analyzed as follows:

	Discount rate		Future salary growth rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
2023.12.31				
The impact on the present value of defined benefit obligations.	($ 67)	$ 70	$ 69	($ 66)

The sensitivity analysis described above analyzes the impact of a single assumption change while holding other assumptions constant. However, in practice, changes in many assumptions may be interrelated. Sensitivity analysis is consistent with the method used to calculate the net retirement benefit liability on the balance sheet.

The method and assumptions used in the sensitivity analysis prepared for the current period are the same as those used in the previous period.

(6) This group plans to stop making contributions in the fiscal year 2024 as the retirement reserve is fully funded.

2. Determination of Provision Plan.

(1) According to the "Labor Pension Act", the Company and its domestic subsidiaries have established a retirement method with definite contribution,

which is applicable to employees of their nationality. The company and domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Regulations" for employees and contribute labor pensions to the individual accounts of employees of the Labor Insurance Bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee's personal pension special account and accumulated income is collected in monthly pension or one-time pension。

(2) According to the pension insurance system stipulated by the government of the People's Republic of China, ENE Touch allocates pension insurance funds according to a certain percentage of the total salary of local employees every month. The pension of each employee is managed and arranged by the government, and the Group has no further obligations other than the monthly allocation.

(3) Amount recognized for the pension in according to the above method for the period ending 01.01~12.31 of 2024 and 2023 are $5,346 and $4,673.

(13) Share-based payments

1.Share based payment as of 2024.12.31:

Issuer	Type	Issuance date	Quantity	No. shares available for subscription per unit (shares)	Contract Period	Condition
ENE	Restricted employee stock	2022.05.10	20 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)
"	"	2022.03.16	980 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)

New shares with limited employee rights issued by the company may not be sold, pledged, transferred, gifted to others, encumbered, or disposed of in other ways before the vested conditions are met.

Note: For those who meet the service years and performance conditions stipulated in the Regulations on Employee Restricted Shares, the conditions are as follows:

Service with one year: 20%, Service with two years: 30%, Service with three years: 50%

2. Details for the above said share-based payments are as follows:

Restricted Employee Stock (RES) plan

	2024 Quantity (thousands)	2023 Quantity (thousands)
RES at the beginning of the period	748	1,000
Share acquired	(281)	(198)
Ineffective shares	-	(54)
RES at the end of the period	467	748

3. The par value of new shares issued by the Group to restrict employee shares is NT$10 per share, and the issue price per share is NT$0 (free for employees). The closing price on the date of grant ($41.5 and $40.25) is used to measure fair value.

4. The cost for above said RES for the period ending 2024.01.01~12.31 and 2023.01.01~2023.12.31 are $8,318 and $14,999.

(14) Other current liabilities- others

	2024.12.31	2023.12.31
Liability provisions	$ 30,725	$ 27,656
others	1,445	1,234
	$ 32,170	$ 28,890

Liability provisions

	2024.12.31	2023.12.31
2024.01.01	$ 27,656	$ 27,656
Liability provision for the current period	3,069	-
2024.12.31	$ 30,725	$ 27,656

The Group has entered into long-term agreements with certain suppliers, which include minimum purchase commitments in terms of amount or quantity for outsourced production. Management has assessed that failure to meet such minimum commitments may result in compensation for related losses; accordingly, a provision has been recognized. The related loss has been accounted for as a cost in the current period.

(15) Capital

1. As of 2024.12.31, the registered capital is $950,000, total of 95,000 thousand shares. Actual capital is $452,688 with par value of NT$10. The adjustment of shares for the period as following:

	2024	2023
01.01	45,268,841	45,322,841
RES	-	(54,000)
12.31	45,268,841	45,268,841

2. Restricted employee shares (RES)

In order to attract and retain professional talents and create the best interests of the company and shareholders, the company has passed the resolution of the BOD in March 2022 and May 2022 to issue new shares with restricted employee rights for free. The base date of issuance is March 16, 2022. And on May 10, 2022, the total amount was 1,000,000 shares. The employee's personal retention and annual performance evaluation standards have all met the vested conditions. If the vested conditions are not met, the company has the right to take back its shares without compensation and cancel them. As of December 31, 2024, 1,000,000 shares have been issued, 479 thousands shares are vested and 54 thousands shares canceled.

3. On April 30, 2024, the Board of Directors resolved to conduct a cash capital increase through the issuance of 2,000 thousand new common shares with a par value of NT$10 per share. The record date for subscription rights was set as July 1, 2024. However, in light of recent significant volatility in the capital markets and after considering the overall capital planning and shareholders' interests, the Company obtained approval from the Financial Supervisory Commission (FSC) on August 22, 2024, to cancel the proposed cash capital increase.

4. On November 18, 2021, the Company conducted a private placement of 8,000 thousand common shares. In accordance with Article 68 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the Company applied for retroactive public issuance and listing upon the expiration of the three-year restriction period on November 17, 2024. The application was approved and became effective on January 10, 2025, by the TWSE.

(16) Capital surplus

In accordance with the provisions of the Company Law, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. When the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to compensate it.

(17) Retained earning/Subsequent events

1. According to the company's Articles, if the company has a surplus in its annual final accounts, in addition to paying taxes in accordance with the law, it should first make up for the accumulated losses, and then allocate 10% of the balance as the statutory surplus reserve, but the statutory surplus reserve This is not the case when the total paid-in capital of the company has been reached; in addition, depending on the company's operating needs and legal requirements, the special surplus reserve shall be appropriated or reversed. If there is still a surplus, and the undistributed surplus at the beginning of the same period, the board of directors shall propose a shareholder dividend Proposal on distribution, after submitting to the shareholders' meeting for resolution.
2. The company's dividend policy is formulated in accordance with the company law and the company's Articles, and is determined based on factors such as the company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry to which it belongs. 50% of the surplus, cash dividends shall be withdrawn at no less than 50% of the total dividends for the year.
3. The statutory surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares.
4. When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet must be allocated as a special surplus reserve.
5. (1)Earning distributed as approved in Shareholders Meeting on 2024.05.28 and 2023.05.30 are:

	2023		2022	
	Amount	EPS	Amount	EPS
Legal reserve	$ 6,664		$ 7,208	
Cash dividends	45,269	$ 1.00	54,375	$ 1.20
	$ 51,933		$ 61,583	
	Amount	Cash distribution	Amount	Cash distribution
Distribution from capital surplus				
cash	$ 9,054	$ 0.20	$ -	$ -

(2)On February 25, 2025, the Board of Directors proposed the earnings appropriation plan for fiscal year 2024 and the distribution of cash from capital surplus as follows

	2024	
	Amount	EPS
Legal reserve	$ 4,990	
Cash dividends	45,269	$ 1.00
	$ 50,259	

	Amount	Per share Cash distribution
Cash distribution from capital surplus	$ 9,054	$ 0.20

The 2024 profit appropriation and dividend distribution from capital surplus is not yet resolved by the shareholders meeting.

(18) Operation revenue

The Group's revenue is mainly derived from goods transferred at a certain point in time, and revenue can be broken down into the following geographical areas：

2024	China	Taiwan	Others	Total
External customer contract	$ 437,506	$ 267,250	$ 16,466	$ 721,222

2023	China	Taiwan	Others	Total
External customer contract	$ 564,747	$ 300,960	$ 9,635	$ 875,342

(19) Other profit and loss

	2024	2023
Foreign exchange (loss)gain	$ 44,239	($ 513)
(loss) Gain from financial asset at fair value through P&L	(376)	177
Loss of investment disposal	-	(1,160)
Disposal of real estate, plant and equipment	-	(1,109)
Gain from lease change	-	143
Others	-	(261)
	$ 43,863	($ 2,723)

(20) Additional information on cost and expense

	2024		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 130,458	$ 130,458
Share based payment	-	8,318	8,318
Labor and health insurance expense	-	9,014	9,014
Pension expense	-	5,346	5,346
Other HR	-	4,587	4,587
	$ -	$ 157,723	$ 157,723
Depreciation expense	$ -	$ 23,379	$ 23,379
Amortization expense	$ -	$ 32,776	$ 32,776

	2023		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 126,771	$ 126,771
Share based payment	-	14,999	14,999
Labor and health insurance expense	-	8,242	8,242
Pension expense	-	4,673	4,673
Other HR	-	4,105	4,105
	$ -	$ 158,790	$ 158,790
Depreciation expense	$ -	$ 18,773	$ 18,773
Amortization expense	$ -	$ 20,393	$ 20,393

1. According to the company's Articles, the company shall allocate no less than 20% of the employee's remuneration and no more than 3% of the BOD's remuneration if there is a balance after deducting the accumulated losses.
2. Remuneration for BOD and employees are as follows:

	2024	2023
Remuneration to BODs	$ 1,929	$ 2,528
Remuneration to employees	13,210	16,853
	$ 15,139	$ 19,381

The estimation of profits is recognized in according to the Articles. For the period 01.01~12.31 of 2024 and 2023.

3. The remuneration for directors and employees for the fiscal year 2024, which was approved by the board of directors on February 25, 2025, is consistent with the estimated amount. The employee remuneration will

be paid in cash.

4. The remuneration of directors and employees approved by the board of directors in 2023 is consistent with the amount recognized in the financial report of 2023.

5. Please see MOPS for related information.

(21) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2024	2023
Current income tax:		
Current income tax expense	$ -	$ -
Undistributed profits	736	498
Under-estimation from prior year	-	209
	736	707
Deferred income tax:		
Origination and reversal of temporary differences	278	(2,497)
Income tax	$ 1,014	($ 1,790)

(2) Amount of income tax related to other comprehensive income:

	2024	2023
Foreign operations translation differences	-	(40)

2.The relationship between income tax benefit and accounting profit:

	2024	2023
Income tax calculated at statutory tax rate on income before income taxes (Note)	$ 10,182	$ 12,977
Expenses to be deducted in accordance with tax laws and regulations	9	-
Income exempted from taxation according to tax law	-	(58)
Undistributed profits	736	498
Under/Over estimation from prior year	-	209

Unrecognized deferred tax assets due to temporary differences	1,303	(209)
Changes in the assessment of realizability of deferred tax assets	(11,216)	(15,207)
Income tax benefit	$ 1,014	($ 1,790)

Note: The applicable tax rates are calculated based on the tax rates in the countries where the Company and its subsidiaries are located.

3. The amounts of deferred income tax assets or liabilities resulting from temporary differences and tax loss. carryforwards are as follows:

2024	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Deferred income tax asset				
-Temporary difference				
Unrealized loss from inventory value	$ 11,368	$ 4,664	$ -	$ 16,032
Unrealized gross profit on sales	3,260	7	-	3,267
Foreign investment accounted for using the equity method	1,288	(1,288)	-	-
	$ 15,916	$ 3,383	$ -	$ 19,299
Deferred income tax liabilities:				
-Temporary differences:				
Foreign exchange differences - operational entity	$ -	($ 84)	$ -	($ 84)
Unrealized translation gains.	-	(3,577)	-	(3,577)
	$ -	($ 3,661)	$ -	($ 3,661)

2023	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Deferred income tax asset				
- Temporary difference				
Unrealized inventory loss	$ 5,616	$ 5,752	$ -	$ 11,368
Unrealized gross profit on sales.	7,566	(4,306)	-	3,260
Foreign investment accounted for using the equity method	1,891	(1,891)	-	-
Unrealized exchange loss	-	1,288	-	1,288
	$ 15,073	$ 843	$ -	$ 15,916
Deferred income tax liabilities.				
- Temporary difference				
Foreign exchange differences - operational entity	($ 40)	$ -	$ 40	$ -
Unrealized translation gains.	(1,654)	1,654	-	-
	($ 1,694)	$ 1,654	$ 40	$ -

4. The effective period of unused tax losses and the amount of unrecognized deferred tax assets related to. the Company and its domestic subsidiaries are as follows:

2024.12.31

Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2014	$ 205,755	$ 80,936	$ 80,936	2024
2015	119,209	119,209	119,209	2025
2016	121,815	121,815	121,815	2026
2017	92,739	92,739	92,739	2027
2018	70,963	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 568,895	$ 568,895	

2023.12.31

Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2013	$ 68,245	$ -	$ -	2023
2014	205,755	129,720	129,720	2024
2015	119,209	119,209	119,209	2025
2016	121,815	121,815	121,815	2026
2017	92,739	92,739	92,739	2027
2018	70,963	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 617,679	$ 617,679	

5. The deductible temporary differences that have not been recognized as deferred tax assets

	2024.12.31	2023.12.31
Deductible temporary differences	$ 11,786	$ 5,271

6. Our company's income tax for operating businesses has been verified by the tax collection agency until fiscal year 2022.

(22) Earnings per share

	2024		
	$ after tax	Weighted average Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 49,899	44,742	$ 1.12
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 49,899	44,742	
Potential dilution impact	-	494	
RES	-	314	
Employee remuneration	$ 49,899	45,550	$ 1.10
Potential dilution impact attributed to the parent company	$ 49,899	44,742	$ 1.12

	2023		
	$ after tax	Weighted average Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 66,676	44,480	$ 1.50
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 66,676	44,480	
Potential dilution impact			
RES	-	504	
Employee remuneration	-	321	
Potential dilution impact attributed to the parent company	$ 66,676	45,305	$ 1.47

(23) Additional information to cash flow

Investment activity with partial cash payment:

	2024	2023
Acquisition of real estate, plant and equipment	$ 39,060	$ 22,965
Add: equipment payment at the beginning of the period	2,371	773
Less: equipment payment at the beginning of the period	(2,690)	(2,371)
Cash payment of the period	$ 38,741	$ 21,367

	2024	2023
Acquisition of intangible assets	$ 35,464	$ 23,890
Add: prepayment at end of the period	-	7,500
Less: payable intangible assets at the end of the period	(3,816)	-
Prepayment at the beginning of the period	(7,500)	(7,500)
Cash payment of the period	$ 24,148	$ 23,890

(24) Changes in liabilities from financing activities

2024

	Short term loan	Corporate bond	Lease liabilities	Total liabilities from financing activities
01.01	$160,000	$ -	$ 26,860	$ 186,860
Changes in financing cash flow	(160,000)	300,350	(7,383)	132,967
Other non-cash changes (N1)	-	(17,035)	-	(17,035)
12.31	$ -	$283,315	$ 19,477	$ 302,792

2023

	Short term loan	Long term loan	Lease liabilities	Total liabilities from financing activities
01.01	$196,000	$ 3,636	$ 10,201	$ 209,837
Changes in financing cash flow	(36,000)	(3,636)	(7,300)	(46,936)
Other non-cash changes (N2)	-	-	23,959	23,959
12.31	$160,000	$ -	$ 26,860	$ 186,860

Note 1: amortization of corporate bond and capital surplus-corporate bond options
Note 2: impact of foreign exchange

7. Related party transactions

(1) Related party

Related party	Relationship
ASUSTek Computer Inc. (Asus)	Key personnel of the Company (Institutional Director)
Siguard Microelectronic Corp. (Siguard)	Key personnel of the Company (Institutional Director)
Egis Technology Inc. (EgisTec)	Ultimate parent entity
Alcor Micro	Parent entity
Algoltek	Related company
Visubi	Related company

(2) Significant transactions with related parties

1.Sales

	2024	2023
Sales:		
ASUSTek	$ 119,175	$ 106,538

Product prices quoted to the related parties were determined by the product. specification. Therefore, prices quoted to the related parties were of no big difference to other customers.

2.Purchasing

	2024	2023
Outsourcing product purchase		
Egis	$ 181,689	$ 39,174

The trading conditions between the Company and related parties are no different to those with general suppliers.

	2024	2023
Service purchase		
Siguard	$ 11,828	$ 16,145

The trading conditions between the Company and related parties are no different to those with general suppliers.

3.R&D expenses

	2024	2023
Eqig	$ 34	$ 4,306
Alcor Micro	1,365	2,730
Visubi	363	-
	$ 1,762	$ 7,036

Expenses for IC research and development and masks.

4.Account receivable

	2024.12.31	2023.12.31
Service purchase		
ASUSTek	$ 51,748	$ 35,161

There is no bad debt allowances for the related party AR. The AR is mainly from product sales.

5.Account payable

	2024.12.31	2023.12.31
Account payable		
Egis	$ 16,718	$ 19,755
Siguard	1,590	3,333
	$ 18,308	$ 23,088
Other payable-equipment		
Egis	$ 2,443	$ -
Other payable-others		
Egis	$ 438	$ -
Siguard	310	-
Alcor micro	-	478
	$ 748	$ 478

Related party AP is mainly from purchasing transactions and masks, no interests incurred. Other payables are mainly from purchasing technology.

6.Prepaid account

	2024.12.31	2023.12.31
Egis	$ 1,284	$ -

7.Assets trading

(1)Acquisition of real estate, plant and equipment

	Accounting Subject	2024	2023
Egis	Purchase other equipment	$ 32,829	$ 6,707
Visubi	Purchase other equipment	2,528	-
		$ 35,357	$ 6,707

The trading conditions between the Company and related parties are no different to those with general suppliers.

(2) Acquisition of intangible assets

Accounting Subject	2024	2023

Egis	Purchase computer software	$ 7,500	$ -

8.Other non-current assets

	2024.12.31	2023.12.31
Deposits		
Algoltek	$ 688	$ 595
Prepayment intangible assets		
Egis	$ -	$ 7,500

Note: The company has signed a product development contract. The unpaid payment for the period ending 2024.12.31 is $7,500.

9.Lease -leasee

(1)The company rents office from Algoltek. The contract is for 5 years. The right-of-use asset for the period is $14,340. The company pays the rent on monthly basis.

(2)Lease liabilities

A.Amount at the end of the period:

	2024.12.31	2023.12.31
Algoltek	$ 9,605	$ 12,459

B.Interest expenses

	2024.12.31	2023.12.31
Algoltek	$ 343	$ 269

(3) Key personnel remuneration information

	2024	2023
Salary and other short term employee benefit	$ 31,941	$ 32,500
Post employment benefit	833	798
Share based payment	3,612	5,769
Total	$ 36,386	$ 39,067

8. Pledged Asset

Details of the assets provided as collateral by the Group are as follows:

	Book value		
Asset	2024.12.31	2023.12.31	Purpose
Term deposit(Note1)	$ -	$ 225,682	Note 3
Term deposit(Note2)	1,076	1,060	Note 4
	$ 1,076	$ 226,742	

Note1: financial asset at amortized cost -current

Note2: financial asset at amortized cost -non current

Note3: guarantee for short term loan

Note4: guarantee for tariff on imported raw material

9. Significant commitments

1. The group has signed a software licensing contract. As of December 31, 2024, the amount not yet paid is $5,607.
2. Please refer to Note7 for details on the unrecognized contractual commitments with related parties.

10. Losses due to major disasters

None.

11. Significant subsequent events

Please refer to Note6 (15)4 and Note6 (17)5 for details.

12. Others

(1) Capital management

The capital management objective of this group is to ensure the continued operation of the group, maintain the optimal capital structure to reduce the cost of funds, and provide returns to shareholders. In order to maintain or adjust the capital structure, the group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares of common stock in private placement, or sell assets to reduce debt. The group uses the debt-to-capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as equity reported on the consolidated balance sheet plus net debt.

In 2024, the capital management strategy of this group remains the same as in 2023, which is to maintain the debt-to-equity ratio within a reasonable range.

(2) Financial instruments

1.Types

For details regarding the amounts and information of the Group's financial assets (including cash and cash equivalents, financial assets at fair value through profit or loss, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables, and refundable deposits) and financial liabilities (including short-term borrowings, accounts payable (including related parties), other payables (including related parties), corporate bonds payable, deposits received, and lease liabilities), please refer to the consolidated balance sheet and Note 6

2.Risk management policy

(1) The daily operations of the Group are subject to various financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) The risk management work is carried out by the Finance Department of the Company in accordance with policies approved by the Board of Directors. The Finance Department works closely with the various operating units within the Company to identify, assess and mitigate financial risks. The Board of Directors has established written principles for overall risk management and also provides written policies for specific areas and matters, such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess cash.

3.Significana financial risks

(1) Market risks

Exposure to currency risk

A. The Group operates globally, therefore, it is exposed to. various currency exchange rate risks, mainly from the US dollar. The exchange rate risks arise from future business transactions and recognized assets and liabilities.

B. The Company financial assets and liabilities exposed to. exchange rate risk were as following:

	2024.12.31				
	Foreign currency		Book value	Sensitivity analysis	
	($thousands)	FX rate	(NTD)	Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 16,256	32.79	$533,034	1%	$ 5,330
Financial liabilities					
Monetary item					
USD: NTD	849	32.79	27,839	1%	278

	2023.12.31				
	Foreign currency		Book value	Sensitivity analysis	
	($thousands)	FX rate	(NTD)	Change %	Impact on P&L

Financial asset					
Monetary item					
USD: NTD	$ 21,740	30.71	$667,635	1%	$ 6,676
Financial liabilities					
Monetary item					
USD: NTD	791	30.71	24,292	1%	243

Recognized FX translation (loss)gains (realized and unrealized) are $44,239 and ($513) for period of 2024 and 2023.

Price risk

A. The Group is exposed to equity price risk arising from equity instruments classified as financial assets at fair value through profit or loss (FVTPL). To manage the price risk associated with equity investments, the Group diversifies its investment portfolio in accordance with internally established limits.

B. The Group primarily invests in open-end funds. The prices of these equity instruments are subject to volatility due to uncertainties regarding the future value of the underlying investments. The Group did not recognize any gains or losses arising from equity instruments measured at FVTPL during the years ended December 31, 2024 and 2023

Cash flow and fair value interest rate risk

A. The Group's interest rate risk primarily arises from borrowings issued at floating interest rates, exposing the Group to cash flow interest rate risk. In 2024 and 2023, the Group's borrowings issued at floating interest rates were denominated in NTD.

B. When the interest rate of NTD-denominated loans increases or decreases by 1% while all other factors remain unchanged, the profit before tax of the Company for the years 2024 and 2023 will decrease or increase by $0 and $1,280, respectively, mainly due to the change in interest expenses caused by the floating rate loans.

(2) Credit risk

A. The credit risk of the Group refers to the risk of financial loss caused by customers or counterparties of financial instruments being unable to fulfill contractual obligations. It mainly comes from counterparties being unable to settle accounts receivable according to payment conditions, and debt instruments investment contracts with cash flow measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

B. The Group establishes credit risk management from a group perspective. According to the internal credit policy, each operating unit within the group and each new customer must be managed and analyzed for credit risk before setting payment and delivery terms and conditions. Internal risk control is carried out by assessing the credit quality of customers by considering their financial condition, past experience, and other factors. The individual risk limit is set by the board of directors based on internal or external ratings and regularly monitors the use of credit limits.

C. The group adopts the following premise assumptions under IFRS 9 as a basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition:

(A) When the contractual payment terms of a financial asset are overdue for more than 30 days, it is considered that the credit risk of the financial asset has significantly increased since initial recognition.

(B) Financial assets that are rated as investment grade by any external credit rating agency on the balance sheet date are considered to have low credit risk.

D. When the payment terms of a contract are overdue for more than 90 days according to the agreed terms, it is considered a default.

E. The Group considers the characteristics of trade credit risk and categorizes accounts receivable from customers into groups. A simplified approach is used to estimate expected credit losses based on a matrix.

F. The indicators used by the Group to determine credit impairment of debt instrument investments are as follows:

(A) Significant financial difficulties of the issuer and a high probability of bankruptcy or other financial restructuring.
(B) The active market for the financial asset disappears due to the issuer's financial difficulties.
(C) The issuer delays or fails to pay interest or principal.
(D) Changes in national or regional economic conditions that are unfavorable and lead to the issuer's default.

G. After the collection process, the Group wrote off the amount of financial assets that cannot be reasonably expected to be recovered. However, the Group will continue to pursue legal proceedings to preserve its rights to the receivables.

H. The Group adjusts its forward-looking assessment to estimate the allowance for doubtful accounts by using loss rates established based on a specific historical and current information period. Please refer to Note6(4) for details.

(3) Liquidity Risk

A. Cash flow forecasts are prepared by individual operating entities within the Group and consolidated by the Group's finance department. The finance department monitors the forecasted cash needs of the Group to ensure that sufficient funds are available to support its operations.

B. Please refer to Note6(9) for loan un-used quota.

C. The non-derivative financial liabilities of the Group, except for those listed in the table below, are due within one year and represent significant cash flow amounts within one year from December 31, 2024 and December 31, 2023, including short-term borrowings, accounts payable, and other payables. These amounts are undiscounted and consistent with the balances of each item in the balance sheet.

2024.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 6,634	$ 13,649	$ 20,283
Corporate bond payables	-	300,000	300,000
2023.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 6,742	$ 23,007	$ 29,749

(3) Fair value of financial instruments

1. Categories of financial instruments and fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability (directly or indirectly).

Level 3: Assets or liabilities that are not observable market information (unobservable parameters).

2. Financial instrument not measured by fair value

(1) Other than items listed below, the carrying amount of the financial instruments not measured by fair value (cash and cash equivalent, financial assets at amortized cost, account receivables, other account receivables, account payables, other account payables, refundable deposits, short term loan, long term loan and lease liabilities) is regarded as reasonable fair value.

2024.12.31				
		Fair Value		
	Book Value	Level 1	Level 2	Level 3
Financial liability				
Corporate bond payable	$ 283,315	$ -	$ 285,270	$ -

Not applicable for 2023.12.31

(2) The methods and assumptions applied in estimating fair value are as follows:

Corporate bonds payable: Measured at the present value of expected future cash flows, discounted at the market interest rate as of the balance sheet date.

3. Valuation method and techniques to measure fair value

(1) The Group has classified assets and liabilities based on their nature. Relevant information is as follows:

2024.12.31	Level 1	Level 2	Level 3	Total
Asset				
Repetitive fair value				
Financial assets measure at fair value through P&L				
Redemption Right of Convertible Bonds	$ -	$ 90	$ -	$ 90

(2) The methods and assumptions used by the Group in measuring fair value are described as follows:
The fair value of financial instruments is determined using valuation techniques. These techniques may include referencing the current fair value of financial instruments with similar terms and characteristics, discounted cash flow analysis, or other valuation methodologies. Such models incorporate observable market data available as of the consolidated balance sheet date (e.g., the yield curve published by the Taipei Exchange).

4. For the period of 2024 and 2023, there was no transfer of Level1 and Level2

5. For the period of 2024 and 2023, there was no transfer of financial instruments in Level 3.

13. Other disclosures

(1) Information on significant transactions

1. Loans to other parties: none
2. Guarantees and endorsements for other parties: none
3. Securities held at the end of the period (other than investments in subsidiaries, associates and JVs): none
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: none
5. Acquisition of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none
6. Disposal of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none
7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: (attachment I)

8. Receivables from related parties with amount exceeding the lower of NT$100 million or 20% of capital stock: none

9. Trading in derivative instruments: Note 6(2)

10. Business relationship and significant intercompany transactions: none

(2) Investment

Not applicable.

(3) Investment in China

1.Basic information: please see attachment II

2. Direct or indirect significant transaction between investee in China and the company: none

(4) Major shareholders

Please refer to attachment II

14. Segment information

(1) General information

The Group is focus on the research and development, design, manufacture and sales of NB related application ICs. The Group operates as a single operation entity.

(2) Department information

1.The profit and loss of the Group's operating departments are measured by pre-tax operating profit and serve as the basis for performance evaluation. The accounting policies and accounting estimates of the operating department are the same as the summary of important accounting policies and important accounting estimates and assumptions described in Notes 4 and 5.

2.External revenue (no revenue from transactions within other operating units of the enterprise), profit and loss, and financial information reported to the chief operating decision maker are the same and measured in a consistent manner as revenue, profit and loss, and financial information in the consolidated income statement。

3.Total asset amount and total liability amount provided to the chief operating decision maker adopts the same measurement method as the assets and liabilities in this financial statement.

(3) Information by Product and Service

External customer revenue primarily comes from the design and sale of integrated circuit-related products.

(4) Regional information

The regional information for the years 2024 and 2023 of the Group is presented below:

	2024		2023	
	revenue	non-current assets	revenue	non-current assets
China	$ 437,506	$ 26,068	$ 564,747	$ 950
Taiwan	267,250	73,682	300,960	80,431
Others	16,466	-	9,635	-
Total	$ 721,222	$ 99,750	$ 875,342	$ 81,381

1. Revenue from external customers and non-current assets are attributed. based on the country of origin of the customer and the region where the asset is located.
2. Non-current assets refer to real estate, plant and equipment, right-of-use assets, intangible assets, and other non-current assets.

(5) Information on key customers

Key customer information for the 2024 and 2023 of the Group are as follows:

	2024	% of the accounting subject	2023	% of the accounting subject
	revenue		revenue	
customer A	$ 275,476	31%	$ 387,540	44%
ASUSTek	119,175	14%	106,538	12%

ENE Technology Inc

Purchase and sales with related parties that reach NT$100 Millions or 20% of the paid-in capital

January 1st to December 31st, 2024

Attachment I

Unit：NTD thousans

(unless otherwise indicated)

				Transaction details			Situation and reasons for trading conditions different to others		Account receivable, note		
Company of purchase or sales	Counterparty	Relationship	Purchase or sales	Amount	% of total purchase/sales	Credit period	Unit price	Credit period	Balance	% of total AR	Notes
ENE Technology Inc	ASUSTek Computer Inc.	The main management level of ENE (legal board of director)	Sales	$ 119,175	17%	90 days	All equivalent to normal business practices		$ 51,748	25%	
ENE Technology Inc	Egis	Ultimate parent company	purchase	181,689	26%	30 days	All equivalent to normal business practices		16,718	46%	note

Note: centralized procurement by Egis

ENE Technology Inc and Subsidiaries

Major Shareholders

2024.12.31

Attachment II

Major Shareholders	Shareholding	
	No. of shares	%
Alcor Micro Corp	8,000,000	17.65%

Stock Code：6243

ENE TECHNOLOGY INC

PARENT ONLY FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

December 31st, 2024 AND 2023

This document is a translated version from the Chinese version for the convenience of reader and for information purpose only. Any discrepancy between the English and Chinese version, the Chinese version shall prevail.

ADDRESS：4F, No.21, LIXING RD. HSINCHU SCIENCE PARK
Contact Number：886-3-666-2888

Translated Independent Auditor’s Review Report

To the Board of Directors of ENE TECHNOLOGY INC. :

Opinion

We have audited the accompanying financial statements of ENE TECHNOLOGY INC (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent only financial statements present fairly, in all material respects, the parent only financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing stands generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of ENE Technology Inc. and its subsidiaries 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 judgement, were of most significance in our audit of the parent only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent only financial statements for the year ended December 31, 2024 are stated as follows:

1. Key Audit Matters - Allowance for impairment losses on inventories

Description of matters:

ENE TECHNOLOGY Inc designs, manufactures, and sells integrated circuit-related products. Due to the short lifecycle of electronic products and intense market competition, there is a higher risk of inventory obsolescence and losses from price declines. For information regarding the accounting policies, accounting estimates, and assumption uncertainty of the valuation of inventory, as well as allowance for inventory impairment loss, please refer to Notes 4(11), 5(2), and 6(5).

Due to the rapid change of technology industry in which ENE TECHNOLOGY Inc. operates, and the subjectivity involved in assessing the net realizable value of obsolete inventory and the basis for evaluating inventory obsolescence losses, there is a high degree of estimation uncertainty. Given the significant impact of inventory and its allowances for declines in value on the parent only financial statements, the auditor has identified the assessment of inventory allowances for declines in value as the most critical area for audit in the current year.

Our key audit procedures performed in respect of the mentioned item included the following:

The auditor has performed the following procedures regarding the critical audit area mentioned above:

1. Based on the auditor's understanding of ENE TECHNOLOGY Inc. business and industry characteristics, evaluating the policy on inventory valuation and Impairment loss as well as the reasonableness of allowances on inventory valuation and impairment loss.
2. Verify the accuracy and completeness of the inventory aging report and its underlying system logic.
3. Test the market value basis for individual inventory item's net realizable value, and select samples to confirm the accuracy of their net realizable value calculations.

Responsibilities of Management and Those Charges with Governance for the Parent only Financial Statements

Management is responsible for the preparation and fair presentation of the parent only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of parent only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent only financial statement, management is responsible for assessing the ENE TECHNOLOGY Inc. 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 ENE TECHNOLOGY Inc or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the ENE TECHNOLOGY Inc. financial reporting process.

Auditors' Responsibilities for the Audit of the Parent only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent only financial statements 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 auditing standards generally accepted in 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 based on this parent only financial statement.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also do below :

1. Identify an assess the risks of material misstatement of the parent 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 ENE TECHNOLOGY Inc. 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 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 ENE TECHNOLOGY Inc to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent only financial statements, including the disclosures, and whether the parent only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent only financial statements. We are responsible for the direction, supervision and performance of the Company 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 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.

PricewaterhouseCoopers Taiwan

Pei-Chuan Huang

CPA

Chin-Chang Chen

ENE Technology Inc. and Subsidiaries

Parent only Balance Sheet

January 1st to December 31st, 2024 & 2023

Unit: NTD thousands

	Assets	Note	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current Assets					
1100	Cash & cash equivalents	6(1)	$ 638,638	50	$ 257,242	23
1110	Financial assets at fair value through P&L- current	6(2)	90	-	-	-
1136	Financial asset after amortization current	6(3) & 8	124,671	10	230,682	20
1170	Net accounts receivables	6(4)	158,776	13	210,965	18
1180	Accounts receivable- related parties	7	51,748	4	35,161	3
130X	Inventories	6(5)	162,725	13	290,265	25
1410	Pre-payments	7	3,412	-	4,683	-
1479	Other current assets-others		4,753	-	4,883	1
11XX	**Total Current Assets**		1,144,813	90	1,033,881	90
	Non-Current Asset					
1535	Financial assets after amortization －non current	6(3)&8	1,076	-	1,060	-
1600	Property, plant and equipment	6(7)&7	53,189	4	30,021	3
1755	Right-of-use asset	6(8)&7	20,011	2	27,498	3
1780	Intangible asset	6(9)&7	26,550	2	23,862	2
1840	Deferred tax asset	6(22)	19,299	2	15,916	1
1900	Other non-current assets	6(13)&7	2,069	-	15,189	1
15XX	**Total Non-current assets**		122,194	10	113,546	10
1XXX	**Total Assets**		$ 1,267,007	100	$ 1,147,427	100

(Continue next page)

ENE Technology Inc. and Subsidiaries
Parent only Balance Sheet
January 1st to December 31st, 2024 & 2023

Unit: NTD thousands

	Liabilities and Equity	Note	2024.12.31 Amount	%	2023.12.31 Amount	%
	Current Liabilities					
2100	Short term loan	6(10)	$ -	-	$ 160,000	14
2170	Account payables		18,148	1	45,348	4
2180	Account payable - related parties	7	18,308	1	23,088	2
2200	Other account payables	6(11)	43,976	3	42,772	4
2220	Other account payables-related party	7	3,191	-	478	-
2280	Lease liabilities-current	6(8)	6,180	1	6,101	1
2399	Other current liabilities-others	6(15)	32,170	3	28,890	2
21XX	**Total current liabilities**		121,973	9	306,677	27
	Non-Current liabilities					
2530	Corporate bonds payables	6(12)	283,315	23	-	-
2570	Deferred income tax liabilities	6(22)	3,661	-	-	-
2580	Lease liabilities－non current	6(8)	13,297	1	20,759	2
2600	Other non current liabilities		3	-	3	-
25XX	**Non current liabilities**		300,276	24	20,762	2
2XXX	**Total liabilities**		422,249	33	327,439	29
	Equity					
	Equity attributed to Parent					
	Capital	6(16)				
3110	Ordinary share capital		452,688	36	452,688	39
	Capital surplus	6(17)				
3200	Capital surplus		289,058	23	277,236	24
	Retained earnings	6(18)				
3310	Legal reserve		19,879	1	13,215	1
3350	Undistributed earnings		84,844	7	86,878	8
	Other equity					
3400	Other equity		(1,711)	-	(10,029)	(1)
3XXX	**Total equity attributed to Parent company**		844,758	67	819,988	71
	Significant or liable and unrecognized committed contract	9				
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 1,267,007	100	$ 1,147,427	100

ENE Technology Inc. and Subsidiaries
Parent only Statement of Comprehensive Income
January 1st to December 31st, 2024 & 2023

	Item	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6(19) &7	$ 721,222	100	$ 875,342	100
5000	Operating cost	6(5)	(462,150)	(64)	(563,442)	(64)
5900	Gross margin		259,072	36	311,900	36
	Operating expense	6(21)&7				
6100	Selling expense		(76,269)	(11)	(76,343)	(9)
6200	General & admin expense		(75,871)	(10)	(75,417)	(9)
6300	R & D expense		(114,006)	(16)	(108,079)	(12)
6450	Expected credit loss	6(4)	194	-	448	-
6000	Total operating expense		(265,952)	(37)	(259,391)	(30)
6900	Operating profit (loss)		(6,880)	(1)	52,509	6
	Non-operating income and expense					
7100	Interest income		18,830	3	17,678	2
7010	Other income		442	-	1,491	-
7020	Other profit and loss	6(20)	43,863	6	(2,723)	-
7050	Financial cost		(5,342)	(1)	(4,069)	-
7070	Share of P&L of subsidiaries, associates, and JVs accounted using the equity method	6(6)	-	-	(683)	-
7000	Total of non operating income and expense		57,793	8	12,377	2
7900	**Profit before income tax**		50,913	7	64,886	8
7950	Income tax expense	6(22)	(1,014)	-	1,790	-
8200	**Net profit for the period**		$ 49,899	7	$ 66,676	8
	Other comprehensive profit and loss (net)					
8311	Gain/Loss of remeasurement of defined benefit plan	6(13)	$	-	($ 35)	-
	Items may be reclassified to profit and loss					
8361	Cumulative translation differences of foreign operation	6(6)		-	(201)	-
8399	Income tax relating to items may be reclassified	6(22)		-	40	-
8300	**Other comprehensive profit and loss (net)**		$	-	($ 196)	-
8500	**Total comprehensive profit and loss**		$ 49,899	7	$ 66,480	8
	Net profit attributed to:					
8610	Parent company		$ 49,899	7	$ 66,676	8
	Comprehensive P&L attributed to:					
8710	Parent company		$ 49,899	7	$ 66,480	8

			$	
	Earning per share	6(23)		
9750	Basic earning per share		1.12	1.50
9850	Diluted earning per share		$ 1.10	$ 1.42

ENE Technology Inc. & Subsidiaries
Parent only Statements of Changes in Equity
January 1st to December 31st, 2024 & 2023

Unit：NTD$ Thousands

	Note	Equity attributed to Parent Company								
			Capital surplus		Retained earnings		Others			
	Note	Ordinary shares capital	Capital Surplus －Premium	Capital Surplus － Others	Legal reserve	Undistributed earning	Cumulative translation differences of foreign operation	Unrealized P&L from financial assets measured at fair value through P&L	Other equity－Others	Total equity
2023										
Balance as of 0101		$ 453,228	$ 232,218	$ 44,549	$ -	$ 6,007	$ 81,820	$ 161	($ 25,099)	$ 792,884
Net profit of the period		-	-	-	-	-	66,676	-	-	66,676
Comprehensive P & L of the period		-	-	-	-	-	(35)	(161)	-	(196)
Total of comprehensive P&L of the period		-	-	-	-	-	66,641	(161)	-	66,480
2022 earning distributions and allotment	6(18)									
Legal reserve		-	-	-	-	7,208	(7,208)	-	-	-
Cash dividends		-	-	-	-	-	(54,375)	-	-	(54,375)
Share-based payment transaction	6(14)	(540)	6,112	(5,643)	-	-	-	-	15,070	14,999
Balance as of 1231		$ 452,688	$ 238,330	$ 38,906	$ -	$ 13,215	$ 86,878	$ -	($ 10,029)	$ 819,988
2024										
Balance as of 0101		$ 452,688	$ 238,330	$ 38,906	$ -	$ 13,215	$ 86,878	$ -	($ 10,029)	$ 819,988
Net profit of the period		-	-	-	-	-	49,899	-	-	49,899
Total of comprehensive P&L of the period		-	-	-	-	-	49,899	-	-	49,899
2023 earnings distribution and allotment	6(18)									
Legal reserve		-	-	-	-	6,664	(6,664)	-	-	-
Cash dividends		-	-	-	-	-	(45,269)	-	-	(45,269)
Cash dividends from capital surplus	6(18)	-	(9,054)	-	-	-	-	-	-	(9,054)
Share-based payment transaction	6(14)	-	8,658	(8,658)	-	-	-	-	8,318	8,318
Convertible CB recognized as equity- stock options	6(12)	-	-	-	20,876	-	-	-	-	20,876
Balance as of 1231		$ 452,688	$ 237,934	$ 30,248	$ 20,876	$ 19,879	$ 84,844	$ -	($ 1,711)	$ 844,758

ENE Technology Inc. and Subsidiaries
Parent only Statements of Cash Flows
January 1st to December 31st, 2024 & 2023

Unit: NTD$ Thousands

	Notes	20240101~1231	20230101~1231
Cash flow from operating activities:			
Income before income tax		$ 50,913	$ 64,886
Adjustments			
Income and expenses/loss items			
Depreciation	6(21)	23,379	18,773
Amortization	6(21)	32,776	20,393
Expected credit impairment loss	6(4)	(194)	(448)
Net financial asset at fair value through P&L (profit) loss	6(2)(20)	376	(177)
Interest expenses		5,342	4,069
Interest income		(18,830)	(17,678)
Cost for share-based payment compensation	6(14)	8,318	14,999
Loss from disposal of real estate, plant and equipment	6(20)	-	1,109
Loss from disposal of investment	6(20)	-	1,160
Unrealized foreign exchange profit (loss)		1,075	(702)
Profit from change of lease	6(8)(20)	-	(143)
Other revenue		-	(1,340)
Share of Loss of Associates Accounted for Using the Equity Method	6(6)		683
Changes in operating assets and liabilities			
Net changes in operating related assets			
Current financial assets at fair value through profit or loss		44	177
Account receivables (include related parties)		35,796	(44,037)
Inventories		127,540	84,979
Prepaid payments		1,271	15,142
Net defined benefit assets		5,706	(113)
Other current assets		1,134	958
Net changes in operating related liabilities			
Account payables (include related parties)		(31,980)	(18,394)
Other account payables (include related parties)		(136)	(1,101)
Other current liabilities		3,280	-
Cash flows from operating activities (outflow) inflow		245,810	142,512
Interest received		18,934	17,656
Interest paid		(2,093)	(4,040)
Income tax paid		(1,844)	(1,719)
Net cash outflow from operating activities		260,807	154,409
Cash flow from investment activities			
Acquisition of financial asset after amortization		(119,173)	(15,422)
Disposal of financial assets after amortization		224,093	46,883
Acquisition of real estate, plant and equipment	6(24)	(38,741)	(21,367)
Acquisition of intangible assets	6(24)	(24,148)	(23,890)
Net cash inflow from the disposal of a subsidiary	6(6)	-	(2,817)
Increase of guarantee deposits (other non-current asset)		(86)	(828)
Increase of other non-current asset		-	(7,500)
Net cash inflow from investment activities (outflow)		41,945	(24,941)
Cash flow from financing activities			
Short term loan repayments	6(25)	(160,000)	(36,000)
Corporate bonds	6(25)	300,350	-
Long term loan repayment	6(25)	-	(3,636)
Lease liabilities principle repayment	6(25)	(7,383)	(7,300)
Cash dividends from capital surplus	6(17)	(9,054)	-
Cash dividends	6(18)	(45,269)	(54,375)
Refundable deposits (decrease) increase		-	(3)

Net cash outflow from financing activities	78,644	(101,314)
FX impact on cash and cash equivalent	-	(36)
Net (decrease) increase in cash and cash equivalent	381,396	28,118
Cash and cash equivalent at beginning of period	257,242	229,124
Cash and cash equivalent at end of period	$ 638,638	$ 257,242

ENE Technology Inc. and Subsidiaries
Notes to Parent only Financial Statements
January 1st to December 31st, 2024 & 2023

Unit：NTD$ thousands
(except otherwise indicated)

1. Company history

ENE TECHNOLOGY INC. (the “Company”) was incorporated as a company by shares on May 20th, 1998. The Company and its subsidiaries (the “Group”) is focused on the R&D, design, development, production and sales of electronic components, information software and circuit design services.

Alcor Micro Corp. is the parent company since June 9th, 2023, the ultimate controlling parent company is Egis Technology Inc.

2. The date and procedure of authorization for issuance of the parent only financial statements

These parent only financial statements were approved and authorized by the Board of Directors on February 25th, 2025.

3. Application of New Standards, Amendments, Principles and Interpretations

(1) Effects of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS) as endorsed by the Financial Supervisory Commission (FSC)

The new standards, amendments, principles and interpretations endorsed by the FSC effective from 2024 adopted by the Company are as follows

New Standards／Amendments／Principles and Interpretations	Effective date by IASB
Amendments to IFRS 16 “Lease liabilities in a sale and leaseback”	2024.01.01
Amendments to IAS 1 “To classify debt as current or non-current”	2024.01.01
Amendments to IAS 1 “Non-current liabilities with contractual terms”	2024.01.01
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	2024.01.01

After assessing the above standards and interpretations, the Company found no major impact on the parent only financial report.

(2) The impact of IFRSs issued by IASB and endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, and endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	**Effective date by IASB**
Amendments to IAS 21 "Lack of exchangeability"	2025.01.01

After assessing the above standards and interpretations, the Company found no major impact on the parent only financial report.

(3) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	**Effective date by IASB**
Amendments to IFRS 9 and IFRS 7 "Classification and measurements of financial instruments"	2026.01.01
Amendments to IFRS 9 and IFRS 7 "Contracts that reference nature dependent electricity"	2026.01.01
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"	TBD
IFRS 17 "Insurance Contracts"	2023.01.01
Amendments to IFRS 17 "Insurance Contracts"	2023.01.01
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – Comparative information"	2023.01.01
IFRS 18 "presentation and disclosure in Financial Statements	2027.01.01
IFRS 19 Subsidiaries without Public Accountability: Disclosures	2027.01.01
Improvements to IFRS 2010s- Version 11th	2026.01.01

Except for IFRS 18 "Presentation and Disclosure in Financial Statements," which is still under evaluation, the Group has assessed that the above standards and interpretations do not have a material impact on its financial position and financial performance.

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the statement of profit or loss and other comprehensive income. It introduces new disclosures on management-defined performance measures and enhances the principles for aggregation and disaggregation used in the primary financial statements and the notes.

4. Summary of Significant Accounting Policies

The principle accounting policies applied in the preparation of the parent only financial statements are outlined below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

(1) Statement of Compliance

These parent only financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Preparation basis

1. Other than the items below, the parent only report is prepared based on historical cost:

   (1) Financial asset and liability at fair value through profit and loss, financial asset and liability at fair value through other comprehensive income.

   (2) Defined benefit asset measured by pension asset less present value of defined benefit obligation.

2. The preparation of financial reports in compliance with IFRSs requires the use of some important accounting estimates. In the process of applying the company's accounting policies, management also needs to use its judgment, which involves projects with a high degree of judgment or complexity, or involves significant assumptions and estimates in the parent only financial reports. Please refer to Note 5 for details of the project.

(3) Foreign currency translation

All items presented in the financial statements of each entity within the Company are measured using the functional currency of that entity's primary economic environment. The functional currency is the currency in which an entity primarily generates and expends cash. The parent only financial statements are presented in the functional currency of the Company, which is the New Taiwan Dollar (NTD).

1. Foreign currency transactions and balances

   (1) Foreign currency transactions are translated into the functional currency using the exchange rates on the transaction or measurement date, and any resulting translation differences are recognized in the current period's income statement.

   (2) Foreign currency monetary assets and liabilities are remeasured at the exchange rates on the balance sheet date, and any resulting translation differences are recognized in the current period's income statement.

   (3) The balances of non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are adjusted to reflect the spot exchange rates as of the balance sheet date. The resulting exchange differences from the adjustments are recognized in the current period's profit or loss. For those denominated in foreign currencies that are measured at fair value through other comprehensive income, the resulting exchange differences from the adjustments are recognized in the other comprehensive income section of the statement of comprehensive income. For those not measured at fair value, they are measured at the historical exchange rates on the initial transaction date.

   (4) All other exchange gains or losses are reported in the "Other gains

and losses" section of the statement of profit or loss based on the nature of the transactions.

2. Conversion of operating agencies overseas

Conversion of functional currency and presentation currency for all entities, related companies, and joint agreements that have different functional currency and presentation currency. The operating results and financial status are converted to presentation currency as follows:

(1) Assets and liabilities on each balance sheet are converted using the closing exchange rate on the date of the balance sheet

(2) Revenue and expenses on each income statement are converted using the average exchange rate for the current period

(3) Any exchange differences arising from the conversion are recognized as other comprehensive income.

(4) Standards for Assets and Debts Classified as Current and Non-Current

1. An asset is classified as current when:

(1) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.

(2) The Company holds the asset primarily for the purpose of trading.

(3) The Company expects to realize the asset within twelve months after the reporting period.

(4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all assets that do not meet the above criteria as non-current assets.

2. A liability is classified as current when:

(1) The Company expects to settle the liability in its normal operating cycle.

(2) The Company holds the liability primarily for the purpose of trading.

(3) The liability is due to be settled within twelve months after the reporting period.

(4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all assets that do not meet the above criteria as non-current liability

(5) Cash equivalent

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time and are subject to minimal risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

(6) Financial assets through profit & loss at fair value

1. Refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive profit or loss. ◦
2. The Company adopts transaction date accounting for financial assets measured at fair value through profit or loss that are consistent with conventional transactions. ◦
3. The company measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit and loss. Subsequently, it is measured at fair value, and its profits or losses are recognized in profit and loss.

(7) Financial assets measured at amortized cost

1. Refers to items that meet all of the following criteria:

(1) The financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial asset.

(2) The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. The Group applies the trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with market conventions.

3. The Group initially measures these financial assets at fair value plus transaction costs. Subsequently, interest income is recognized over the holding period using the effective interest method under the amortized cost approach, and impairment losses are recognized as incurred. Upon derecognition, any resulting gain or loss is recognized in profit or loss.

4. The Group holds time deposits that do not qualify as cash equivalents. However, due to their short holding periods and the immaterial effect of discounting, they are measured at the investment amount.

(8) Accounts Receivable

1. Refers to the amount receivable for goods or services transferred under a. contract, which has an unconditional right to receive.

2. Short-term accounts receivable that have not yet accrued interest are measured at their original invoice amounts as the effect of discounting is not significant.

(9) Impairment of Financial Assets

On each balance sheet date, the Company considers all reasonable and. supportable information (including forward-looking information) to assess the credit risk of debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost.

For financial assets for which credit risk has not increased significantly since initial recognition, the Company measures the expected credit loss amount over 12 months as the provision for impairment losses. For financial assets for which credit risk has increased significantly since initial recognition, the Company measures the expected credit loss amount over the remaining life of the financial asset as the provision for impairment losses.

For trade receivables or contract assets that do not contain a significant financing component, the Company measures the provision for impairment losses based on the expected credit loss amount over the remaining life of the financial asset.

(10) Derecognition of financial assets

The contractual rights to receive cash flows from a financial asset have expired, the Company derecognizes the financial asset.

(11) Inventory

Inventory is measured at cost or net realizable value, whichever is lower, using the weighted average method for cost determination. When comparing cost and net realizable value, the lower amount is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary selling expenses.

(12) Investment using Equity Method- Subsidiary

1. Subsidiary means an entity (including a structured entity) controlled by the Company when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to influence the entity through its power over the entity When waiting for remuneration, the company controls the individual。
2. Unrealized gains and losses arising from transactions between the Company and its subsidiaries are eliminated. The accounting policy of the subsidiary has been adjusted as necessary to be consistent with the policy adopted by the company。
3. The Company recognizes the share of profit or loss acquired by the subsidiary as current profit or loss, and the share of other comprehensive profit or loss acquired by the subsidiary as other comprehensive profit or loss. If the share of losses recognized by the company for a subsidiary is equal to or exceeds the equity in the subsidiary, the company will continue to recognize losses in proportion to its shareholding。
4. In accordance with the "Standards for the Preparation of Financial Reports of Securities Issuers", the current profit and loss and other comprehensive profit and loss in the individual financial report should be the same as the share of the current profit and loss and other comprehensive profit and loss

attributable to the owners of the parent company in the financial report prepared on a consolidated basis. Reporting owner's equity should be the same as the equity attributable to the owner of the parent company in the financial report prepared on a consolidated basis。

(13) Property, Plants and Equipment

1. Property, plant and equipment are recorded at cost of acquisition.

2. Subsequent costs are included in the carrying amount of an asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Any replaced part's carrying amount is derecognized. All other maintenance expenses are recognized in profit or loss as incurred.

3. Property, plant and equipment are measured using the cost model and depreciated using the straight-line method over their estimated useful lives. Depreciation of significant components of property, plant and equipment is recognized separately.

4. The Company reviews the residual values, useful lives, and depreciation methods of all assets at the end of each financial year. If there is a difference in the expected residual value or useful life compared to previous estimates, or there is a significant change in the expected consumption pattern of future economic benefits of an asset, the change is accounted for in accordance with the provisions of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The estimated useful lives of each asset are as follows:

Research & development equipment	2~8 years
Office and miscellaneous equipment	2~10 years
Lease improvement	5~10 years

(14) Lease Transactions of Lessee - Right-of-Use Assets/Lease Liabilities

1.Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the company. When the lease contract is a short-term lease or relates to a low-value underlying asset, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. Lease liabilities are recognized on the lease commencement date at the. present value of lease payments not yet paid, discounted at the incremental borrowing rate of the company. Lease payments include fixed payments, less any lease incentives receivable.

Subsequently, the interest method is used to measure the lease. Liabilities at amortized cost and interest expense is recognized over the lease term. When a lease modification does not qualify as a separate contract and results in a change in the lease term or lease payments, the lease liabilities are remeasured, and the right-of-use assets are adjusted accordingly.

3. Right-of-use assets are recognized at cost on the lease commencement date, which includes:

(1) the initial measurement of lease liabilities.

(2) any lease payments made before or on the lease commencement date. Subsequently, the cost model shall be used to measure the right-of-use asset, and depreciation expense shall be recognized when the asset reaches the end of its useful life or at the end of the lease term, whichever comes earlier. Any adjustment to the lease liability's remeasurement shall result in an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of the lease, the lessee shall. reduce the carrying amount of the right-of-use asset to reflect the termination of the lease partially or entirely and recognize the difference between the adjusted lease liability and the right-of-use asset as a gain or loss in profit or loss.

(15) Intangible Assets

Computer software is recognized as costs and amortized using the straight-line method over the estimated useful lives of 1 to 3 years.

(16) Impairment of non-financial assets

For assets showing impairment indicators, the Company estimates their recoverable amounts on the balance sheet date. If the recoverable amount is lower than the carrying amount, impairment losses are recognized. The recoverable amount refers to the higher of the fair value of an asset less disposal costs or its value in use. Impairment losses are reversed when there is an indication that the impairment loss recognized in prior years has decreased or no longer exists. However, the carrying amount of an asset increased by the reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, less any depreciation or amortization charged in subsequent periods.

(17) Loan

This refers to long-term and short-term borrowings obtained from banks. When initially recognized, the Company measures these borrowings at fair value less transaction costs, and subsequently any difference between the carrying amount and the redemption value, net of transaction costs, is recognized as interest expense over the period of the borrowings using the effective interest method and an amortization schedule in the statement of comprehensive income.

(18) Account payable

1. This refers to the liabilities arising from purchasing raw materials, goods, or services on credit, as well as the notes payable arising from both operating and non-operating activities.

2. These are short-term accounts payable and notes payable with unpaid interest, which are measured by the original invoice amount as the discount effect is not significant to the Company.

(19) Convertible company bonds

The convertible bonds issued by the Group contain embedded features, including a conversion option (i.e., the holder's right to convert the bonds into the Group's ordinary shares at a fixed amount for a fixed number of shares) and a put option. At initial recognition, the issuance proceeds are allocated between financial assets or equity instruments in accordance with the terms of the instrument, as follows:

1. Embedded Put Option: Initially recognized at fair value and accounted for as a financial asset at fair value through profit or loss (FVTPL). Subsequent changes in fair value are measured at each reporting date, with gains or losses recognized in profit or loss under FVTPL.

2. Host Debt Component: Recognized initially at fair value. The difference between the fair value and the redemption amount is recorded as a bond premium or discount. This component is subsequently measured using the effective interest method, with interest expense recognized in profit or loss as part of finance costs over the term of the bond.

3. Embedded Conversion Option (classified as equity): If the conversion option meets the definition of equity, the residual amount of the issuance proceeds, after deducting the fair value of the put option and the host debt component, is recognized in equity under "Capital Surplus – Stock Warrants." This equity component is not subsequently remeasured.

4. Transaction Costs: Any directly attributable transaction costs are allocated to each component (financial assets, liabilities, and equity) in proportion to their initial carrying amounts.

5. Conversion by Bondholders: Upon conversion, the carrying amounts of the liability components (including both the host debt and the FVTPL financial asset) are derecognized in accordance with their respective measurement bases. The total of these amounts, together with the carrying amount of the "Capital Surplus – Stock Warrants," is transferred to equity as the cost of the ordinary shares issued upon conversion.

(20) Derecognition of financial liabilities

The Company recognizes financial liabilities until they are fulfilled, cancelled, or expire according to the terms of the contract."

(21) Liability provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the best estimate of the expenditures required to settle the obligation at the balance sheet date. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense. Provisions are not recognized for future operating losses

(22) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid, and are recognized as an expense when the related service is provided.

2. Pension

(1) Defined contribution plans

For defined benefit plans, the amount of retirement benefits to be accrued is recognized as retirement benefit costs in the current period based on the occurrence of obligations and responsibilities. Prepaid contribution is recognized as an asset within the scope of refundable cash or reduced future benefits.

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is calculated by discounting the future benefit payments earned by employees for their current or past service, using the present value of the defined benefit obligation as of the balance sheet date less the fair value of plan assets. The net obligation under the defined benefit plan is calculated annually by an actuary using the projected unit credit method, and the discount rate used is determined based on the market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity that match the expected cash flows of the obligations. In countries where there is no deep market for high-quality corporate bonds, the discount rate is based on the market yields of government bonds as of the balance sheet date.

B. The remeasurement amount arising from defined benefit plans is recognized in other comprehensive income in the period in which it occurs and presented in retained earnings.

3. Remuneration to employee, directors, and supervisors

Employee compensation and director and supervisor remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reliably estimated. Subsequently, if there are differences between the actual distribution amount and the estimated amount, it will be handled as an accounting estimate change.

(23) Employee Share-Based Payment

1. The equity-settled share-based payment arrangement is a method of providing employee compensation by granting equity instruments at fair value on the grant date. The fair value of the equity instruments should reflect the effects of vesting conditions and non-vesting conditions. The related compensation cost is recognized as an expense over the vesting period, and the equity is correspondingly adjusted. The recognized compensation cost is adjusted for the expected number of awards that will ultimately vest, including the effects of non-market-based vesting conditions, until the amount recognized is based on the number of awards that actually vest on the vesting date.

2. Restricted Stock for Employees

(1) Recognize the cost of employee compensation over the vesting period based on the fair value of the equity instruments granted on the grant date.

(2) For employees who are not restricted from participating in dividend distributions and are not required to return dividends already received upon leaving during the vesting period, the portion of dividends expected to be received by employees who are expected to leave within the vesting period is recognized as compensation cost at the fair value of the dividends on the date of the dividend announcement.

(3) Employees do not need to pay a purchase price to obtain restricted stock units. If employees leave during the vesting period, the company will reclaim the shares at no cost and cancel them.

(24) Income Tax

1.Income tax expense includes current and deferred income tax. Except for income taxes related to items included in other comprehensive income or directly in equity, income tax is recognized in income.

2. The Company calculates the current income tax based on the tax rates that have been legislated or substantively enacted in the countries where the Company operates and generates taxable income as of the balance sheet date. Management assesses the status of income tax filings periodically in accordance with the applicable income tax regulations and estimates income tax liabilities based on expected tax payments to be made to tax authorities when applicable. Income tax expense on undistributed earnings, as required by income tax laws, is recognized when a resolution for the distribution of earnings is passed by the shareholders' meeting in the year following the year in which the earnings are generated and based on the actual distribution of earnings.

3. The deferred income tax is calculated based on the balance sheet method, recognizing temporary differences between the tax base of assets and liabilities and their carrying amounts on the parent only balance sheet. The applicable tax rate (and tax law) expected to be used upon realization of the deferred income tax assets or settlement of the deferred income tax liabilities is based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

4. Deferred income tax assets may be recognized for the temporary differences that are likely to be utilized to offset future taxable income, and the unrecognized and recognized deferred income tax assets are re-evaluated on each balance sheet date.

(25) Capital

Common stock is classified as equity. The net amount after deducting income tax of the incremental cost attributed to the issuance of new shares or stock options is directly allocated to equity as a deduction from proceeds.

(26) Dividend distribution

Dividends distributed to the shareholders of this company are recognized in the financial statements when they are approved for distribution at the shareholders' meeting. Cash dividends are recognized as liabilities.

(27) Recognition of Revenue

Sale of Goods

1. The Company designs and sells products related to integrated circuits, and sales revenue is recognized when control of the products is transferred to customers, that is, when the products are delivered to the customers, and the customers have the discretion over the sales channel and price of the products. The Company has no remaining performance obligations that may affect the customers' acceptance of the products. When the products are shipped to the designated location, the risks of obsolescence, damage, and loss have been transferred to the customers, and the revenue recognition occurs when the customer accepts the products in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.

2. Sales revenue is recognized as the net amount of contract price, excluding. business tax, sales return, quantity discount and allowance. The amount of revenue recognition is limited to the portion that is highly probable not to be subject to significant reversals in the future and is updated at each balance sheet date based on estimation. Payment terms for sales transactions are typically 40 to 190 days after shipment, which is consistent with market practice, and therefore it is determined that there is no significant financing component included in the contracts.

3. Accounts receivable are recognized when goods are delivered to customers, as the Company has an unconditional right to payment for the contract price from that point in time, with only the passage of time required before the customer pays.

5. Critical Accounting Judgements, Estimations and Key Sources of Assumption Uncertainty

The preparation of the Company's parent only financial statements, the management. of the Company has exercised its judgment to determine the accounting policies adopted and made accounting estimates and assumptions based on its reasonable expectations of future events as of the date of the balance sheet. Significant accounting estimates and assumptions made may differ from actual results, which will be continuously evaluated and adjusted based on historical experience and other factors. These estimates and assumptions carry the risk of significant adjustments to the amounts of assets and liabilities in the next financial year. Please refer to the following explanation regarding the uncertainties associated with significant accounting judgments, estimates, and assumptions:

(1) Accounting policy adoption significant judgments

None.

(2) Significant accounting estimates and assumptions

Inventory evaluation

Inventories are stated at the lower of cost or net realizable value., the Company. must exercise judgment and estimation to determine the net realizable value of inventory as of the balance sheet date. The Company evaluates the amount of inventory that has normal wear and tear, is obsolete or has no market sales value as of the balance sheet date and reduces the inventory cost to its net realizable value. Because the determination of the net realizable value used in the inventory valuation and the estimation of inventory obsolescence losses often involve subjective judgment and have a high degree of estimation uncertainty and because inventory and the provision for inventory obsolescence losses have a significant impact on the financial statements, significant changes may occur

6. **Contents of significant accounts**

(1) Cash and Cash Equivalent

	2024.12.31	2023.12.31
Cash	$ 30	$ 30
Cash in Bank and Cheque	205,635	154,024
Term Deposit	432,973	103,188
	$ 638,638	$ 257,242

1. The above said term deposit is deemed as high liquidation investment matured within 3 months.
2. The Company deals with a number of financial institutions with good credibility, to lower credit risks. Thus, the risk to contract breach is deemed very low.
3. Cash and cash equivalents were not pledged for collateral. ◦

(2) Financial assets valued through profit and loss

	2024.12.31	2023.12.31
Financial assets valued at P&L		
Derivative tools- buy back option of convertible bonds	$ 510	$ -
Value adjustments	(420)	-
	$ 90	$ -

1. The Group recognized net (losses) gains on financial assets at fair value through profit or loss in the amounts of ($376) and $177 for the years ended 2024 and 2023, respectively.
2. The Group did not pledge any financial assets at fair value through profit or loss as collateral.
3. For further information on the fair value of financial assets at fair value through profit or loss, please refer to N12(3)

(3) Financial assets at amortized cost

	2024.12.31	2023.12.31
Current		
>3 months Term deposit	$ 124,671	$ 5,000
Term deposit pledged for collateral	-	225,682
Total	$ 124,671	$ 230,682
Non current		
Term deposit pledged for collateral	$ 1,076	$ 1,060

1. Regardless of the collateral held or other credit enhancements, it is the most representative of the Company's holdings of financial assets measured at amortized cost, the largest credit risk on December 31, 2024 and 2023. The insurance amount is the book value of the recognized financial assets.
2. Please refer to Note 8 for details on financial asset at amortized cost pledged as collateral.
3. Please refer to Note 12(2) for the credit risks on financial assets at amortized. cost. It is deemed that the possibility of contract breach is very low.

(4) Account receivables

	2024.12.31	2023.12.31
Account receivables	$ 212,048	$ 166,519
Less: allowances for doubtful accounts	(1,083)	(1,531)
	$ 210,965	$ 164,988

1. Age analysis:

	2024.12.31	2023.12.31
	Account receivables	Account receivables
Not past due	$ 208,274	$ 164,363
Past due 0~30 days	2,786	-
Past due 31-90 days	-	727
Past due over 91 days	988	1,429
	$ 212,048	$ 166,519

2. Balance of account receivables as of 2024.12.31, 2023.12.31 and 2023.01.01 are $212,048、$166,519 and $188,044.

3. The Company adopts a simplified approach to estimate expected credit. losses based on the provision matrix. The loss rate is adjusted based on historical and current information for a specific period to estimate the provision loss

4. Expected loss for the Company as of 2024.12.31, 2023.12.31 areas following:

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2024.12.31					
Expected loss %	0%~0.03%	0%~0.16%	1.49%~13.58%	100%	
AR total	$ 158,822	$ -	$ -	$ 843	$159,665
Allowance for credit impairment loss	$ 46	$ -	$ -	$ 843	$ 889

	Not past due	Past due 30 days	Past due 31-90 days	Past due over 91	Total
2023.12.31					
Expected loss %	0%~0.03%	0%~0.81%	0%~30.56%	100%	
AR total	$ 208,274	$ 2,786	$ -	$ 988	$212,048
Allowance for credit impairment loss	$ 73	$ 22	$ -	$ 988	$ 1,083

5. The Company has adapted simplified measure for changes in allowance for impairment loss:

	2024	2023

	Account receivable	Account receivable
01.01	$ 1,083	$ 1,649
Allowance for impairment loss	(194)	(448)
Impact of consolidated/parent change	-	(118)
12.31	$ 889	$ 1,083

6. Please refer to Note 12(2) for details on AR credit risk.

(5) Inventory

2024.12.31	Costs	Allowance for inventory valuation loss	Book Value
Raw material	$ 109,435	($ 62,129)	$ 47,306
Work in process	112,027	(17,557)	94,470
Finished goods	21,423	(474)	20,949
	$ 242,885	($ 80,160)	$ 162,725

2023.12.31	Costs	Allowance for inventory valuation loss	Book Value
Raw material	$ 126,217	($ 22,158)	$ 104,059
Work in process	190,614	(28,817)	161,797
Finished goods	30,273	(5,864)	24,409
	$ 347,104	($ 56,839)	$ 290,265

1.Inventory cost recognized as loss for the period

	2024	2023
Cost of good sold	$ 428,271	$ 533,867
Inventory valuation loss	30,810	28,761
Unallocated manufacturing overhead	3,069	814
	$ 462,150	$ 563,442

2. Inventory was not pledged for collateral.

3. The Group enters a long-term contract with the supplier, which stipulates the minimum amount or quantity to be purchased. If the Group fails to fulfill the contractual amount, the loss shall be recognized as the cost of the current period. N6(15)

(6) Investment by equity method

1. Share for P&L from subsidiary by equity method

2023.12.31	Investment (loss)profit	Other comprehensive (loss)profit

ENE Touch Inc. (Shenzen)	($ 683)	($ 201)

2. The company has sold ENE Touch for $31 in April 2023, and recognized loss of $1,160.

(7) Real estate, plant and equipment

	2024 R&D equipment	Office equipment	Improvement on lease	Equipment to be verified	Total
2024.01.01					
Cost	$ 91,537	$ 19,739	$ 5,247	$ -	$ 116,523
Accumulated depreciation	(71,473)	(13,505)	(1,524)	-	(86,502)
	$ 20,064	$ 6,234	$ 3,723	$ -	$ 30,021
2024.01.01	$ 20,064	$ 6,234	$ 3,723	$ -	$ 30,021
Acquisition	36,036	1,823	130	1,071	39,060
Depreciation expense	(12,590)	(2,436)	(866)	-	(15,892)
2024.12.31	$ 43,510	$ 5,621	$ 2,987	$ 1,071	$ 53,189
2024.12.31 Cost	$ 126,778	$ 21,438	$ 5,377	$ 1,071	$ 154,664
Accumulated depreciation	(83,268)	(15,817)	(2,390)	-	(101,475)
	$ 43,510	$ 5,621	$ 2,987	$ 1,071	$ 53,189

2023	R&D equipment	Office equipment	Improvement on lease	Total
2023.01.01 Cost	$ 73,591	$ 17,970	$ 3,417	$ 94,978
Accumulated depreciation	(63,263)	(11,211)	(1,232)	(75,706)
	$ 10,328	$ 6,759	$ 2,185	$ 19,272
2023.01.01	$ 10,328	$ 6,759	$ 2,185	$ 19,272
Acquisition	17,946	1,838	3,181	22,965
Disposal	-	-	(1,109)	(1,109)
Depreciation expense	(8,210)	(2,363)	(534)	(11,107)
2023.12.31	$ 20,064	$ 6,234	$ 3,723	$ 30,021
2023.12.31				
Cost	$ 91,537	$ 19,739	$ 5,247	$ 116,523
Accumulated depreciation	(71,473)	(13,505)	(1,524)	(86,502)
	$ 20,064	$ 6,234	$ 3,723	$ 30,021

The real estate, plant and equipment were not pledged for collateral.

(8) Lease－lessee

	2024.12.31		2023.12.31	
Right-of-use assets:				
buildings	$	18,558	$	25,248
Transportation vehicles		1,453		2,250
	$	20,011	$	27,498
Lease liabilities:				
Current	$	6,180	$	6,101
Non current		13,297		20,759
	$	19,477	$	26,860

1. The lease include building and transportation vehicle. The contracts are normally 2~5 years. The lease contracts are negotiated separately with different terms and conditions. There are no other restrictions other than leased assets shall not be pledged for collaterals.
2. Depreciation expenses for right-of-use assets:

	2024		2023	
Building	$	6,689	$	7,003
Transport vehicle		798		663
	$	7,487	$	7,666

3. Acquisition of right-of-use asset for 01.01 to 12.31, 2024 and 2023 are $0 and $32,042.
4. Car park lease contract does not exceed 12 months. Office printer is regarded as low value lease asset.
5. P& L items related to lease contracts:

	2024		2023	
Interest expense from lease liabilities	$	642	$	567
Expenses of short term lease		630		261
Expenses of low-value lease		97		125
Expenses of changes in lease payment		-	(	143)

Note: the company terminated the office lease in June, 2024.

6. Cash outflow from lease for the period 01.01 to 12.31 of 2024 and 2023are $8,752 and $8,155.
7. Due to changes in lease contract during 2023, the amounts for right-of-use asset are decreased by $7,344; and lease liabilities are decreased by $7,487.

(9) Intangible asset

	2024 Computer software	2023 Computer software
01.01		
Cost	$ 44,255	$ 25,204
Accumulated amortization	(20,393)	(4,369)
	$ 23,862	$ 20,835
01.01	$ 23,862	$ 20,835
Acquisition	35,464	23,890
Reclassified (note)	-	(470)
Amortization expenses	(32,776)	(20,393)
12.31	$ 26,550	$ 23,862
12.31		
Cost	$ 79,719	$ 44,255
Accumulated amortization	(53,169)	(20,393)
	$ 26,550	$ 23,862

Note: Reclassify computer software to prepaid items

Intangible assets amortization expenses:

	2024 Computer software	2023 Computer software
Administration expenses	$ 2,478	$ 1,912
R&D expenses	30,298	18,481
	$ 32,776	$ 20,393

(10) Short term loan

	2024.12.31	2023.12.31
Guarantee bank loan	$ 160,000	$ 196,000
Range of interests	1.71%~1.99%	1.46%~1.89%

1. Unused quota as of 2024.12.31 and 2023.12.31 are $220,00 and $154,000.
2. Please refer to Note 8 for details on short term loan pledged for collateral.

(11) Other payments

	2024.12.30	2023.12.31

Salary and bonus	$ 15,458	$ 13,462
Compensation to employee and directors	15,139	19,381
Intangible assets	3,816	-
Computer software royalty	2,400	1,978
Equipment	247	2,371
Others	6,916	5,580
	$ 43,976	$ 42,772

(12) Corporate bond

	2024.12.31
Corporate bond	$ 300,000
Less: discount	(16,685)
	$ 283,315

1. Not applicable for 2023.12.31.

2. Domestic corporate bond

2.1 conditions for 3rd domestic unsecured convertible corporate bond:

a. With the approval of the competent authority, the Company has issued the third unsecured domestic convertible bonds in total amount of NT$300,000 thousands. The bonds bear a zero percent (0%) coupon rate and have a maturity of three (3) years, commencing from June 25, 2024, and maturing on June 25, 2027. Upon maturity, the bonds will be redeemed in full at par value in cash. The bonds are scheduled to be listed on the Taipei Exchange (TPEx) and commence trading on June 25, 2024

b. Holders of these convertible bonds may, at any time starting from the day following the expiry of three months from the issuance date (i.e., September 26, 2024) and up to forty (40) days prior to the maturity date (i.e., May 16, 2027), request conversion of the bonds into the Company’s common shares, except during book closure periods as stipulated by applicable laws or regulations. The common shares issued upon conversion shall carry the same rights and obligations as the existing issued common shares of the Company.

c. The conversion price of these convertible bonds is determined in accordance with the pricing model set forth in the Conversion Rules. In the event of any anti-dilution adjustments as stipulated in the Conversion Rules, the conversion price shall be adjusted accordingly using the prescribed pricing model. Furthermore, on the reference dates specified in the Conversion Rules, the conversion price may be re-determined in accordance with the same pricing model. The initial conversion price for these convertible bonds is set at NT$65.8 per share.

d. From the day following one month after the issuance date until 40 days prior to the maturity date, if the closing price of the Company’s common shares exceeds 150% of the then-effective conversion price for 30 consecutive trading days, or from the day following three months after the issuance date until 40 days prior to the maturity date, if the outstanding balance of the convertible bonds falls below 10% of the original total issuance amount, the Company may, at its discretion and at any time thereafter, redeem all outstanding bonds in cash at par value.

e. In accordance with the regulations, all convertible bonds that are redeemed by the Company (including those repurchased through the Taipei Exchange), repaid, or converted shall be cancelled, and all rights and obligations attached to such bonds shall be extinguished accordingly. No reissuance of such bonds will be made.

2.2 As of December 31, 2024, there had been no conversions of the convertible bonds into common shares, nor any repurchases of the bonds by the Company.

3. In accordance with IAS 32 “Financial Instruments: Presentation,” at the time of issuance of the convertible bonds, the Company separated the equity component of the embedded conversion right from the liability component and recognized it under “Capital surplus – stock options from convertible bonds” in the amount of NT$20,876 thousands.

In addition, the embedded call option was separated in accordance with IFRS 9 “Financial Instruments,” as its economic characteristics and risks are not closely related to those of the host debt instrument. Accordingly, it was recognized under “Financial assets at fair value through profit or loss.”

After the separation, the effective interest rate of the host liability component was determined to be 2.03%.

(12) Pension

1. Defined benefit

(1) The company and its domestic subsidiaries have established a retirement. method with defined benefits in accordance with the provisions of the "Labor Standards Law", which is applicable to the full-time employees before the implementation of the "Labor Pension Regulations" on July 1, 1994, and after the implementation of the "Labor Pension Regulations", the employees who choose to continue to apply the Labor Standards Law have their subsequent years of service. For employees who meet the retirement requirements, the pension payment is calculated based on the years of service and the average salary of the six months before retirement. The service years within 15 years (inclusive) will be given two bases for each full year, and the service years exceeding 15 years will be paid every year. A base is given for one full year, maximum payout base is 45. The company allocates 2% of the total salary to the retirement fund on a monthly basis in a special account in the name of the Labor Retirement Reserve Fund Supervisory Committee in the Bank of Taiwan. In addition, estimation of the balance of the special account for labor retirement reserves will be made at the end of the year. If the

balance is insufficient to cover the estimated amount of pensions calculated for employees who meet the retirement requirements in the next year, the balance will be calculated again before the end of March the following year.

(2) The amounts recognized in the balance sheet are as follows:

	2023.12.31
Defined benefit obligation.	($ 1,542)
Plan assets at fair value	7,248
Net defined benefit asset (Note).	$ 5,706

Note: Classified as other non-current assets.

(3) The changes in net defined benefit liability are as follows:

	2024		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2024.01.01	($ 1,542)	$ 7,248	$ 5,706
Interest (expense) income	(460)	460	-
	(2,002)	7,708	5,706
Remeasurements:			
Plan assets return (note)	-	-	-
Financial assumption sensitivity	-	-	-
Experience adjustment	-	-	-
	-	-	-
Pension payments	2,002	(1,800)	202
Collect plan assets	-	(5,908)	(5,908)
2024,12,31	$ -	$ -	$ -

	2023		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit asset
2023.01.01	($ 1,462)	$ 7,090	$ 5,628
Interest (expense) income	(29)	142	113
	(1,491)	7,232	5,741
Remeasurements:			
Plan Assets Return (note)	-	16	16
Financial assumption sensitivity	(34)	-	(34)
Experience adjustment	(17)	-	(17)
	(51)	16	(35)
Pension payments	-	-	-
2023,12,31	($ 1,542)	$ 7,248	$ 5,706

Note: The amount included in interest income or expenses is not included.

(4) The assets of our company's defined benefit retirement plan fund are. managed by the Bank of Taiwan according to the proportion and amount range of entrusted operating items specified in the investment and utilization plan for that fund's fiscal year. The entrusted operations are carried out in accordance with Article 6 of the Labor Retirement Fund Income and Expenditure Custody and Utilization Regulations (i.e., depositing funds in domestic and foreign financial institutions, investing in equities traded on domestic and foreign stock exchanges or over-the-counter markets, or privately placed, and investing in securities of securitized products of domestic and foreign real estate, etc.). The related utilization situation is supervised by the Labor Retirement Fund Supervisory Committee. For the fund's utilization, the minimum return for annual

settlement and distribution shall not be lower than the interest rate calculated based on the two-year fixed deposit rate of local banks. If there is any shortfall, it shall be supplemented by the national treasury upon approval by the competent authority. Because our company has no right to participate in the operation and management of the fund, we are unable to disclose the classification of the fair value of plan assets as required by paragraph 142 of International Accounting Standard No. 19. Please refer to the annual labor retirement fund utilization reports announced by the government for the fair value of the total assets of that fund as of December 31, 2024 and 2023.

(5) The summary of actuarial assumptions regarding retirement benefits is as follows:

	2023
Discount rate.	1.88%
Future salary growth rate	2.50%

The assumption for future mortality rates is estimated based on the Taiwan life insurance industry's sixth experience life table. The impact on the determination of the present value of defined benefit obligations due to changes in the main actuarial assumptions used is analyzed as follows:

	Discount rate		Future salary growth rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
2023.12.31				
The impact on the present value of defined benefit obligations.	($ 67)	$ 70	$ 69	($ 66)

The sensitivity analysis described above analyzes the impact of a single assumption change while holding other assumptions constant. However, in practice, changes in many assumptions may be interrelated. Sensitivity analysis is consistent with the method used to calculate the net retirement benefit liability on the balance sheet.

The method and assumptions used in the sensitivity analysis prepared for the current period are the same as those used in the previous period.

(6) The Company plans to stop making contributions in the fiscal year 2024 as the retirement reserve is fully funded.

2. Determination of Provision Plan.

(1) According to the "Labor Pension Act", the Company and its domestic subsidiaries have established a retirement method with definite contribution, which is applicable to employees of their nationality. The company and

domestic subsidiaries choose to apply the part of the labor pension system stipulated in the "Labor Pension Regulations" for employees and contribute labor pensions to the individual accounts of employees of the Labor Insurance Bureau at the rate of 6% of salary every month. The payment of employee pensions is based on the employee's personal pension special account and accumulated income is collected in monthly pension or one-time pension。

(2) Amount recognized for the pension in according to the above method for the period ending 01.01~12.31 of 2024 and 2023 are $5,346 and $4,618.

(14) Share-based payments

1.Share based payment as of 2024.12.31:

Issuer	Type	Issuance date	Quantity	No. shares available for subscription per unit (shares)	Contract Period	Condition
ENE	Restricted employee stock	2022.05.10	20 thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)
"	"	2022.03.16	980thousands unit	1	3years	Continuous employment for 1 year and meet the set KPI, one can exercise in a certain portion (note)

New shares with limited employee rights issued by the company may not be sold, pledged, transferred, gifted to others, encumbered, or disposed of in other ways before the vested conditions are met.

Note: For those who meet the service years and performance conditions stipulated in the Regulations on Employee Restricted Shares, the conditions are as follows:

Service with one year: 20%, Service with two years: 30%, Service with three years: 50%

2. Details for the above said share-based payments are as follows:

Restricted Employee Stock (RES) plan

	2024	2023
	Quantity (thousands)	Quantity (thousands)
RES at the beginning of the period	748	1,000
Share acquired	(281)	(198)
Ineffective shares	-	(54)
RES at the end of the period	467	748

3. The par value of new shares issued by the Company to restrict employee shares is NT$10 per share, and the issue price per share is NT$0 (free for employees). The closing price on the date of grant $41.5 and $40.25 is used as the measure of fair value.

4. The cost for above said RES for the period ending 2024.01.01~12.31 and 2023.01.01~2023.12.31 are $8,318 and $14,999.

(15) Other current liabilities- others

	2024.12.31	2023.12.31
Liability provisions	$ 30,725	$ 27,656
others	1,445	1,234
	$ 32,170	$ 28,890

Liability provisions

	2024.12.31	2023.12.31
2024.01.01	$ 27,656	$ 27,656
Liability provision for the current period	3,069	-
2024.12.31	$ 30,725	$ 27,656

The Group has entered into long-term agreements with certain suppliers, which include minimum purchase commitments in terms of amount or quantity for outsourced production. Management has assessed that failure to meet such minimum commitments may result in compensation for related losses; accordingly, a provision has been recognized. The related loss has been accounted for as a cost in the current period.

(16) Capital

1. As of 2024.12.31, the registered capital is $950,000, total of 95,000 thousand shares. Actual capital is $452,688 with par value of NT$10. The adjustment of shares for the period as following:

	2024	2023
01.01	45,268,841	45,322,841
RES	-	(54,000)
12.31	45,268,841	45,268,841

2. Restricted employee shares (RES)

In order to attract and retain professional talents and create the best interests of the company and shareholders, the company has passed the resolution of the BOD in March 2022 and May 2022 to issue new shares with restricted employee rights for free. The base date of issuance is March 16, 2022. And on May 10, 2022, the total amount was 1,000,000 shares. The employee's personal retention and annual performance evaluation standards have all met the vested conditions. If the vested conditions are not met, the company has the right to take back its shares without compensation and cancel them. As of December 31, 2024, 1,000,000 shares have been issued, 479 thousands shares are vested and 54 thousands shares canceled.

3. On April 30, 2024, the Board of Directors resolved to conduct a cash capital increase through the issuance of 2,000 thousand new common shares with a par value of NT$10 per share. The record date for subscription rights was set as July 1, 2024. However, in light of recent significant volatility in the capital markets and after considering the overall capital planning and shareholders' interests, the Company obtained approval from the Financial Supervisory Commission (FSC) on August 22, 2024, to cancel the proposed cash capital increase.

4. On November 18, 2021, the Company conducted a private placement of 8,000 thousand common shares. In accordance with Article 68 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the Company applied for retroactive public issuance and listing upon the expiration of the three-year restriction period on November 17, 2024. The application was approved and became effective on January 10, 2025, by the TWSE.

(17) <u>Capital surplus</u>

1. In accordance with the provisions of the Company Law, the surplus from the issuance of shares exceeding the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the above-mentioned capital reserve is allocated to capital, the total amount shall not exceed 10% of the paid-in capital each year. When the company still has insufficient surplus reserves to make up for capital losses, it may not use capital reserves to compensate it. ◦

2. The Shareholders Meeting in June 2024 has approved the proposal to distribute cash from capital surplus, NT$0.2 per share, total of $8,865.

(18) Retained earning/Subsequent events

1. According to the company's Articles, if the company has a surplus in its annual final accounts, in addition to paying taxes in accordance with the law, it should first make up for the accumulated losses, and then allocate 10% of the balance as the statutory surplus reserve, but the statutory surplus reserve This is not the case when the total paid-in capital of the company has been reached; in addition, depending on the company's operating needs and legal requirements, the special surplus reserve shall be appropriated or reversed. If there is still a surplus, and the undistributed surplus at the beginning of the same period, the board of directors shall propose a shareholder dividend Proposal on distribution, after submitting to the shareholders' meeting for resolution.
2. The company's dividend policy is formulated in accordance with the company law and the company's Articles, and is determined based on factors such as the company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry to which it belongs. 50% of the surplus, cash dividends shall be withdrawn at no less than 50% of the total dividends for the year.
3. The statutory surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares.
4. When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet must be allocated as a special surplus reserve.
5. (1) Earning distributed as approved in Shareholders Meeting on 2024.05.28 and 2023.05.30 are:

	2023		2022	
	Amount	EPS	Amount	EPS
Legal reserve	$ 6,664		$ 7,208	
Cash dividends	45,269	$ 1.00	54,375	$ 1.20
	$ 51,933		$ 61,583	
	Amount	Cash distribution	Amount	Cash distribution
Distribution from capital surplus				
cash	$ 9,054	$ 0.20	$ -	$ -

(2) On February 25, 2025, the Board of Directors proposed the earnings appropriation plan for fiscal year 2024 and the distribution of cash from capital surplus as follows

	2024	
	Amount	EPS
Legal reserve	$ 4,990	
Cash dividends	45,269	$ 1.00
	$ 50,259	

	Amount	Per share Cash distribution
Cash distribution from capital surplus	$ 9,054	$ 0.20

The 2024 profit appropriation and dividend distribution from capital surplus is not yet resolved by the shareholders meeting.

(19) Operation revenue

The Company's revenue is mainly derived from goods transferred at a certain point in time, and revenue can be broken down into the following geographical areas：

2024	China	Taiwan	Others	Total
External customer contract	$ 437,506	$ 267,250	$ 16,466	$ 721,222

2023	China	Taiwan	Others	Total
External customer contract	$ 564,747	$ 300,960	$ 9,635	$ 875,342

Note: revenue is reported based on where the customers are located.

(20) Other profit and loss

	2024	2023
Foreign exchange (loss)gain	$ 44,239	($ 513)
(loss) Gain from financial asset at fair value through P&L	(376)	177
Loss of investment disposal	-	(1,160)
Disposal of real estate, plant and equipment	-	(1,109)
Gain from lease change	-	143
Others	-	(261)
	$ 43,863	($ 2,723)

(21) Additional information on cost and expense

	2024		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 130,458	$ 130,458
Share based payment	-	8,318	8,318
Labor and health insurance expense	-	9,014	9,014
Pension expense	-	5,346	5,346
Other HR	-	4,587	4,587

	Operation costs	Operation expense	Total
	$ -	$ 157,723	$ 157,723
Depreciation expense	$ -	$ 23,379	$ 23,379
Amortization expense	$ -	$ 32,776	$ 32,776

	2023		
	Operation costs	Operation expense	Total
Employee benefit expense			
Salary expense	$ -	$ 126,771	$ 126,771
Share based payment	-	14,999	14,999
Labor and health insurance expense	-	8,242	8,242
Pension expense	-	4,673	4,673
Other HR	-	4,105	4,105
	$ -	$ 158,790	$ 158,790
Depreciation expense	$ -	$ 18,773	$ 18,773
Amortization expense	$ -	$ 20,393	$ 20,393

1. Average number of employees for 2024 and 2023 are 84 and 77. Board members that are not employees are 6.
2. Average employee benefits expenses for 2024 and 2023 are $1,968 and $2,160. Average employee salary expenses are $1,725 and $1,921. Average adjustment for employee salary is (10.2%).
3. According to the company's Articles, the company shall allocate no less than 20% of the employee's remuneration and no more than 3% of the BOD's remuneration if there is a balance after deducting the accumulated losses.
4. Remuneration for BOD and employees are as follows:

	2024	2023
Remuneration to BODs	$ 1,929	$ 2,528
Remuneration to employees	13,210	16,853
	$ 15,139	$ 19,381

   The estimation of profits is recognized in according to the Articles. For the period 01.01~12.31 of 2024 and 2023.

5. The remuneration for directors and employees for the fiscal year 2024, which was approved by the board of directors on February 25, 2025, is consistent with the estimated amount. The employee remuneration will be paid in cash.
6. The remuneration of directors and employees approved by the board of directors in 2023 is consistent with the amount recognized in the financial report of 2023.
7. The company has set up a remuneration committee. The remuneration of directors and managers is based on the degree of participation in

operations and the value of their contributions. After comprehensive consideration of the achievement of annual goals and performance contributions, the remuneration committee decides to issue.

8. The company's employee remuneration includes monthly salary, bonus and employee remuneration. The salary standard of employees is determined according to the position held, academic experience, professional knowledge and market value. The starting salary and rewards are not different due to gender, religion, party affiliation, marital status, etc. Regarding salary adjustments and employee remuneration, the company's operating conditions will be determined annually based on the employee's duties, contributions, and performance, and the principle of ensuring that employee salaries are in line with market conditions and fairness

9. Please see MOPS for related information.

(20) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2024	2023
Current income tax:		
Current income tax expense	$ -	$ -
Undistributed profits	736	498
Under-estimation from prior year	-	209
	736	707
Deferred income tax:		
Origination and reversal of temporary differences	278	(2,497)
Income tax	$ 1,014	($ 1,790)

(2) Amount of income tax related to other comprehensive income:

2024	2023
-	(40)

2. The relationship between income tax benefit and accounting profit:

	2024	2023
Income tax calculated at statutory tax rate on income before income taxes (Note)	$ 10,182	$ 12,977
Expenses to be deducted in accordance with tax laws and regulations	9	-
Income exempted from taxation according to tax law	-	(58)
Undistributed profits	736	498
Under/Over estimation from prior year	-	209
Unrecognized deferred tax assets due to temporary differences	1,303	(209)
Changes in the assessment of realizability of deferred tax assets	(11,216)	(15,207)
Income tax benefit	$ 1,014	($ 1,790)

3. The amounts of deferred income tax assets or liabilities resulting from temporary differences and tax loss. carryforwards are as follows:

2024	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Deferred income tax asset				
-Temporary difference				
Unrealized loss from inventory value	$ 11,368	$ 4,664	$ -	$ 16,032
Unrealized gross profit on sales	3,260	7	-	3,267
Foreign investment accounted for using the equity method	1,288	(1,288)	-	-
	$ 15,916	$ 3,383	$ -	$ 19,299
Deferred income tax liabilities:				
-Temporary differences:				
Foreign exchange differences - operational entity	$ -	($ 84)	$ -	($ 84)
Unrealized translation gains.	-	(3,577)	-	(3,577)
	$ -	($ 3,661)	$ -	($ 3,661)

2023	01.01	Recognized in income statement.	Recognized in other comprehensive income (OCI).	12.31
Deferred income tax asset				
- Temporary difference				
Unrealized inventory loss	$ 5,616	$ 5,752	$ -	$ 11,368
Unrealized gross profit on sales.	7,566	(4,306)	-	3,260

Foreign investment accounted for using the equity method	1,891	(1,891)	-	-
Unrealized exchange loss	-	1,288	-	1,288
	$ 15,073	$ 843	$ -	$ 15,916
Deferred income tax liabilities.				
- Temporary difference				
Foreign exchange differences - operational entity	($ 40)	$ -	$ 40	$ -
Unrealized translation gains.	(1,654)	1,654	-	-
	($ 1,694)	$ 1,654	$ 40	$ -

4. The effective period of unused tax losses and the amount of unrecognized deferred tax assets related to. the Company and its domestic subsidiaries are as follows:

2024.12.31

Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2014	$ 205,755	$ 80,936	$ 80,936	2024
2015	119,209	119,209	119,209	2025
2016	121,815	121,815	121,815	2026
2017	92,739	92,739	92,739	2027
2018	70,963	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 568,895	$ 568,895	

2023.12.31

Year	Verified amount	Unutilized amount	Unrecognized deferred tax assets	Final deduction year
2013	$ 68,245	$ -	$ -	2023
2014	205,755	129,720	129,720	2024
2015	119,209	119,209	119,209	2025
2016	121,815	121,815	121,815	2026
2017	92,739	92,739	92,739	2027
2018	70,963	70,963	70,963	2028
2019	50,962	50,962	50,962	2029
2020	32,271	32,271	32,271	2030
		$ 617,679	$ 617,679	

5. The deductible temporary differences that have not been recognized as deferred tax assets

	2024.12.31	2023.12.31
Deductible temporary differences	$ 11,786	$ 5,271

6. Our company's income tax for operating businesses has been verified by the tax collection agency until fiscal year 2022.

(23) Earnings per share

	2024		
	$ after tax	Weighted average Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 49,899	44,742	$ 1.12
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 49,899	44,742	
Potential dilution impact	-	494	
RES	-	314	
Employee remuneration	$ 49,899	45,550	$ 1.10
Potential dilution impact attributed to the parent company	$ 49,899	44,742	$ 1.12

	2023		
	$ after tax	Weighted average Outstanding shares (thousand shares)	EPS (Dollar)
Basic EPS			
Net profit attributed to common shareholders of the parent company	$ 66,676	44,480	$ 1.50
Diluted EPS			
Net profit attributed to common shareholders of the parent company	$ 66,676	44,480	
Potential dilution impact			
RES	-	504	
Employee remuneration	-	321	
Potential dilution impact attributed to the parent company	$ 66,676	45,305	$ 1.47

(24) Additional information to cash flow

Investment activity with partial cash payment:

	2024	2023
Acquisition of real estate, plant and equipment	$ 39,060	$ 22,965
Add: equipment payment at the beginning of the period	2,371	773
Less: equipment payment at the beginning of the period	(2,690)	(2,371)
Cash payment of the period	$ 38,741	$ 21,367

	2024	2023
Acquisition of intangible assets	$ 35,464	$ 23,890
Add: prepayment at end of the period	-	7,500
Less: payable intangible assets at the end of the period	(3,816)	-
Prepayment at the beginning of the period	(7,500)	(7,500)
Cash payment of the period	$ 24,148	$ 23,890

(25) Changes in liabilities from financing activities

2024

	Short term loan	Corporate bond	Lease liabilities	Total liabilities from financing activities
01.01	$160,000	$ -	$ 26,860	$ 186,860
Changes in financing cash flow	(160,000)	300,350	(7,383)	132,967
Other non-cash changes (N1)	-	(17,035)	-	(17,035)
12.31	$ -	$283,315	$ 19,477	$ 302,792

2023

	Short term loan	Long term loan	Lease liabilities	Total liabilities from financing activities
01.01	$196,000	$ 3,636	$ 10,201	$ 209,837
Changes in financing cash flow	(36,000)	(3,636)	(7,300)	(46,936)
Other non-cash changes (N2)	-	-	23,959	23,959
12.31	$160,000	$ -	$ 26,860	$ 186,860

Note 1: amortization of corporate bond and capital surplus-corporate bond options
Note 2: impact of foreign exchange

7. **Related party transactions**

(1) Related party

Related party	Relationship
ASUSTek Computer Inc. (Asus)	Key personnel of the Company (Institutional Director)
Siguard Microelectronic Corp. (Siguard)	Key personnel of the Company (Institutional Director)
Egis Technology Inc. (EgisTec)	Ultimate parent entity
Alcor Micro	Parent entity
Algoltek	Related company
Visubi	Related company

(2) Significant transactions with related parties

1.Sales

	2024	2023
Sales:		
ASUSTek	$ 119,175	$ 106,538

Product prices quoted to the related parties were determined by the product. specification. Therefore, prices quoted to the related parties were of no big difference to other customers.

2.Purchasing

	2024	2023
Outsourcing product purchase		
Egis	$ 181,689	$ 39,174

The trading conditions between the Company and related parties are no different to those with general suppliers.

	2024	2023
Service purchase		
Siguard	$ 11,828	$ 16,145

The trading conditions between the Company and related parties are no different to those with general suppliers.

3.R&D expenses

	2024	2023
Eqig	$ 34	$ 4,306
Alcor Micro	1,365	2,730
Visubi	363	-
	$ 1,762	$ 7,036

Expenses for IC research and development and masks.

4. Account receivable

	2024.12.31	2023.12.31
Service purchase		
ASUSTek	$ 51,748	$ 35,161

There is no bad debt allowances for the related party AR. The AR is mainly from product sales.

5.Account payable

	2024.12.31	2023.12.31
Account payable		
Egis	$ 16,718	$ 19,755
Siguard	1,590	3,333
	$ 18,308	$ 23,088
Other payable-equipment		
Egis	$ 2,443	$ -
Other payable-others		
Egis	$ 438	$ -
Siguard	310	-
Alcor micro	-	478
	$ 748	$ 478

Related party AP is mainly from purchasing transactions and masks, no interests incurred. Other payables are mainly from purchasing technology.

6.Prepaid account

	2024.12.31	2023.12.31
Egis	$ 1,284	$ -

7.Asset trading

(1)Acquisition of real estate, plant and equipment

	Accounting Subject	2024	2023
Egis	Purchase other equipment	$ 32,829	$ 6,707
Visubi	Purchase other equipment	2,528	-
		$ 35,357	$ 6,707

The trading conditions between the Company and related parties are no different to those with general suppliers.

(2) Acquisition of intangible assets

Accounting Subject	2024	2023

Egis	Purchase computer software	$ 7,500	$ -

8.Other non-current assets

	2024.12.31	2023.12.31
Deposits		
Algoltek	$ 688	$ 595
Prepayment intangible assets		
Egis	$ -	$ 7,500

Note: The company has signed a product development contract. The unpaid payment for the period ending 2024.12.31 is $7,500.

9.Lease -leasee

(1)The company rents office from Algoltek. The contract is for 5 years. The right-of-use asset for the period is $14,340. The company pays the rent on monthly basis.

(2)Lease liabilities

A.Amount at the end of the period:

	2024.12.31	2023.12.31
Algoltek	$ 9,605	$ 12,459

B.Interest expenses

	2024.12.31	2023.12.31
Algoltek	$ 343	$ 269

(3) Key personnel remuneration information

	2024	2023
Salary and other short term employee benefit	$ 31,941	$ 32,500
Post employment benefit	833	798
Share based payment	3,612	5,769
Total	$ 36,386	$ 39,067

8. Pledged Asset

Details of the assets provided as collateral by the Company are as follows:

	Book value		
Asset	2024.12.31	2023.12.31	Purpose
Term deposit(Note1)	$ -	$ 225,682	Note 3
Term deposit(Note2)	1,076	1,060	Note 4

$ 1,076	$ 226,742

Note1: financial asset at amortized cost -current

Note2: financial asset at amortized cost -non current

Note3: guarantee for short term loan

Note4: guarantee for tariff on imported raw material

9. Significant commitments

1. The group has signed a software licensing contract. As of December 31, 2024, the amount not yet paid is $5,607.
2. Please refer to Note7 for details on the unrecognized contractual commitments with related parties.

10. Losses due to major disasters

None.

11. Significant subsequent events

Please refer to Note6 (16)4 and (18)5 for details.

12. Others

(1) Capital management

The capital management objective of the Company is to ensure the continued operation of the Company, maintain the optimal capital structure to reduce the cost of funds, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares of common stock in private placement, or sell assets to reduce debt. The Company uses the debt-to-capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as equity reported on the parent only balance sheet plus net debt.

In 2024, the capital management strategy of the Company remains the same as in 2023, which is to maintain the debt-to-equity ratio within a reasonable range.

(2) Financial instruments

1.Types

For details regarding the amounts and information of the Group’s financial assets (including cash and cash equivalents, financial assets at fair value through profit or loss, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables, and refundable deposits) and financial liabilities (including short-term borrowings, accounts payable (including related parties), other payables (including related parties), corporate bonds payable, deposits received, and lease liabilities), please refer to the consolidated balance sheet and Note 6

2.Risk management policy

(1) The daily operations of the Company are subject to various financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) The risk management work is carried out by the Finance Department of the Company in accordance with policies approved by the Board of Directors. The Finance Department works closely with the various operating units within the Company to identify, assess and mitigate financial risks. The Board of Directors has established written principles for overall risk management and also provides written policies for specific areas and matters, such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess cash.

3.Significana financial risks

(1) Market risks

Exposure to currency risk

A. The Company operates globally, therefore, it is exposed to. various currency exchange rate risks, mainly from the US dollar and the Chinese yuan. These exchange rate risks arise from future business transactions and recognized assets and liabilities.

B. The Company financial assets and liabilities exposed to. exchange rate risk were as following:

2024.12.31	Foreign currency ($thousands)	FX rate	Book value (NTD)	Sensitivity analysis Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 16,256	32.79	$533,034	1%	$ 5,330
Financial liabilities					
Monetary item					
USD: NTD	849	32.79	27,839	1%	278

2023.12.31	Foreign currency ($thousands)	FX rate	Book value (NTD)	Sensitivity analysis Change %	Impact on P&L
Financial asset					
Monetary item					
USD: NTD	$ 21,740	30.71	$667,635	1%	$ 6,676
Financial liabilities					
Monetary item					
USD: NTD	791	30.71	24,292	1%	243

Recognized FX translation (loss)gains (realized and unrealized) are $44,239 and ($562) for period of 2024 and 2023.

Price risk

A. The Group is exposed to equity price risk arising from equity instruments classified as financial assets at fair value through profit or loss (FVTPL). To manage the price risk associated with equity investments, the Group diversifies its investment portfolio in accordance with internally established limits.

B. The Group primarily invests in open-end funds. The prices of these equity instruments are subject to volatility due to uncertainties regarding the future value of the underlying investments. The Group did not recognize any gains or losses arising from equity instruments measured at FVTPL during the years ended December 31, 2024 and 2023

Cash flow and fair value interest rate risk

A. The Group's interest rate risk primarily arises from borrowings issued at floating interest rates, exposing the Group to cash flow interest rate risk. In 2024 and 2023, the Group's borrowings issued at floating interest rates were denominated in NTD.

B. When the interest rate of NTD-denominated loans increases or decreases by 1% while all other factors remain unchanged, the profit before tax of the Company for the years 2024 and 2023 will decrease or increase by $0 and $1,280, respectively, mainly due to the change in interest expenses caused by the floating rate loans.

(2) Credit risk

A. The credit risk of the Company refers to the risk of financial loss caused by customers or counterparties of financial instruments being unable to fulfill contractual obligations. It mainly comes from counterparties being unable to settle accounts receivable according to payment conditions, and debt instruments investment contracts with cash flow measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

B. The Company establishes credit risk management from a group perspective. According to the internal credit policy, each operating unit within the Company and each new customer must be managed and analyzed for credit risk before setting payment and delivery terms and conditions. Internal risk control is carried out by assessing the credit quality of customers by considering their financial condition, past experience, and other factors. The individual risk limit is set by the board of directors based on internal or external ratings and regularly monitors the use of credit limits.

C. The Company adopts the following premise assumptions under IFRS 9 as a basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition:

(A) When the contractual payment terms of a financial asset are overdue for more than 30 days, it is considered that the credit risk of the financial asset has significantly increased since initial recognition.

(B) Financial assets that are rated as investment grade by any external credit rating agency on the balance sheet date are considered to have low credit risk.

D. When the payment terms of a contract are overdue for more than 90 days according to the agreed terms, it is considered a default.

E. The Company considers the characteristics of trade credit risk and categorizes accounts receivable from customers into groups. A simplified approach is used to estimate expected credit losses based on a matrix.

F. The indicators used by the Company to determine credit impairment of debt instrument investments are as follows:

(A) Significant financial difficulties of the issuer and a high probability of bankruptcy or other financial restructuring.

(B) The active market for the financial asset disappears due to the issuer's financial difficulties.

(C) The issuer delays or fails to pay interest or principal.

(D) Changes in national or regional economic conditions that are unfavorable and lead to the issuer's default.

G. After the collection process, the Company wrote off the amount of financial assets that cannot be reasonably expected to be recovered. However, the Company will continue to pursue legal proceedings to preserve its rights to the receivables.

H. The Company adjusts its forward-looking assessment to estimate the allowance for doubtful accounts by using loss rates established based on a specific historical and current information period. Please refer to Note 6(4) for the expected loss rate for the Company's non-overdue accounts receivable as of December 31, 2024, and December 31, 2023.

(3) Liquidity Risk

A. Cash flow forecasts are prepared by individual operating entities within the Company and parent only by the Company's finance department. The finance department monitors the forecasted cash needs of the Company to ensure that sufficient funds are available to support its operations.

B. Please refer to Note6(10) for loan un-used quota

C. The non-derivative financial liabilities of the Company, except for those listed in the table below, are due within one year and represent significant cash flow amounts within one year from December 31, 2024 and December 31, 2023, including short-term borrowings, accounts payable, and other payables. These amounts are undiscounted and consistent with the balances of each item in the balance sheet.

2024.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 6,634	$ 13,649	$ 20,283
Corporate bond payables	-	300,000	300,000

2023.12.31	within one year	over one year	total
Non-derivative financial liabilities:			
lease liabilities	$ 6,742	$ 23,007	$ 29,749

(3) Fair value of financial instruments

1. Categories of financial instruments and fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability (directly or indirectly).

Level 3: Assets or liabilities that are not observable market information (unobservable parameters).

2. Financial instrument not measured by fair value

(1) Other than items listed below, the carrying amount of the financial instruments not measured by fair value (cash and cash equivalent, financial assets at amortized cost, account receivables, other account receivables, account payables, other account payables, refundable deposits, short term loan, long term loan and lease liabilities) is regarded as reasonable fair value.

	2024.12.31			
		Fair Value		
	Book Value	Level 1	Level 2	Level 3
Financial liability				
Corporate bond payable	$ 283,315	$ -	$ 285,270	$ -

Not applicable for 2023.12.31

(2) The methods and assumptions applied in estimating fair value are as follows:

Corporate bonds payable: Measured at the present value of expected future cash flows, discounted at the market interest rate as of the balance sheet date.

3. Valuation method and techniques to measure fair value

(1) The Group has classified assets and liabilities based on their nature. Relevant information is as follows:

2024.12.31	Level 1	Level 2	Level 3	Total
Asset				
Repetitive fair value				
Financial assets measure at fair value through P&L Redemption Right of Convertible Bonds	$ -	$ 90	$ -	$ 90

(2) The methods and assumptions used by the Group in measuring fair value are described as follows:

The fair value of financial instruments is determined using valuation techniques. These techniques may include referencing the current fair value of financial instruments with similar terms and characteristics, discounted cash flow analysis, or other valuation methodologies. Such models incorporate observable market data available as of the consolidated balance sheet date (e.g., the yield curve published by the Taipei Exchange).

4. For the period of 2024 and 2023, there was no transfer of Level1 and Level2

5. For the period of 2024 and 2023, there was no transfer of financial instruments in Level 3.

13. Other disclosures

(1) Information on significant transactions

1. Loans to other parties: none
2. Guarantees and endorsements for other parties: none
3. Securities held at the end of the period (other than investments in subsidiaries, associates and JVs): none
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: none
5. Acquisition of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none

6. Disposal of individual property with amount exceeding the lower of NT$300 million or 20% of the capital stock: none

7. Related party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: (attachment I)

8. Receivables from related parties with amount exceeding the lower of NT$100 million or 20% of capital stock: none

9. Trading in derivative instruments: Note 6(2)

10. Business relationship and significant intercompany transactions: none

(2) Investment

NA.

(3) Investment in China

1.Basic information: none

2. Direct or indirect significant transaction between investee in China and the company: none

(4) Major shareholders

Please refer to attachment II

14. Segment information

It is allowed not to disclose.

ENE Technology Inc

Purchase and sales with related parties that reach NT$100 Millions or 20% of the paid-in capital

January 1st to December 31st, 2024

Attachment I

Unit：NTD thousans

(unless otherwise indicated)

				Transaction details			Situation and reasons for trading conditions different to others		Account receivable, note		
Company of purchase or sales	Counterparty	Relationship	Purchase or sales	Amount	% of total purchase/sales	Credit period	Unit price	Credit period	Balance	% of total AR	Notes
ENE Technology Inc	ASUSTek Computer Inc.	The main management level of ENE (legal board of director)	Sales	$ 119,175	17%	90 days	All equivalent to normal business practices		$ 51,748	25%	
ENE Technology Inc	Egis	Ultimate parent company	purchase	181,689	26%	30 days	All equivalent to normal business practices		16,718	46%	note

Note: centralized procurement by Egis

ENE Technology Inc and Subsidiaries

Major Shareholders

2024.12.31

Attachment II

Major Shareholders	Shareholding	
	No. of shares	%
Alcor Micro Corp	8,000,000	17.65%

ENE TECHNOLOGY INC
Statement of Cash and Cash Equivalent
December 31, 2024
(Expressed in thousands of NTD thousands)

Item	Description			Amount	Note
Cash and petty cash				$ 30	
Term deposit					
-NTD				226,400	
-USD	USD	6,301 thousands	FX 32.79	206,573	
Deposit					
-NTD				104,371	
-USD	USD	3,089 thousands	FX 32.79	101,260	
Check deposit				4	
Total				$ 638,638	

ENE TECHNOLOGY INC
Statement of Financial Asset after Amortization-Current
December 31, 2024
(Expressed in thousands of NTD thousands)

Name	Interest rate range	Amount	Note
TFB	1.60%	$ 100,000	Term deposit (note)
Cathay Bank	5.00%	19,671	
CTCB	1.44%	5,000	"
		$ 124,671	

Note 1: duration 2024/9/27-2025/05/07,

ENE TECHNOLOGY INC
Statement of Notes and Account Receivables
December 31, 2024
(Expressed in thousands of NTD thousands)

Item	Amount
Customer A	$ 118,144
Customer B	17,284
Others (note)	24,237
	159,665
Less: Allowances for loss	(889)
Total:	$ 158,776

Note: total of individual customers with amount less than 5 % of Notes and A/R

ENE TECHNOLOGY INC
Statement of Inventories
December 31, 2024
(Expressed in thousands of NTD thousands)

Item	Amount		Note
	Cost	Net realizable value	
Raw material	$ 109,435	$ 47,438	
Work in process	112,027	157,035	
Finished good	21,423	31,518	
	242,885	$ 235,991	
Less: allowances for loss	(80,160)		
	$ 162,725		

ENE TECHNOLOGY INC

Corporate Bond Payable

Please refer to Note 6(12)

Statement of Revenue

January 1 to December 31, 2024

(Expressed in NTD thousands)

Item	Qty	Amount
ICs	43,364 thousands units	$ 720,665
Others		557
Net revenue		$ 721,222

ENE TECHNOLOGY INC
Statement of Cost of Sales
January 1 to December 31, 2024
(Expressed in NTD thousands)

Item	Amount	Note
Beginning balance of raw materials	$ 126,217	
Add: purchase	183,738	
Less: ending balance of raw materials	(109,435)	
Transferred	(34)	
Loss from scrap	(772)	
Raw material used	199,714	
Manufacturing expense	148,119	Note
Cost of manufacturing	347,833	
Beginning balance of work-in-process inventory	190,614	
Add: purchase	115	
Less: Ending balance of work-in-process inventory	(112,027)	
Transferred	(400)	
Scrap of WIP	(2,355)	
Cost of finished goods	423,780	
Beginning balance of finished goods	30,273	
Less: Ending balance of finished goods	(21,423)	
Transferred	(123)	
Scrap of finished goods	(4,362)	
Total Cost of Sales	428,145	
Allowances for loss	30,810	
Other	3,195	
Total cost of sales	$ 462,150	

Note：expenses for outsourcing

ENE TECHNOLOGY INC

Statement of Sales Expenses

January1 to December 31, 2024

(Expressed in NTD thousands)

Item	Promotion exp	Management exp	R&D exp	Amount	Remark
Salary	$ 44,642	$ 38,806	$ 60,674	$ 144,122	
Depreciation	3,641	9,142	10,596	23,379	
Miscellaneous	-	2,478	30,298	32,776	
Transportation	6,226	12	-	6,238	
Consultant	334	8,318	-	8,652	
Royalties	9,659	-	-	9,659	
Others	11,767	17,115	12,438	41,320	Note
Total	$ 76,269	$ 75,871	$ 114,006	$ 224,826	

Note： The amount of each item does not exceed 5% of the subject amount