

**IRON FORCE INDUSTRIAL CO., LTD. AND  
SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2024 AND 2023**

-----  
For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Iron Force Industrial Co., Ltd.

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Iron Force Industrial Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and 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 Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

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

### ***Key audit matters***

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

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

### **Appropriateness of cut-off of warehouse operating revenue**

#### Description

Refer to Note 4(30) for accounting policies on revenue recognition.

To meet the needs of some customers, the Auto Parts Division of the Group stores certain inventories in the customers' distribution warehouses. The warehouse custodians are responsible for checking and accepting as well as custody of the inventories, and regularly send the requisition reports to the authorised personnel of the Group for checking inventory quantities. In accordance with the principle of revenue recognition, sales are recognised as revenue when the inventories are actually requested and used by the customer. The Group recognises revenue based on the requisition reports provided by the warehouse custodians of the Group and customers and verified by authorised personnel of the Group.

The distribution warehouses are located in the United States, Germany and China, contents of requisition reports provided by custodians are different and the process of revenue recognition involves manual verification. Thus, in consideration of the appropriateness of the timing of revenue recognition from warehouse sales, we considered the cut-off of warehouse operating revenue as a key audit matter for this year's audit.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. For the above revenue transactions, obtained an understanding of the sales transactions, amount and terms of mutual agreements, and selected samples and tested the reconciliation of sales records between both parties.
2. Obtained the requisition reports provided by the warehouse custodians during a certain period before and after the balance sheet date and verified the reports against the relevant invoices issued and the sales revenue on the accounting records.
3. Performed confirmation procedures based on the balance of inventory quantities at the end of the year.

### ***Other matter —Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements for the years ended December 31, 2024 and 2023.

## ***Responsibilities of management and those charged 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

1. Identify and 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 Group'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 Group'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 Group 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 Group 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 of the current period 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.

Chen, Ching Chang

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

---

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

ASSETS			December 31, 2024		December 31, 2023			
			Notes	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$	610,285	9	\$	1,406,535	23
1110	Financial assets at fair value through profit or loss - current	6(2)		284,393	4		264,862	4
1136	Financial assets at amortised cost - current	6(3)		400,000	6		-	-
1150	Notes receivable, net			-	-		11	-
1170	Accounts receivable, net	6(4)		1,272,931	18		1,241,098	20
1200	Other receivables, net	6(5)		207,144	3		25,976	1
130X	Inventories	6(6)		1,207,667	18		1,003,945	16
1410	Prepayments			46,420	1		47,134	1
1479	Other current assets			6,258	-		8,219	-
11XX	Total current assets			4,035,098			3,997,780	65
Non-current assets								
1535	Financial assets at amortised cost – non-current	6(3)		761,333	11		-	-
1600	Property, plant and equipment	6(7) and 8		1,829,226	27		1,852,823	30
1755	Right-of-use assets	6(8)		60,364	1		61,291	1
1780	Intangible assets			34,850	-		34,747	1
1840	Deferred tax assets	6(22)		45,610	1		76,788	1
1900	Other non-current assets	6(9)		79,868	1		111,935	2
15XX	Total non-current assets			2,811,251	41		2,137,584	35
1XXX	Total assets		\$	6,846,349	100	\$	6,135,364	100

(Continued)

**IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of New Taiwan dollars)								
LIABILITIES AND EQUITY			December 31, 2024		December 31, 2023			
			Notes	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(10)	\$	-	-	\$	382,000	6
2120	Current financial liabilities at fair value through profit or loss	6(2)		9,956	-		7,600	-
2130	Current contract liabilities	6(19)		92	-		2,053	-
2170	Accounts payable			273,188	4		309,738	5
2200	Other payables	6(11)		370,493	5		339,644	6
2230	Current income tax liabilities			43,081	1		76,086	1
2280	Current lease liabilities			2,498	-		1,450	-
2320	Long-term liabilities, current portion	6(13)		6,258	-		6,123	-
2399	Other current liabilities			5,550	-		6,234	-
21XX	<b>Total current liabilities</b>			711,116	10		1,130,928	18
<b>Non-current liabilities</b>								
2530	Bonds Payable	6(12)		280,886	4		-	
2540	Long-term loans	6(13)		25,529	-		31,638	1
2570	Deferred tax liabilities	6(22)		535,210	8		558,474	9
2580	Non-current lease liabilities			4,783	-		2,673	-
2600	Other non-current liabilities	6(14)		41,251	1		48,081	1
25XX	<b>Total non-current liabilities</b>			887,659	13		640,866	11
2XXX	<b>Total liabilities</b>			1,598,775	23		1,771,794	29
<b>Equity attributable to owners of parent</b>								
	Share capital	6(16)						
3110	Common stock			795,313	12		757,803	12
	Capital surplus	6(17)						
3200	Capital surplus			1,181,837	17		813,473	13
	Retained earnings	6(18)						
3310	Legal reserve			765,168	11		714,295	12
3320	Special reserve			331,725	5		325,899	5
3350	Unappropriated retained earnings			2,384,572	35		2,083,825	34
	Other equity interest							
3400	Other equity interest		(	211,041)	( 3)	(	331,725)	( 5)
3XXX	<b>Total equity</b>			5,247,574	77		4,363,570	71
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	<b>Total liabilities and equity</b>		\$	6,846,349	100	\$	6,135,364	100

The accompanying notes are an integral part of these consolidated financial statements.



**IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(19)		\$ 5,041,489	100	\$ 4,894,258	100
5000 Operating costs	6(6)(20)		( 3,792,915)	( 75)	( 3,681,197)	( 75)
5900 Gross profit			<u>1,248,574</u>	<u>25</u>	<u>1,213,061</u>	<u>25</u>
Operating expenses	6(20)					
6100 Selling expenses		(	155,954)	( 3)	( 144,474)	( 3)
6200 General and administrative expenses		(	414,345)	( 9)	( 366,533)	( 8)
6300 Research and development expenses		(	153,525)	( 3)	( 153,779)	( 3)
6450 Reversal of impairment loss	12(2)					
determined in accordance with IFRS						
9 (Expected credit impairment loss)			<u>2,775</u>	<u>-</u>	<u>12,604</u>	<u>-</u>
6000 Total operating expenses		(	<u>721,049</u>	<u>( 15)</u>	<u>652,182</u>	<u>( 14)</u>
6900 Operating profit			<u>527,525</u>	<u>10</u>	<u>560,879</u>	<u>11</u>
Non-operating income and expenses						
7100 Interest income			41,983	1	31,988	1
7010 Other income	7		336	-	336	-
7020 Other gains and losses	6(21) and 7		266,537	5	121,941	2
7050 Finance costs		(	<u>13,608</u>	<u>-</u>	<u>10,115</u>	<u>-</u>
7000 Total non-operating income and expenses			<u>295,248</u>	<u>6</u>	<u>144,150</u>	<u>3</u>
7900 Profit before tax			<u>822,773</u>	<u>16</u>	<u>705,029</u>	<u>14</u>
7950 Income tax expense	6(22)	(	<u>91,747</u>	<u>( 2)</u>	<u>191,212</u>	<u>( 4)</u>
8200 Profit for the year			<u>\$ 731,026</u>	<u>14</u>	<u>\$ 513,817</u>	<u>10</u>
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311 Gains(Losses) on remeasurements of defined benefit plan	6(14)	\$	6,651	-	( \$ 6,358)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(	<u>1,330</u>	<u>-</u>	<u>1,272</u>	<u>-</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361 Financial statements translation differences of foreign operations			150,854	3	( 7,283)	-
8399 Income tax relating to the components of other comprehensive income	6(22)	(	<u>30,170</u>	<u>-</u>	<u>1,457</u>	<u>-</u>
8300 Other comprehensive income (loss) for the year			<u>\$ 126,005</u>	<u>3</u>	<u>( \$ 10,912)</u>	<u>-</u>
8500 Total comprehensive income for the year			<u>\$ 857,031</u>	<u>17</u>	<u>\$ 502,905</u>	<u>10</u>
Profit attributable to:						
8610 Owners of the parent			<u>\$ 731,026</u>	<u>14</u>	<u>\$ 513,817</u>	<u>10</u>
Comprehensive income attributable to:						
8710 Owners of the parent			<u>\$ 857,031</u>	<u>17</u>	<u>\$ 502,905</u>	<u>10</u>
Earnings per share (in dollars)	6(23)					
9750 Basic earnings per share			<u>\$ 9.51</u>		<u>\$ 6.78</u>	
9850 Diluted earnings per share			<u>\$ 9.40</u>		<u>\$ 6.77</u>	

The accompanying notes are an integral part of these consolidated financial statements.

IRON FORCE INDUSTRIAL CO., LTD AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent						
		Retained Earnings						
	Notes	Ordinary share	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Total exchange differences on translation of foreign financial statements	Total equity
<u>Year 2023</u>								
Balance at January 1, 2023		\$ 757,803	\$ 813,473	\$ 668,091	\$ 383,506	\$ 1,866,812	(\$ 325,899 )	\$ 4,163,786
Profit for the year		-	-	-	-	513,817	-	513,817
Other comprehensive income for the year		-	-	-	-	( 5,086 )	( 5,826 )	( 10,912 )
Total comprehensive income		-	-	-	-	508,731	( 5,826 )	502,905
Appropriations of 2022 earnings	6(18)							
Legal reserve		-	-	46,204	-	( 46,204 )	-	-
Special reserve		-	-	-	( 57,607 )	57,607	-	-
Cash dividends		-	-	-	-	( 303,121 )	-	( 303,121 )
Balance at December 31, 2023		\$ 757,803	\$ 813,473	\$ 714,295	\$ 325,899	\$ 2,083,825	(\$ 331,725 )	\$ 4,363,570
<u>Year 2024</u>								
Balance at January 1, 2024		\$ 757,803	\$ 813,473	\$ 714,295	\$ 325,899	\$ 2,083,825	(\$ 331,725 )	\$ 4,363,570
Profit for the year		-	-	-	-	731,026	-	731,026
Other comprehensive income for the year		-	-	-	-	5,321	120,684	126,005
Total comprehensive income		-	-	-	-	736,347	120,684	857,031
Appropriations of 2023 earnings	6(18)							
Legal reserve		-	-	50,873	-	( 50,873 )	-	-
Special reserve		-	-	-	5,826	( 5,826 )	-	-
Cash dividends		-	-	-	-	( 378,901 )	-	( 378,901 )
Cash Capital Increase	6(16)	37,500	291,400	-	-	-	-	328,900
Share-based payments	6(15)	-	16,909	-	-	-	-	16,909
Equity Component of Convertible Bonds	6(12)	-	59,973	-	-	-	-	59,973
Conversion of convertible bonds to shares		10	82	-	-	-	-	92
Balance at December 31, 2024		\$ 795,313	\$ 1,181,837	\$ 765,168	\$ 331,725	\$ 2,384,572	(\$ 211,041 )	\$ 5,247,574

The accompanying notes are an integral part of these consolidated financial statements.

**IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 822,773	\$ 705,029
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain)loss	12(2)	( 2,775 )	( 12,604 )
Depreciation	6(20)	189,691	193,491
Amortization	6(20)	18,736	12,856
Interest income		( 41,983 )	( 31,988 )
Loss on disposal of property, plant and equipment	6(21)	( 902 )	3,253
Loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(21)	( 27,245 )	3,483
Interest expense		13,608	10,115
Share-based payment expenses	6(15)	16,909	-
Income on disposal of assets held for sale	6(21)	( 134,059 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		7,924	401,854
Notes receivable		11	-
Accounts receivable		( 29,058 )	( 104,213 )
Other receivables		( 16,745 )	12,314
Inventories		( 203,722 )	54,372
Prepayments		714	10,642
Other current assets		1,894	1,966
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		2,356	7,600
Current contract liabilities		( 1,961 )	1,161
Accounts payable		( 36,550 )	60,321
Other payables		13,367	35,926
Other current liabilities		( 684 )	( 14,580 )
Other non-current liabilities		( 179 )	( 2,081 )
Cash inflow generated from operations		592,120	1,348,917
Interest received		41,983	31,988
Income tax paid		( 148,271 )	( 77,741 )
Interest paid		( 11,174 )	( 10,115 )
Net cash flows from operating activities		474,658	1,293,049
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	6(24)	( 144,587 )	( 198,688 )
Proceeds from disposal of property, plant and equipment		6,502	1,898
Proceeds from disposal of assets held for sale		39,115	-
Acquisition of financial assets at amortised cost		( 1,161,333 )	-
Increase in other non-current assets		( 17,705 )	( 11,682 )
Net cash flows used in investing activities		( 1,278,008 )	( 208,472 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in short-term loan	6(25)	( 382,000 )	( 102,000 )
Issuance of convertible bonds	6(25)	338,371	-
Payments of lease liabilities	6(25)	( 2,453 )	( 1,126 )
Repayments of long-term debt	6(25)	( 6,259 )	( 5,881 )
Proceeds from long-term debt	6(25)	-	12,509
Repayments of bonds	6(25)	-	( 300,000 )
Payments of cash dividends	6(18)	( 378,901 )	( 303,121 )
Cash Capital Increase	6(16)	328,900	-
Net cash flows used in financing activities		( 102,342 )	( 699,619 )
Effect of exchange rate changes on cash and cash equivalents		109,442	( 33,502 )
Net increase in cash and cash equivalents		( 796,250 )	351,456
Cash and cash equivalents at beginning of year		1,406,535	1,055,079
Cash and cash equivalents at end of year		\$ 610,285	\$ 1,406,535

The accompanying notes are an integral part of these consolidated financial statements.

IRON FORCE INDUSTRIAL CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Iron Force Industrial Co., Ltd. (the “Company”) was incorporated in April 1977 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and listed on the Taiwan Stock Exchange on November 25, 2013. The Company is primarily engaged in manufacturing and trading of airbag inflators for automotive safety systems and high precision metal tubes for seatbelt retractor/pre-tensioner systems, and trading of display fixtures and other metal parts.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on February 27, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International

Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
  - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
The Company	Transtat Investment Ltd. (Transtat)	Holding company	100%	100%	-
The Company	Cortec GmbH	Sales of hangers and display fixtures	100%	100%	-
The Company	Iron Force Poland Sp. z o.o.	Producing and sales of automotive safety components	100%	100%	-
Transtat	Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers and display fixtures	100%	100%	-
Transtat	Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety components	100%	100%	-
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Producing and sales of hangers and display fixtures	100%	100%	-
Cortec GmbH	Cortec Verwaltungs GmbH	Management consulting company	100%	100%	-

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in NTD, which is the parent company's functional and the Group's presentation currency.

#### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

#### B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

#### (5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.



B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value and recognises the gain or loss in profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts receivable

- A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(13) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic

benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20~56 years
Machinery and equipment	2~10 years
Office equipment	5~10 years
Others	4~20 years

(15) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payment, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1~3 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(17) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when

the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

- B. The recoverable amounts of goodwill is evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares) and call options. The Group classifies the bonds payable upon issuance as a financial asset or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options are recognised initially at net fair value as 'financial assets at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on the balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Non-hedging derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.
- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss.

(24) Provisions

Provisions (including onerous contracts) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash

refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense when it can no longer withdraw an offer of termination benefits or when it recognises related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after the balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts at the shareholders' meeting and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(26) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The grant date is the date on which the Company notifies employees and both parties agree on the

subscription quantity and price.

(27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(28) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

Sales of goods

- A. The Group manufactures and sells automotive safety components, display fixtures and other metal parts. Sales are recognised when control of the products has transferred, being when the

products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- B. Revenue from sales of automotive safety components, display fixtures and other metal parts is recognised based on the price specified in the contract, net of sales returns, volume discounts and sales discounts. The sales usually are made with a credit term of 90 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.



## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Petty cash and cash on hand	\$ 272	\$ 245
Checking accounts and demand deposits	335,405	1,130,453
Time deposits	238,014	166,851
Short-term notes and bills	36,594	108,986
	<u>\$ 610,285</u>	<u>\$ 1,406,535</u>

A. As of December 31, 2024 and 2023, the annual interest rate of cash equivalents was 1.38%~4.93% and 0.2%~4.08%, respectively, and the cash equivalents were highly liquid investments expiring within three months such as time deposits and short-term notes and bills.

B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. The Group has no cash and cash equivalents pledged to others.

### (2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 129,037	\$ 259,595
Structured deposits	154,506	-
Unlisted stocks	12,000	12,000
Forward foreign exchange contracts	-	4,391
Derivative Instruments -	210	-
Callable Convertible Bonds		
Valuation adjustment	( 11,360 )	( 11,124 )
	<u>\$ 284,393</u>	<u>\$ 264,862</u>

#### Current items:

Financial liabilities mandatorily measured at fair value through profit or loss

Forward foreign exchange contracts	<u>\$ 9,956</u>	<u>\$ 7,600</u>
------------------------------------	-----------------	-----------------

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	(\$ 528)	\$ 259,595
Forward foreign exchange contracts	22,220	( 14,017 )
Structured deposits	3,970	9,993
Beneficiary certificates	1,493	353
Derivative Instruments –		
Callable Convertible Bonds	90	-
	<u>\$ 27,245</u>	<u>(\$ 3,483)</u>

B. Details of the transactions and contract information in respect of the Company's derivative financial assets and liabilities which were not accounted for under hedge accounting are as follows:

December 31, 2024			
Financial instruments	Contract amount (notional principal) (in dollars)		Contract period
Forward foreign exchange contracts-pre-buy	RMB	85,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts-pre-buy	RMB	100,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts-pre-buy	RMB	65,000,000	2024/07/29~2025/07/30
Forward foreign exchange contracts-pre-sale	USD	910,000	2024/11/22~2025/01/24
Forward foreign exchange contracts-pre-sale	USD	767,000	2024/12/13~2025/02/26
Forward foreign exchange contracts-pre-sale	USD	1,800,000	2024/11/22~2025/01/24
Forward foreign exchange contracts-pre-sale	USD	2,000,000	2024/12/13~2025/03/14
Forward foreign exchange contracts-pre-sale	USD	2,200,000	2024/12/13~2025/04/14
Structured deposits	RMB	30,000,000	2024/10/18~2025/01/21
Structured deposits	RMB	4,500,000	2024/10/21~2025/01/21
December 31, 2023			
Financial instruments	Contract amount (notional principal) (in dollars)		Contract period
Forward foreign exchange contracts-pre-buy	EUR	4,000,000	2023/07/25~2024/07/18
Forward foreign exchange contracts-pre-buy	EUR	7,600,000	2023/07/25~2024/07/18
Forward foreign exchange contracts-pre-buy	EUR	8,400,000	2023/07/25~2024/07/18
Forward foreign exchange contracts-pre-sale	EUR	18,000,000	2023/12/28~2024/07/18

- (a) The Group entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.
- (b) The structured instruments signed by the Group are principal-protected floating-income transactions to obtain exchange rate spreads.

C. Information relating to credit risk of financial assets / liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Time deposits with original maturity of more than three months	\$ <u>400,000</u>	\$ <u>-</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Time deposits with original maturity of more than one year	\$ <u>761,333</u>	\$ <u>-</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Interest income	\$ <u>9,379</u>	\$ <u>-</u>

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$1,161,333 and \$0, respectively.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).  
The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	\$ 1,279,115	\$ 1,250,057
Less: Allowance for uncollectible accounts	( <u>6,184</u> )	( <u>8,959</u> )
	\$ <u>1,272,931</u>	\$ <u>1,241,098</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not past due	\$ 1,150,336	\$ 1,156,805
Up to 30 days	110,170	63,335
31 to 90 days	18,364	28,122
91 to 180 days	229	1,739
Over 181 days	16	56
	<u>\$ 1,279,115</u>	<u>\$ 1,250,057</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2024, December 31, 2023 and January 1, 2023, the balances of accounts receivable from contracts with customers amounted to \$1,279,115, \$1,250,057, and \$1,145,844, respectively.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Other account receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Receivable from disposal of plant	\$ 164,423	\$ -
Others	42,721	25,976
	<u>\$ 207,144</u>	<u>\$ 25,976</u>

On September 14, 2024, the board of directors had approved that Zhejiang Iron Force Metal Products Co., Ltd sold land use rights \$4,603, buildings \$61,665 and equipment \$2,260 due to relocation under government policy. The property was handed over in December 2024, with a disposal gain of \$134,059.

The government agreed to compensation totaling RMB 45,356 thousand. By December 31, 2024, RMB 8,641 thousand had been received, with RMB 36,715 thousand (approximately \$164,423) recognized as "other receivables."

(6) Inventories

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 449,867	(\$ 12,190)	\$ 437,677
Work in progress	85,324	( 5,767)	79,557
Finished goods	644,763	( 20,257)	624,506
Merchandise	81,818	( 15,891)	65,927
	<u>\$ 1,261,772</u>	<u>(\$ 54,105)</u>	<u>\$ 1,207,667</u>

December 31, 2023			
Allowance for			
	Cost	valuation loss	Book value
Raw materials	\$ 420,407	(\$ 13,202)	\$ 407,205
Work in progress	85,464	( 11,227)	74,237
Finished goods	476,554	( 11,089)	465,465
Merchandise	76,455	( 19,417)	57,038
	<u>\$ 1,058,880</u>	<u>(\$ 54,935)</u>	<u>\$ 1,003,945</u>

The cost of inventories recognized as expense for the year:

For the years ended December 31			
	2024	2023	
Cost of goods sold	\$ 3,793,745	\$ 3,678,718	
(Gain on reversal of) Loss on decline in market value	(830)	2,479	
	<u>\$ 3,792,915</u>	<u>\$ 3,681,197</u>	

## (7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction in progress	Total
<u>Balance at January 1, 2024</u>							
Cost	\$ 149,166	\$ 1,377,820	\$ 1,642,159	\$ 102,037	\$ 58,883	\$ 71,944	\$ 3,402,009
Accumulated depreciation	- (	398,422)	( 1,018,627)	( 80,641)	( 42,326)	- (	1,540,016)
Accumulated impairment	-	-	( 9,170)	-	-	-	( 9,170)
	<u>\$ 149,166</u>	<u>\$ 979,398</u>	<u>\$ 614,362</u>	<u>\$ 21,396</u>	<u>\$ 16,557</u>	<u>\$ 71,944</u>	<u>\$ 1,852,823</u>
Balance at January 1, 2024	\$ 149,166	\$ 979,398	\$ 614,362	\$ 21,396	\$ 16,557	\$ 71,944	\$ 1,852,823
Additions	-	7,805	65,381	5,100	6,583	106,525	191,394
Disposals(Note 1)	- (	61,665)	( 3,618)	( 2,217)	( 419)	( 1,606)	( 69,525)
Reclassifications	-	16,887	27,688	523	8,714	( 53,838)	26)
Depreciation charge	- (	37,579)	( 134,162)	( 5,208)	( 8,718)	- (	185,667)
Net exchange differences	729	25,467	13,233	375	( 1,011)	1,434	40,227
Balance at December 31, 2024	<u>\$ 149,895</u>	<u>\$ 930,313</u>	<u>\$ 582,884</u>	<u>\$ 19,969</u>	<u>\$ 21,706</u>	<u>\$ 124,459</u>	<u>\$ 1,829,226</u>
<u>Balance at December 31, 2024</u>							
Cost	\$ 149,895	\$ 1,305,426	\$ 1,704,414	\$ 88,402	\$ 72,659	\$ 124,459	\$ 3,445,255
Accumulated depreciation	- (	375,113)	( 1,116,275)	( 68,433)	( 50,953)	- (	1,610,774)
Accumulated impairment	-	-	( 5,255)	-	-	-	( 5,255)
	<u>\$ 149,895</u>	<u>\$ 930,313</u>	<u>\$ 582,884</u>	<u>\$ 19,969</u>	<u>\$ 21,706</u>	<u>\$ 124,459</u>	<u>\$ 1,829,226</u>

	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction in progress	Total
<u>Balance at January 1, 2023</u>							
Cost	\$ 144,820	\$ 1,359,566	\$ 1,579,609	\$ 96,219	\$ 67,347	\$ 47,010	\$ 3,294,571
Accumulated depreciation	- (	359,034)	( 979,975)	( 73,930)	( 44,617)	-	( 1,457,556)
Accumulated impairment	-	-	( 9,352)	-	-	-	( 9,352)
	<u>\$ 144,820</u>	<u>\$ 1,000,532</u>	<u>\$ 590,282</u>	<u>\$ 22,289</u>	<u>\$ 22,730</u>	<u>\$ 47,010</u>	<u>\$ 1,827,663</u>
Balance at January 1, 2023	\$ 144,820	\$ 1,000,532	\$ 590,282	\$ 22,289	\$ 22,730	\$ 47,010	\$ 1,827,663
Additions	-	1,671	96,746	8,034	629	85,611	192,691
Disposals	- (	36)	( 4,390)	( 124)	( 555)	( 46)	( 5,151)
Reclassifications(Note 2)	-	705	61,310	( 132)	( 99)	61,635	149
Depreciation charge	- (	40,129)	( 135,461)	( 8,832)	( 6,412)	-	( 190,834)
Net exchange differences	4,346	16,655	5,875	161	264	1,004	28,305
Balance at December 31, 2023	<u>\$ 149,166</u>	<u>\$ 979,398</u>	<u>\$ 614,362</u>	<u>\$ 21,396</u>	<u>\$ 16,557</u>	<u>\$ 71,944</u>	<u>\$ 1,852,823</u>
<u>Balance at December 31, 2023</u>							
Cost	\$ 149,166	\$ 1,377,820	\$ 1,642,159	\$ 102,037	\$ 58,883	\$ 71,944	\$ 3,402,009
Accumulated depreciation	- (	398,422)	( 1,018,627)	( 80,641)	( 42,326)	-	( 1,540,016)
Accumulated impairment	-	-	( 9,170)	-	-	-	( 9,170)
	<u>\$ 149,166</u>	<u>\$ 979,398</u>	<u>\$ 614,362</u>	<u>\$ 21,396</u>	<u>\$ 16,557</u>	<u>\$ 71,944</u>	<u>\$ 1,852,823</u>

Note 1: The primary reason is the reclassification of part of the factory buildings and equipment of the subsidiary Zhejiang Iron Force to non-current assets held for sale due to expropriation. Please refer to Note 6(5) for details.

Note 2: The main reclassification is from mold amortization expenses to prepaid expenses.

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

#### (8) Lease agreements - lessee

- A. The Group's leases include land, transportation equipment and office equipment. Rental contracts are typically made for periods of 1 to 50 years. The lease contract is negotiated individually and contains various terms and conditions. Except for the leased assets which cannot be used as security for borrowing purposes, there are no other restrictions on the lease.
- B. The carrying value of the right-of-use assets and the depreciation expense recognized were as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	\$ 53,083	\$ 57,168
Transportation equipment (Company vehicle)	7,029	3,768
Office equipment (Photocopier)	252	355
	<u>\$ 60,364</u>	<u>\$ 61,291</u>

Note: Due to the relocation under government policy, Zhejiang Iron Force Metal Products Co., Ltd disposed certain land use rights and lead to the decreasing. Please refer to Note 6(5) for the explanation.

	Years ended December 31,	
	2024	2023
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land	\$ 1,534	\$ 1,528
Transportation equipment (Company vehicle)	2,384	916
Office equipment (Photocopier)	<u>106</u>	<u>213</u>
	<u>\$ 4,024</u>	<u>\$ 2,657</u>

C. The additions to right-of-use assets for the years ended December 31, 2024 and 2023 were \$5,576 and \$3,676, respectively.

D. The information of the profits and loss items that are related to lease contracts as follows:

	Years ended December 31,	
	2024	2023
<u>Items affecting current profit or loss</u>		
Interest expense on lease liability	\$ 102	\$ 24
Expense on short-term lease contracts	3,778	3,814
Expense on leases of low-value assets	187	182

E. The Group's total lease cash outflows were \$6,520 and \$5,146 for the years ended December 31, 2024 and 2023, respectively.

(9) Other non-current assets

	December 31, 2024	December 31, 2023
Prepaid equipment	\$ 68,547	\$ 99,842
Others	<u>11,321</u>	<u>12,093</u>
	<u>\$ 79,868</u>	<u>\$ 111,935</u>

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 382,000</u>	1.53%	None

A. No short-term borrowings on December 31, 2024.

B. Interest expense recognised in profit or loss amounted to \$4,631 and \$5,934 for the years ended December 31, 2024 and 2023, respectively.

(11) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Wages and salaries payable	\$ 180,805	\$ 184,778
Processing fees payable	23,456	19,987
Payable on machinery and equipment	43,956	28,908
Import / export expenses payable	6,245	5,267
Others	<u>116,031</u>	<u>100,704</u>
	<u>\$ 370,493</u>	<u>\$ 339,644</u>

(12) Bonds payable

	<u>December 31, 2024</u>
Bonds payable	\$ 299,900
Less: Discount on bonds payable	<u>( 19,014)</u>
	<u>\$ 280,886</u>

A. No bonds payable as of December 31, 2023.

B. Domestic Convertible Corporate Bonds Issued by the Group

(i) The terms of the third domestic unsecured convertible bonds issued by the Group are as follows:

- a. Approved by the competent authority, the Company issued NT\$300,000 of zero-coupon convertible bonds with a three-year term from August 29, 2024 to August 29, 2027. The bonds will be fully redeemed in cash at maturity and are listed on the Taipei Exchange from the issuance date.
- b. Bondholders may request to convert the bonds into the Company's common shares at any time from three months after the issuance date until the maturity date, except during periods when transfers are suspended in accordance with relevant regulations. The rights and obligations of the converted common shares are identical to those of the Company's existing common shares.
- c. The initial conversion price is NT\$94.5 per share, determined in accordance with the conversion terms. The price is subject to adjustment based on anti-dilution provisions and may be re-set on specified base dates.
- d. From the day following three months after the issuance date until 40 days prior to the maturity date, if the closing price of the Company's common shares exceeds 130% of the conversion price for 30 consecutive trading days, or if the outstanding principal amount of the convertible bonds falls below 10% of the original issuance amount during the same period, the Company may redeem all outstanding bonds in cash at par value at any time thereafter.
- e. Bonds that are redeemed, repurchased, or converted will be canceled, and all attached rights and obligations extinguished.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$ 59,973



was separated from the liability component and was recognised in ‘capital surplus–share options’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets at fair value through profit or loss’ in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective rate of the host contract is 2.5% after separation.

D. As of December 31, 2024, convertible bonds with a principal amount of NT\$100 had been converted into 1,000 common shares. The Company has not adjusted the conversion price.

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Installment loans				
Secured borrowings	Borrowing period is from April 5, 2020 to April 30, 2030, principal is repayable in monthly installments	0.69% ~ 0.80%	Note 8	\$ 22,772
Secured borrowings	Borrowing period is from April 6, 2023 to March 1, 2029, principal is repayable in monthly installments	3.96%	Note 8	
				9,015
				31,787
Less: Current portion				( 6,258)
				<u>\$ 25,529</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Installment loans				
Secured borrowings	Borrowing period is from April 5, 2020 to April 30, 2030, principal is repayable in monthly installments	0.69% ~ 0.80%	Note 8	\$ 26,887
Secured borrowings	Borrowing period is from April 6, 2023 to March 1, 2029, principal is repayable in monthly installments	3.96%	Note 8	
				10,874
				37,761
Less: Current portion				( 6,123)
				<u>\$ 31,638</u>

(14) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3.5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (b) The amounts recognised in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ 60,466	\$ 57,027
Fair value of plan assets	( 30,218)	( 21,510)
Net defined benefit liability		
( shown as 'other non-current liabilities' )	\$ <u>30,248</u>	\$ <u>35,517</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2024			
Balance at January 1	\$ 57,027	(\$ 21,510)	\$ 35,517
Current service cost	136	-	136
Interest expense (income)	707	( 267)	440
Prior service cost	7,262	-	7,262
	<u>65,132</u>	<u>( 21,777)</u>	<u>43,355</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	( 1,987)	( 1,987)
Change in financial assumptions	( 6,040)	-	( 6,040)
Experience adjustments	1,376	-	1,376
	<u>( 4,664)</u>	<u>( 1,987)</u>	<u>( 6,651)</u>
Pension fund contribution	-	( 6,456)	( 6,456)
Balance at December 31	<u>\$ 60,468</u>	<u>(\$ 30,220)</u>	<u>\$ 30,248</u>

	Present value of defined defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	\$ 51,967	(\$ 23,347)	\$ 28,620
Current service cost	250	–	250
Interest expense (income)	707	( 317)	390
	<u>52,924</u>	<u>( 23,664)</u>	<u>29,260</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	–	( 103)	( 103)
Change in demographic assumptions	489	–	489
Change in financial assumptions	5,591	–	5,591
Experience adjustments	381	–	381
	<u>6,461</u>	<u>( 103)</u>	<u>6,358</u>
Pension fund contribution	–	( 101)	( 101)
Paid pension	( 2,358)	2,358	–
Balance at December 31	<u>\$ 57,027</u>	<u>(\$ 21,510)</u>	<u>\$ 35,517</u>

(d)The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estatesecuritisation products, etc.). With regard to the utilisation of the Fund, its minimum earningsin the annual distributions on the final financial statements shall be no less than the earningsattainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable todisclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142.The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2024	2023
Discount rate	1.67%	1.24%
Future salary increases	2.69%	3.03%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 3,486)	\$ 3,846	\$ 3,787	(\$ 3,469)
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 3,079)	\$ 3,353	\$ 3,276	(\$ 3,042)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to \$6,456.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 12 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 43,740
1-2 year(s)	633
2-5 years	5,826
Over 5 years	14,955
	<u>\$ 65,154</u>

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on not lower than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2024 and 2023 were \$42,172 and \$34,500, respectively.

(15) Share-based payment

A. For the years ended December 31, 2024, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.09.06	563	NA	Vested immediately

For the year ended December 31, 2023 : None.

B. The fair value of stock options is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Fair value per unit
Cash capital increase reserved for employee preemption	2024.09.06	118	88	\$ 30.06

C. Expenses incurred on share-based payment transactions are shown below:

	2024	2023
Equity-settled	\$ 16,909	\$ -

(16) Share capital

A. As of December 31, 2023, the Company’s authorised capital was \$1,300,000, consisting of 130,000 thousand shares of ordinary stock, and the paid-in capital was \$795,313 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company’s ordinary shares outstanding are as follows:

	2024 (thousand shares)	2023 (thousand shares)
At January 1	75,780	75,780
Cash capital increase	3,750	-
Convertible bonds	1	-
At December 31	75,780	75,780

C. On August 27, 2024, the Board of Directors resolved to conduct a cash capital increase through the issuance of 3,750 thousand new common shares, each with a par value of NT\$10. The record date for the

capital increase was set as October 7, 2024, and the issue price was NT\$88 per share. The Company has received full payment totaling NT\$330,000, and the registration of the newly issued shares has been completed. The underwriting fee of NT\$1,100 incurred in connection with this capital increase was recognized as a deduction from capital surplus – share premium, as it represents a necessary issuance cost.

- D. As of December 31, 2024, the Company issued 1,000 common shares upon conversion of corporate bonds. As of February 27, 2025, the registration of these shares had not yet been completed

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings/ Events after the balance sheet date

- A. Under the Company's Articles of Incorporation, the current year's profit shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, if any, to be retained or to be appropriated which shall be resolved by the stockholders at the stockholders' meeting.
- B. The Company distributes dividends taking into consideration the Company's economic environment, growth phases, future demands for funds, long-term financial planning and the cash flow needs of stockholders. Dividends distribution shall be resolved by the shareholders based on current year's profit and capital position.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

	Years ended December 31			
	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 50,873		\$ 46,204	
Special reserve	5,826		( 57,607)	
Cash dividends	378,901	\$ 5.00	303,121	\$ 4.00
	<u>\$ 435,600</u>		<u>\$ 291,718</u>	

- D. The appropriations of 2023 and 2022 earnings as resolved at the shareholders' meeting on June 21, 2024 and on June 24, 2023, respectively, are as follows:

E. Events after the balance sheet date:

The appropriations of earnings for the year ended December 31, 2024 as proposed by the Board of Directors on February 27, 2025 is as follows:

	Year ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 73,635	
Special reserve	( 120,684)	
Cash dividends	397,651	\$ 5.00
	<u>\$ 350,602</u>	

(19) Operating revenue

	Years ended December 31	
	2024	2023
Revenue from contracts with customers	<u>\$ 5,041,489</u>	<u>\$ 4,894,258</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue mainly from the transfer of goods at a point in time in the following major product areas:

2024	Production area			
	Taiwan	China	Europe	Total
Sales area				
America	\$ 1,011,674	\$ 555,173	\$ -	\$ 1,566,847
China	332,256	980,908	-	1,313,164
Asia (Except China)	90,598	355,908	-	446,506
Europe	475,399	383,944	680,295	1,539,638
Others	69,615	105,719	-	175,334
	<u>\$ 1,979,542</u>	<u>\$ 2,381,652</u>	<u>\$ 680,295</u>	<u>\$ 5,041,489</u>
2023	Production area			
	Taiwan	China	Europe	Total
Sales area				
America	\$ 938,037	\$ 522,238	\$ -	\$ 1,460,275
China	277,103	1,031,425	-	1,308,528
Asia (Except China)	79,877	350,278	-	430,155
Europe	440,082	336,516	768,853	1,545,451
Others	53,724	96,125	-	149,849
	<u>\$ 1,788,823</u>	<u>\$ 2,336,582</u>	<u>\$ 768,853</u>	<u>\$ 4,894,258</u>



B. Contract liabilities

- (a) The Group has recognised the following contract liabilities of revenue from contracts with customers as a result of advance sales receipts:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 01, 2023</u>
Contract liabilities	\$ <u>92</u>	\$ <u>2,053</u>	\$ <u>892</u>

- (b) The contract liabilities at the beginning of the year which were recognised in revenue for the years ended December 31, 2024 and 2023 amounted to \$2,053 and \$892, respectively.

(20) Expenses by nature / events after the balance sheet date

	<u>Year ended December 31, 2024</u>		
	<u>Classified as operating costs</u>	<u>Classified as operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 758,175	\$ 307,050	\$ 1,065,225
Labour and health insurance fees	62,537	29,224	91,761
Pension costs	28,813	21,197	50,010
Other personnel expenses	32,545	22,084	54,629
Share-based payment	-	16,909	16,909
Depreciation charge	164,354	25,337	189,691
Amortisation charge	536	18,200	18,736
	<u>Year ended December 31, 2023</u>		
	<u>Classified as operating costs</u>	<u>Classified as operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 708,081	\$ 295,916	\$ 1,003,997
Labour and health insurance fees	59,775	27,817	87,592
Pension costs	21,474	13,666	35,140
Other personnel expenses	29,233	19,627	48,860
Depreciation charge	162,008	31,483	193,491
Amortisation charge	305	12,551	12,856

- A. In accordance with the Articles of Incorporation of the Company, if the Company has distributable profit of the current year, the Company shall distribute at not lower than 0.5% as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. The Company shall distribute directors' remuneration at not more than 5% of the total distributable amount as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders during their meeting.

B. For the years ended December 31, 2024 and 2023, employees' compensation and directors' remuneration were accrued as follows:

	Years ended December 31	
	2024	2023
Directors' remuneration	\$ 1,800	\$ 1,500
Employees' compensation	9,989	9,511
	<u>\$ 11,789</u>	<u>\$ 11,011</u>

The aforementioned amounts were recognised in salary expenses and were accrued based on the distributable profit for the years ended December 31, 2024 and 2023 and the Company's Articles of Incorporation.

- C. The directors' remuneration and employees' compensation of 2024 resolved by the Board of Directors on February 27, 2025 amounted to \$4,087 and \$4,300, respectively. The difference between the amounts resolved by the Board of Directors and the directors' remuneration of \$1,800 and employees' compensation of \$9,989 recognised in the 2024 financial statements was regarded as changes in accounting estimates and recognised in the profit or loss of 2025.
- D. The directors' remuneration and employees' compensation of 2023 resolved by the Board of Directors on March 7, 2024 amounted to \$1,590 and \$3,700, respectively. The difference between the amounts resolved by the Board of Directors and the directors' remuneration of \$1,500 and employees' compensation of \$9,511 recognised in the 2023 financial statements was regarded as changes in accounting estimates and recognised in the profit or loss of 2024.
- E. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Other gains and losses

	Years ended December 31	
	2024	2023
Net currency exchange gains (losses)	\$ 9,287	\$ 25,723
Gains (losses) on financial instruments at fair value through profit or loss	27,245 (	3,483)
Governments grants (Note 1)	16,873	13,565
Gains (losses) on disposals of property, plant and equipment	902 (	3,253)
Gains on disposals of non-current assets held for sale (Note 2)	134,059	-
Miscellaneous income (disbursements)	78,171	89,389
	<u>\$ 266,537</u>	<u>\$ 121,941</u>

Note 1: Governments grants mainly refer to the grants of the China government for economic investment and research and development investment.

Note 2: Gain from dispose of the plant in Zhejiang Iron Force Metal Products Co., Ltd. due to the relocation under government policy.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 106,606	\$ 88,558
Tax on undistributed surplus earnings	3,656	4,492
Prior year income tax underestimation	5,071	6,209
Total current tax	115,333	99,259
Deferred tax:		
Origination and reversal of temporary differences	( 23,586)	91,953
Income tax expense	\$ 91,747	\$ 191,212

(b) The income tax (charge) / credit relating to components of other comprehensive income is as follows:

	Years ended December 31	
	2024	2023
Currency translation differences	(\$ 30,170)	\$ 1,457
Remeasurement of defined benefit asset	( 1,330)	1,272

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 208,227	\$ 201,096
Tax effects disallowed by tax regulation	632	276
Tax exempt income by tax regulation	( 94)	( 20,861)
Tax on undistributed surplus earnings	3,656	4,492
Change in assessment of realisation of deferred tax assets (Note)	( 126,513)	-
Temporary differences not recognised as deferred tax assets	768	-
Prior year income tax underestimation	5,071	6,209
Income tax expense	\$ 91,747	\$ 191,212

Note: The reversal of deferred income tax liability is primarily attributable to the expectation that the subsidiary, Huzhou Iron Force Metal Products Co., Ltd., will not distribute a portion of its retained earnings.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
–Deferred tax assets:				
Loss on inventory	\$ 5,816	\$ 963	\$ -	\$ 6,779
Unrealised gain on inter- affiliate accounts	9,102	( 764)	-	8,338
Unused compensated absences	2,002	-	-	2,002
Unrealised appropriation of pension expenses	7,030	277	( 1,330)	5,977
Accounts receivable loss allowance	1,100	( 437)	-	663
Unrealised gain or loss on financial assets	2,165	283	-	2,448
Currency translation differences	49,573	-	( 30,170)	19,403
Total	76,788	322	( 31,500)	45,610
–Deferred tax liabilities:				
Unrealised exchange gain	( 1,391)	( 639)	-	( 2,030)
Book-tax differences of fixed– assets depreciation	( 42,230)	10,753	-	( 31,477)
Profit or loss of investments accounted for using equity method	( 514,853)	13,150	-	( 501,703)
Total	( 558,474)	23,264	-	( 535,210)
	(\$ 481,686)	\$ 23,586	(\$ 31,500)	(\$ 489,600)

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
–Deferred tax assets:				
Loss on inventory	\$ 5,748	\$ 68	\$ -	\$ 5,816
Unrealised gain on inter- affiliate accounts	7,365	1,737	-	9,102
Unused compensated absences	2,002	-	-	2,002
Unrealised appropriation of pension expenses	5,651	107	1,272	7,030
Accounts receivable loss allowance	1,839	( 739)	-	1,100
Unrealised gain or loss on financial assets	729	1,436	-	2,165
Currency translation differences	48,116	-	1,457	49,573
Total	71,450	2,609	2,729	76,788
–Deferred tax liabilities:				
Unrealised exchange gain	( 518)	( 873)	-	( 1,391)
Book-tax differences of fixed– assets depreciation	( 43,061)	831	-	( 42,230)
Profit or loss of investments accounted for using equity method	( 420,333)	( 94,520)	-	( 514,853)
Total	( 463,912)	( 94,562)	-	( 558,474)
	<u>(\$ 392,462)</u>	<u>(\$ 91,953)</u>	<u>\$ 2,729</u>	<u>(\$ 481,686)</u>

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets areas follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	\$ 3,840	\$ -

F. The Group's subsidiary, Huzhou Iron Force Metal Products Co., Ltd, is a productive foreign- invested enterprise established in the People's Republic of China. It has been approved by the National Taxation Bureau as a high-tech industry enterprise and is eligible for a preferential income tax rate of 15% from December 2023 to December 2026.

(23) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the period	\$ 731,026	76,797	\$ 9.51
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	\$ -	120	
Convertible bonds payable	1,823	1,078	
Profit plus all dilutive potential ordinary shares	\$ 732,849	\$ 77,995	\$ 9.40
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the period	\$ 513,817	75,780	\$ 6.78
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	\$ -	127	
Profit plus all dilutive potential ordinary shares	\$ 513,817	75,907	\$ 6.77

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31	
	2024	2023
Purchase of property, plant and equipment	\$ 191,394	\$ 192,691
Add: Opening balance of payable on equipment	28,908	25,206
Less: Ending balance of payable on equipment	( 43,956)	( 28,908)
Add: Changes in prepayments for business facilities	( 31,759)	9,699
Cash paid during the year	<u>\$ 144,587</u>	<u>\$ 198,688</u>

(25) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings
January 1, 2024	\$ 382,000	\$ 4,123	\$ -	\$ 37,761
Changes in cash flow from financing activities	( 382,000)	( 2,453)	338,371	( 6,259)
Impact of changes in foreign exchange rate	-	44	-	285
Changes in other non-cash items	-	5,567	( 57,485)	-
December 31, 2024	<u>\$ -</u>	<u>\$ 7,281</u>	<u>\$ 280,886</u>	<u>\$ 31,787</u>

	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings
January 1, 2023	\$ 484,000	\$ 1,496	\$ 299,371	\$ 29,928
Changes in cash flow from financing activities	( 102,000)	( 1,126)	( 300,000)	6,628
Impact of changes in foreign exchange rate	-	77	-	1,205
Changes in other non-cash items	-	3,676	629	-
December 31, 2023	<u>\$ 382,000</u>	<u>\$ 4,123</u>	<u>\$ -</u>	<u>\$ 37,761</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hyphen Industrial Corp.	The Chairman of the Company and the Chairman of the entity are relatives within the second degree

(2) Significant related party transactions

A. Other income- Rental Income

	Years ended December 31	
	2024	2023
Other related parties	<u>336</u>	<u>336</u>

The Group's other income from other related parties arise mainly from income from rental income.

B. Other gains and losses - Management service income

	Years ended December 31	
	2024	2023
Other related parties	650	710

The Group's other income from other related parties arise mainly from income from managerial services.

(3) Key management compensation

	Years ended December 31	
	2024	2023
Short-term employee benefits	\$ 33,088	\$ 29,444
Post-employment benefits	578	535
	<u>\$ 33,666</u>	<u>\$ 29,979</u>

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Asset items	Carrying amount		Purpose
	December 31, 2024	December 31, 2023	
Property, Plant and Equipment-Land	<u>\$ 9,352</u>	<u>\$ 9,308</u>	Long-term borrowings

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2024	December 31, 2023
Consultation service contract	\$ 10,400	\$ 15,860
Property, plant and equipment	19,408	13,716
	<u>\$ 29,808</u>	<u>\$ 29,576</u>

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Refer to Notes 6(18) and 6(20).

12. Others



(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 284,393</u>	<u>\$ 264,862</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 610,285	\$ 1,406,535
Current financial assets measured at amortized cost	1,161,333	-
Notes receivable	-	11
Accounts receivable	1,272,931	1,241,098
Other receivables	207,144	25,976
Guarantee deposits paid (shown as other non-current assets)	<u>2,591</u>	<u>2,506</u>
	<u>\$ 3,254,284</u>	<u>\$ 2,676,126</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss	<u>\$ 9,956</u>	<u>\$ 7,600</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 382,000
Accounts payable	273,188	309,738
Other payable	370,493	339,644
Bonds payables	280,886	-
Long-term borrowings (including due within one year)	<u>31,787</u>	<u>37,761</u>
	<u>\$ 956,354</u>	<u>\$ 1,069,143</u>
Lease liabilities	<u>\$ 7,281</u>	<u>\$ 4,123</u>

## B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts is used to hedge certain exchange rate risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

## C. Significant financial risks and degrees of financial risks

### (a) Market risk

#### Foreign exchange risk

- i. The Group operates internationally and therefore bears various currency risks arising from transactions denominated in different currencies, mainly in USD, EUR, and CNY. These currency risks arise from future commercial transactions and from recognized assets, liabilities, and net investments in foreign operations.
- ii. Management has set up a policy to manage the foreign exchange risk against the functional currency. Each company within the group should hedge its overall exchange rate risk through the Group's finance department. The Group's treasury uses forward foreign exchange contracts and structured deposits to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

- iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: EUR, RMB and PLN, etc.). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 6,855	32.79	\$ 224,741
EUR:NTD	7,812	34.13	266,624
RMB:NTD	31,218	4.48	139,825
USD:RMB	11,498	7.19	376,962
EUR:RMB	6,026	7.53	205,667
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 4,458	34.13	\$ 152,152
RMB:NTD	254,173	4.48	1,138,441

  

(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 5,959	30.69	\$ 182,882
EUR:NTD	7,380	33.97	250,699
RMB:NTD	21,664	4.33	93,805
USD:RMB	7,782	7.08	238,830
EUR:RMB	23,215	7.86	788,614
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	\$ 23,715	33.97	\$ 805,599

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,247	\$ -
EUR:NTD	1%	2,666	-
RMB:NTD	1%	1,398	-
USD:RMB	1%	3,770	-
EUR:RMB	1%	2,057	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 1,522	\$ -
RMB:NTD	1%	11,384	-

(Foreign currency: functional currency)	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,829	\$ -
EUR:NTD	1%	2,507	-
RMB:NTD	1%	938	-
USD:RMB	1%	2,388	-
EUR:RMB	1%	7,886	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
EUR:NTD	1%	\$ 8,056	\$ -

The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to \$9,287 and \$25,723, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the group's credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customer's accounts receivable in accordance with credit rating of customer and customer types. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
- vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>December 31, 2024</u>					
Expected loss rate	0.11%~0.25%	0.52%~6.88%	1.30%~11.02%	27.48%~100%	
Total book value	\$ 1,150,336	\$ 110,170	\$ 18,364	\$ 245	\$ 1,279,115
Loss allowance	1,967	3,073	1,109	35	6,184
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>December 31, 2023</u>					
Expected loss rate	0.14%~2.91%	0.52%~8.50%	1.30%~10.38%	75.91%~100%	
Total book value	\$ 1,156,805	\$ 63,335	\$ 28,122	\$ 1,795	\$ 1,250,057
Loss allowance	2,683	2,722	2,178	1,376	8,959

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	<u>2024</u>
	<u>Accounts receivable</u>
At January 1	\$ 8,959
Reversal of impairment loss	( 2,775)
At December 31	<u>\$ 6,184</u>
	<u>2023</u>
	<u>Accounts receivable</u>
At January 1	\$ 21,563
Reversal of impairment loss	( 12,604)
At December 31	<u>\$ 8,959</u>

(c) Liquidity risk

- i. The cash flow forecasting is performed by various operating entities within the group and is summarized by the Group's treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. As of December 31, 2024 and 2023, the cash flows within 1 year of short-term borrowings, notes payable, accounts payable, other payables, lease liabilities - current and long-term portion due within one year all are past due within 1 year and discounted, and are in agreement with the balance of each account in the balance sheets.
- iii. The table below analyses the Group's derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2024	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities:</u>					
Long-term borrowings (including due within one year)	\$ 1,682	\$ 5,043	\$ 6,723	\$ 18,439	\$ 1,119
Lease liability	674	1,907	2,190	2,740	-
Bonds payable	-	-	-	300,000	-
December 31, 2023	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities:</u>					
Long-term borrowings (including due within one year)	\$ 1,673	\$ 5,010	\$ 6,692	\$ 20,075	\$ 6,083
Lease liability	371	1,113	1,387	1,329	-

### (3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment stocks in open market and beneficiary certificate is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in structured investment, forward foreign exchange contracts and corporate bonds payable - call option is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment and convertible bonds-call option without active market is included in Level 3.

B. Financial instruments not measured at fair value

(a) The carrying amounts of the Group's financial instruments not measured at fair value including cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables and long-term borrowings (including current portion) are approximate to their fair values.

	December 31, 2024			
	<u>Book value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial liabilities				
Bonds payable	<u>\$ 280,886</u>	<u>\$ -</u>	<u>\$ 283,465</u>	<u>\$ -</u>

(b) Not applicable as of December 31, 2023.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities on December 31, 2024 and 2023 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial liabilities at fair value				
through profit or loss				
Beneficiary certificates	\$ 129,037	\$ -	\$ -	\$ 129,037
Convertible bonds payable				
- redemption	-	300	-	300
Structured deposits	-	155,056	-	155,056
	<u>\$ 129,037</u>	<u>\$ 155,356</u>	<u>\$ -</u>	<u>\$ 284,393</u>
<b>Liabilities</b>				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial liabilities at fair value				
through profit or loss				
Forward foreign exchange				
contracts	<u>\$ -</u>	<u>\$ 9,956</u>	<u>\$ -</u>	<u>\$ 9,956</u>



December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Beneficiary certificates	\$ 259,943	\$ -	\$ -	\$ 259,943
Equity securities	-	-	528	528
Forward foreign exchange contracts	-	4,391	-	4,391
	<u>\$ 259,943</u>	<u>\$ 4,391</u>	<u>\$ 528</u>	<u>\$ 264,862</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 7,600	\$ -	\$ 7,600

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in level 1.
- ii. The fair value measurement of the redemption right embedded in convertible bonds is categorized within Level 2, as it is based on valuation techniques or counterparty quotations. The fair value derived through valuation techniques may refer to the current fair value of other financial instruments with substantially similar terms and characteristics, discounted cash flow models, or other valuation methodologies. These techniques incorporate observable market data available as of the consolidated balance sheet date, such as the yield curve published by the Taipei Exchange.
- iii. The fair value measurements of forward foreign exchange contracts and structured products are included in Level 2, as they are determined based on current forward exchange rates.
- iv. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

D. There were no transfers between Level 1 and Level 2 during the years ended 2024 and 2023.

E. There were no transfers into or out of Level 3 during the years ended 2024 and 2023.

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non- derivative equity instrument:					
Unlisted shares	\$ -	Market comparable companies	Discount for lack of marketability	0.11	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non- derivative equity instrument:					
Unlisted shares	\$ 528	Market comparable companies	Discount for lack of marketability	0.26	The higher the discount for lack of marketability, the lower the fair value

G. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2024			
	Input	Change	Recognised in profit or loss		Recognised in other comprehensive income
			Favourable change	Unfavourable change	Favourable change      Unfavourable change
Financial assets					
Equity instrument	Discount on liquidity	±5%	\$ 2	(\$ 2)	\$ -      \$ -

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount on liquidity	±5%	\$ 5	(\$ 5)	\$ -	\$ -

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: Refer to table 5.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: None.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1) H.

#### (4) Major shareholders information

Major shareholders information: Refer to table 9.

#### 14. SEGMENT INFORMATION

##### (1) General information

The management of the Group has identified the reporting departments based on the report information used in making decisions by the board of directors.

The Group provides information by region to the operational decision makers for review. Currently, the Group divides its sales order region into three main areas: Taiwan, Mainland China, and Europe. Therefore, in the operational department, Taiwan, Mainland China, and Europe are the departments to be reported.

##### (2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Year ended December 31, 2024				
				Adjustments and	
	<u>Taiwan</u>	<u>Mainland China</u>	<u>Europe</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue from external customers	\$ 1,979,542	\$ 2,381,652	\$ 680,295	\$ -	\$ 5,041,489
Inter-segment revenue	-	44,957	-	( 44,957)	-
Total segment revenue	<u>\$ 1,979,542</u>	<u>\$ 2,426,609</u>	<u>\$ 680,295</u>	<u>(\$ 44,957)</u>	<u>\$ 5,041,489</u>
Segment profit or loss	<u>\$ 731,026</u>	<u>\$ 572,649</u>	<u>(\$ 5,830)</u>	<u>(\$ 566,819)</u>	<u>\$ 731,026</u>
Segment profit or loss:					
Depreciation expense	<u>\$ 53,478</u>	<u>\$ 92,983</u>	<u>\$ 43,230</u>	<u>\$ -</u>	<u>\$ 189,691</u>
Income tax (benefit) expense	<u>\$ 30,926</u>	<u>\$ 56,537</u>	<u>\$ 4,284</u>	<u>\$ -</u>	<u>\$ 91,747</u>
Segment assets:					
Non-current assets	<u>\$ 5,967,345</u>	<u>\$ 956,838</u>	<u>\$ 554,821</u>	<u>(\$ 4,713,363)</u>	<u>\$ 2,765,641</u>

Year ended December 31, 2023					
				Adjustments and	
	Taiwan	Mainland China	Europe	Eliminations	Consolidated
Revenue from external customers	\$ 1,788,823	\$ 2,336,582	\$ 768,853	\$ -	\$ 4,894,258
Inter-segment revenue	-	34,446	-	( 34,446)	-
Total segment revenue	\$ 1,788,823	\$ 2,371,028	\$ 768,853	(\$ 34,446)	\$ 4,894,258
Segment profit or loss	\$ 513,817	\$ 441,526	\$ 31,075	(\$ 472,601)	\$ 513,817
Segment profit or loss:					
Depreciation expense	\$ 47,605	\$ 104,527	\$ 41,359	\$ -	\$ 193,491
Income tax (benefit) expense	\$ 136,188	\$ 49,307	\$ 5,717	\$ -	\$ 191,212
Segment assets:					
Non-current assets	\$ 5,261,420	\$ 1,032,999	\$ 519,587	(\$ 4,753,210)	\$ 2,060,796

(3) Reconciliation for segment income (loss)

Sales between departments are conducted in accordance with the principle of fair value transactions. External revenues reported to the main operational decision-makers are measured consistently with the revenues in the income statement.

(4) Information on products and services

The main revenue from external customers are manufacturing and sales of hangers, display fixtures, and metal fixtures and manufacturing and sales of automotive safety components. Details are as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Manufacturing and sales of hangers, display fixtures and metal fixtures	\$ 712,435	\$ 736,907
Manufacturing and sales of automotive safety components	4,329,054	4,157,351
	\$ 5,041,489	\$ 4,894,258

(5) Geographical information

Information on the Group's revenue: Refer to Note 6(19). The information on the Group's non-current assets is follows:

Years ended December 31			
	2024		2023
	Non-current assets		Non-current assets
China	\$ 1,718,171	\$	1,032,999
Taiwan	492,650		508,210
Poland	473,282		434,547
Germany	81,538		85,040
	\$ 2,765,641	\$	2,060,796

(6) Information on significant customers

The information on the Group's significant customers for 2024 and 2023 is as follows:

Years ended December 31				
2024			2023	
	Revenue	Segment	Revenue	Segment
Group A customer \$	2,437,059	Taiwan and China	\$ 2,292,224	Taiwan and China
Group B customer	1,221,537	Taiwan and China	1,233,879	Taiwan and China
Group C customer	422,848	Taiwan and China	412,313	Taiwan and China

Iron Force Industrial Coporation and Subsidiaries

Loans to others

Year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31,	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower (Note 4)	Reason for short-term financing (Note 5)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 6)	Ceiling on total loans granted (Note 6)	Footnote
					2024	December 31, 2024							Item	Value			
0	Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	\$ 172,000	\$ 170,650	\$ -	0.00%	2	\$ -	Working capital	\$ -	None	-	\$ 524,757	\$ 2,099,030	
1	Huzhou Iron Force Metal Products Co., Ltd	Zhejiang Iron Force Metal Products Co., Ltd.	Other receivables due from related parties	Y	131,460	67,185	-	0.00%	2	-	Working capital	-	None	-	2,152,735	4,305,471	
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y	1,135,250	1,119,750	1,119,750	3.85%	2	-	Working capital	-	None	-	2,152,735	4,305,471	
1	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Poland Sp. z o.o.	Other receivables due from related parties	Y	344,000	341,300	119,455	2.619%~2.629%	2	-	Working capital	-	None	-	2,152,735	4,305,471	
2	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Other receivables due from related parties	Y	124,390	119,455	40,956	3.658%~3.701%	2	-	Working capital	-	None	-	171,624	343,249	
3	Transtat Investment Ltd.	Iron Force Industrial Co., Ltd.	Other receivables due from related parties	Y	18,722	18,687	18,687	0.00%	2	-	Working capital	-	None	-	2,311,477	4,622,955	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the nature of the loan as follows:

(1) Fill in 1 for business transactions.

(2) Fill in 2 for short-term financing.

Note 4: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 5: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 6 : The calculation method for limit on loans is as follow:

(1) The ceiling on total loans granted by the Company to others shall not exceed 40% of the Company's net assets. For the companies having business relationship with the Company, ceiling on total loans granted shall not exceed 10% of the Company's net assets; where the Board of Directors deems the need for short-term financing, ceiling on total loans granted shall not exceed 30% of the Company's net assets.

(2) The limit on loans granted by the Company to a single party who has business relationship with the Company shall not exceed the higher of 30% of the business transaction amount between the borrower and the Company in the most recent year or 120% of the business transaction amount in the most recent three months, and shall not exceed 10% of the Company's net assets; where the Board of Directors deems the need for short-term financing, limit on total loans granted to a single party shall not exceed 10% of the Company's net assets.

(3) For loans granted between foreign companies whose voting rights are 100% held directly and indirectly by the Company or granted to the borrower by the foreign company whose voting rights are 100% held directly and indirectly by the Company, the ceiling on total loans granted shall not exceed 100% of the creditor's net assets; limit on loans granted to a single party shall not exceed 50% of the creditor's net assets. The financing period depends on the borrower's capital needs, but it shall not exceed five years.

(4) The limit on loans to a single party by the subsidiary is 50% of its net assets, and ceiling on total loans granted is 100% of its net assets.

Iron Force Industrial Coporation and Subsidiaries  
Provision of endorsements and guarantees to others  
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/ for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/g uarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total endorsements/guar antees provided (Note 3)	Provision of endorsements/g uarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by	Provision of endorsements/gu arantees to the party in Mainland China (Note 7)	Footnote
		Relationship with the investor (Note 2)	as of December 31, 2024 (Note 4)		endorsements/ guarantees by subsidiary to parent company (Note 7)									
0	Iron Force Industrial Co., Ltd.	Huzhou Iron Force Metal Products Co., Ltd	2	\$ 1,311,894	\$ 229,915	\$ 229,495	\$ -	\$ -	4%	\$ 2,623,787	Y	N	Y	Notes 3(1) and (2)
1	Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	4	171,624	59,593	57,229	26,159	-	1%	343,249	N	N	N	Note 3(3)
2	Huzhou Iron Force Metal Products Co., Ltd	Iron Force Industrial Co., Ltd.	2	2,152,735	876,400	-	-	-	-	4,305,471	N	Y	N	Note 3(3)

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor the Group's "Procedures for Provision of Endorsements and Guarantees" are as follows.

- (1) The ceiling on total amount of endorsements/guarantees shall not exceed 50% of the Company's net assets.
- (2) The limit on endorsements and guarantees provided for a single party shall not exceed 25% of the Company's net assets:
  - (2.1) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount is the total value of purchases, sales and other business transactions during the most recent year and shall not exceed 10% of the Company's net assets.
  - (2.2) For the companies having parent-subsidiary relationship with the Company and thus being provided endorsements/guarantees, the limit on accumulated endorsement/guarantee amount shall not exceed 10% of the Company's net assets. However, for the companies which the Company holds 100% of the voting rights directly or indirectly, endorsements and guarantees is not limited.
- (3) The limit on endorsements and guarantees provided to a single party by the subsidiary is 50% of its net assets, and ceiling on total endorsements and guarantees provided is 100% of its net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.



Iron Force Industrial Coporation and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2024

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Iron Force Industrial Co., Ltd.	Stock / MKD Technology Inc	-	Financial assets at fair value through profit or loss - current	400,000	\$ -	1%	\$ -	-
Huzhou Iron Force Metal Products Co., Ltd	Beneficiary certificates		Financial assets at fair value through profit or loss - current					
Huzhou Iron Force Metal Products Co., Ltd	Structured deposits/linked to EUR/USD exchange rate		Financial assets at fair value through profit or loss - current	-	129,037	-	129,037	-
Zhejiang Iron Force Metal Products Co., Ltd	Structured deposits/linked to EUR/USD exchange rate		Financial assets at fair value through profit or loss - current	-	134,834	-	134,834	-
				-	20,222	-	20,222	-

Iron Force Industrial Coporation and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2024		Addition (Note 3)		Disposal (Notes 3 and 5)			Gain (loss) on disposal (Note 6)	Balance as at December 31, 2024	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value		Number of shares	Amount
Huzhou Iron Force Metal Products Co., Ltd	Fund investment	Financial assets at fair value through profit or loss - current	-	-	-	\$ 259,943	-	\$ 530,942	-	\$ 661,848	\$ 661,848	\$ -	-	\$ 129,037
Huzhou Iron Force Metal Products Co., Ltd	Structured deposits/linked to EUR/USD exchange rate	Financial assets at fair value through profit or loss - current	-	-	-	-	-	-	-	-	-	-	-	-
								1,160,780		1,024,044	1,024,044			134,834

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 5: The difference between sales price and book value plus gain (loss) on disposal is the transaction fee and tax.

Note 6: The investment is recorded under financial assets at fair value through profit or loss, and gains (losses) on valuation are recognised quarterly.

Note 7: The amount at the beginning of the period includes gains (losses) on valuation of the previous period, the addition in the current period is the amount of purchase cost, and the amount at the end of the period includes gains (losses) on valuation in the current period.

Iron Force Industrial Coporation and Subsidiaries  
Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more  
Year ended December 31, 2024

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Companies Disposing of Real Estate	Name of Property	Date of event	Original Acquisition Date	Carrying Amount	Transaction amount	Payment Collection Status	Disposal Gain or Loss	Transaction Counterparty	Relation	Disposal Purpose	Reference Basis for Price Determination	Other Agreed Matters
Zhejiang Iron Force Metal Products Co., Ltd	Land use rights, buildings and structures,equipment	2024/9/13	2006/5/31 ~ 2021/3/31	\$ 68,528	\$ 205,311(RMB	\$ 39,115 (RMB8,641 thousands)	\$ 134,059	Luoshe Town Government	-	Cooperate with government policy	Acquisition agreement	The transfer must be completed before November 30, 2014.

Note 1: The date of event refers to the date of the board of directors' resolution.

Note 2: Includes partial land use rights of NT\$4,603 thousand, buildings and structures of NT\$61,665 thousand, and other equipment of NT\$2,260 thousand.

Note 3: The transaction amount was converted into New Taiwan dollars based on the exchange rate on the date of occurrence.

The difference between the disposal gain or loss and the difference between the transaction amount and the book value is attributable to exchange rate fluctuations.

Note 4: The remaining consideration of NT\$164,423 thousand (RMB36,715 thousand) has been recognized as other receivables.

Iron Force Industrial Coporation and Subsidiaries

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2024

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
						Amount	Action taken		
Huzhou Iron Force Metal Products Co.,	Iron Force Industrial Coporation	Parent company	Other receivables	\$ 1,138,432	Not applicable	\$ -	-	\$ -	\$ -

Iron Force Industrial Coporation and Subsidiaries

Information on investees

Year ended December 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024				Net profit (loss) of the investee for the six months ended December 31, 2024 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2(3))	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares (in thousands)	Ownership (%)	Book value				
Iron Force Industrial Co., Ltd.	Transtat Investment Ltd.	Hong Kong	Holding company	\$ 873,960	\$ 873,960	25,997	100%	\$ 4,614,594	\$	572,649	\$ 572,649	
Iron Force Industrial Co., Ltd.	Cortec GmbH	Germany	Sales and purchases of hangers and display fixtures	27,104	27,104	750	100%	346,208		19,526	19,526	
Iron Force Industrial Co., Ltd.	Iron Force Poland Sp. z o.o.	Poland	Producing and sales of automotive safety components	658,901	658,901	1,600	100%	525,600	(	25,356)	( 25,356)	
Cortec GmbH	Cortec Kunststoff Technik GmbH & Co. KG	Germany	Producing and sales and purchases of hangers and display fixtures	889	889	-	100%	6,201		12,309	12,309	
Cortec GmbH	Cortec Verwaltungs GmbH	Germany	Management consulting company	881	881	-	100%	942		24	24	

Note 1: If a public company is equipped with an overseas holding company and takes parent company only financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2024' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2024' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2024' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Iron Force Industrial Coporation and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 4)	Investment method (Note 1)	to Mainland China/Amount remitted back to Taiwan for the			Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
Zhejiang Iron Force Metal Products Co., Ltd.	Producing and sales of hangers, display fixtures and metal fixture	\$ 163,925	(2)	\$ 143,346	\$ -	\$ -	\$ 143,346		\$ 143,346	\$ 158,578		100%	\$ 158,578	\$ 297,895	\$ -	
Huzhou Iron Force Metal Products Co., Ltd.	Producing and sales of automotive safety components	2,067,422	(2)	703,149	-	-	703,149		703,149	416,950		100%	416,950	4,305,471	266,036	(Note 5)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Iron Force Industrial Co., Ltd.	\$ 846,495	\$ 846,495	\$ 3,148,544

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China..

(2) Investing through Transtat Investment Ltd., an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: Investment income (loss) was recognised based on the financial reports reviewed by the parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: (1) The differences between the paid-in capital of Zhejiang Iron Force Metal Products Co., Ltd. amounting to US\$5,000 thousand and the accumulated amount of remittance from Taiwan amounting to US\$4,734 thousand is US\$266 thousand. This resulted from using dividends distribution of Huzhou Iron Force Metal Products Co., Ltd. amounting to US\$400 thousand as the capital contribution to invest in Zhejiang Iron Force Metal Products Co., Ltd. and purchasing shares from the related parties at a premium price of US\$ 134 thousand.

(2) The differences between the paid-in capital of Huzhou Iron Force Metal Products Co., Ltd. amounting to US\$63,060 thousand and the accumulated amount of remittance from Taiwan amounting to US\$22,200 thousand is US\$40,860 thousand. This resulted from purchasing shares from the related parties at a premium price of US\$1,140 thousand and the capital increase out of earnings of Huzhou Iron Force Metal Products Co., Ltd. in 2019, 2021 and 2024 in the amount of US\$42,000 thousand.

Note 5: As of December 31, 2024, the accumulated amount of investment income remitted back to Taiwan by Huzhou Iron Force Metal Products Co., Ltd. amounted to US\$8,625 thousand.

Iron Force Industrial Coporation and Subsidiaries

Major shareholders information

December 31, 2024

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
MengChing Investment Co., Ltd.	20,299,041	25.52%
Zhengyu Investment Co., Ltd.	5,126,433	6.44%