TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Financial Report and Independent Auditors' Audit Report

2024 and 2023

(Stock code: 4540)

<u>Notice to readers</u>

This English-version financial report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Company address: No.123, Sanduo Rd., Shulin Dist., New Taipei City, Taiwan

Tel: (02)2689-2689

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

2024 and 2023 Consolidated Financial Report and Independent Auditors' Report

Table of Contents

TBI Motion Technology Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the consolidated financial statements of the Company for 2024 (from January 1 to December 31, 2024) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and its subsidiaries will not prepare a separate set of combined financial statements.

We hereby declare

Company name: TBI MOTION TECHNOLOGY CO., LTD.

Responsible person: Li, Ching-Kung

March 11, 2025

Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No.24005186

To: TBI MOTION TECHNOLOGY CO., LTD.

Audit Opinions

We have reviewed the accompanying Consolidated Statement of Financial Position of TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries as of December 31, 2024 and 2023, and the related Consolidated Statement of Comprehensive Income, of Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Based on our opinion, we have found no circumstances causing the fair presentation of the consolidated financial position of TBI MOTION TECHNOLOGY CO., LTD. and its subsidiaries as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the years ended based on 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 in all material perspectives.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and independent of TBI MOTION TECHNOLOGY CO., LTD.. We have also 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 audits of the standalone financial statements of TBI MOTION

TECHNOLOGY CO., LTD. for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2024 are as follows:

Assessment of impairment of accounts receivable

Item description

For the accounting policies of accounts receivable, please refer to Note 4(10) of the consolidated financial statements; the accounting estimates and assumptions of the impairment assessment of accounts receivable are detailed in Note 5(2) of the consolidated financial statements; Please refer to Note 6(5) of the consolidated financial statements.

The Group manages the collection and collection of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 "Financial Instruments" for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Consolidated Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

Corresponding audit procedures

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the management of overdue accounts receivable.
2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years, and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

Inventory impairment assessment

Item description

For the accounting policy of inventories, please refer to Note 4(13) of the consolidated financial statements; for accounting estimates and the uncertainty assumed in the valuation of inventories, please refer to Note 5(2) of the consolidated financial statements; for the description of the accounting titles of inventories, please refer to the consolidated financial statements Note 6(6).

As of December 31, 2024, the Group's total inventory was NT$1,696,225 thousand, and the allowance for valuation losses was NT$375,436 thousand. The assessment of the net realizable value of inventories involves the subjective judgment and estimation of the management. Therefore, we believe that the inventory impairment assessment is listed as one of the most important matters in the current year's audit.

Corresponding audit procedures

We have summarized the corresponding procedures that have been executed for the inventory impairment assessment as follows:

1. Based on our understanding of the operation and industry nature of the Group, we evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.
2. Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.
3. Obtain the data on the net realizable value, select a sample to check the selling price and re-calculate it.
4. We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.
5. The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

Other Matters - Parent Company Only Financial Statements

TBI MOTION TECHNOLOGY CO., LTD. has prepared the parent company only financial statements for 2024 and 2023, and for which we have issued an unqualified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management's responsibilities also include assessing the Group's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Group or to cease operations, or the Company has no other viable alternative but to cease operations.

The governing body of the Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, the misstatement is considered material.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement, whether due to fraud or error, in the consolidated financial statements; design and execute countermeasures in response to the risks assessed; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 to express an opinion on the effectiveness of the TBI MOTION TECHNOLOGY CO., LTD.’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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or 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's audit. We remain solely responsible for our audit opinion.

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

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

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

PricewaterhouseCoopers Taiwan

Chih Ping-Chun

Certified Public Accountant

Chiu Chao-Hsien

Formerly approved by the Securities and Futures Commission, Ministry of Finance:
(88) Tai-Cai -Zheng (VI) No. 16120
FSC Approved No.:
Jin-Guan-Zheng-Shen-Zi No. 1020049451

March 11, 2025

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT$ thousand

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 732,570	11	$ 612,044	8
1110	Current financial assets at fair value through profit or loss	6(2)	475	-	-	-
1150	Notes receivable, net	6(5)	399,639	6	171,031	2
1170	Net accounts receivable	6(5)	660,141	9	644,091	8
1200	Other receivables		6,470	-	319	-
1220	Current income tax assets	6(28)	18,035	-	-	-
130X	Inventory	6(6)	1,320,789	19	2,381,672	31
1410	Prepayments		13,223	-	46,120	1
1460	Non-current assets held for sale, net	6(12) and 8	230,564	3	230,564	3
1470	Other current assets		316	-	189	-
11XX	**Total current assets**		3,382,222	48	4,086,030	53
1517	Non-current financial assets measured at fair value through other comprehensive income	6(3)	88,918	1	94,594	1
1535	Non-current financial assets at amortised cost	6(4) and 8	30,000	-	30,000	1
1600	Property, Plant and Equipment	6(7) and 8	2,634,977	37	2,770,488	36
1755	Right-of-use assets	6(8)	742,802	11	637,948	8
1780	Intangible Assets	6(9)	23,943	-	27,813	-
1840	Deferred income tax assets	6(28)	179,676	3	88,831	1
1900	Other non-current assets	6(11)	20,536	-	25,317	-
15XX	**Total non-current assets**		3,720,852	52	3,674,991	47
1XXX	**Total assets**		$ 7,103,074	100	$ 7,761,021	100

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT$ thousand

	Liabilities and equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13) and 7	$ 450,000	6	$ 670,000	9
2130	Current contract liabilities	6(21)	3,118	-	3,681	-
2150	Notes payable		35,457	-	4,078	-
2170	Accounts payable		187,266	3	142,395	2
2200	Other payables	6(14)	239,331	3	247,882	3
2230	Current income tax liabilities	6(28)	-	-	51,496	1
2280	Current lease liabilities	6(8)	36,569	1	27,278	-
2320	Long-term liabilities due within one year or one operating cycle	6(15)(16), 7 and 8	553,983	8	236,058	3
2399	Other current liabilities - Other		59,953	1	109	-
21XX	**Total current liabilities**		1,565,677	22	1,382,977	18
	Non-current liabilities					
2530	Bonds payable	6(16)	-	-	737,855	10
2540	Long-term borrowing	6(15), 7 and 8	1,511,782	21	1,746,565	22
2570	Deferred income tax liabilities	6(28)	9,344	-	712	-
2580	Lease liabilities - non-current	6(8)	730,997	11	628,949	8
2600	Other non-current liabilities		5,693	-	4,526	-
25XX	**Total non-current liabilities**		2,257,816	32	3,118,607	40
2XXX	**Total liabilities**		3,823,493	54	4,501,584	58
	Equity					
	Share capital	6(18)				
3110	Common stock capital		996,143	14	951,588	12
3140	Capital received in advance		95,239	1	-	-
	Additional paid-in capital	6(19)				
3200	Additional paid-in capital		2,097,475	29	1,724,900	22
	Retained earnings	6(20)				
3310	Legal reserve		177,140	3	177,140	2
3350	Unappropriated retained earnings (accumulated deficit)		(125,767)	(2)	360,885	5
	Other equity	6(3)				
3400	Other equity		39,351	1	44,924	1
31XX	**Total equity attributable to owners of parent**		3,279,581	46	3,259,437	42
3XXX	**Total equity**		3,279,581	46	3,259,437	42
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Material events after the reporting period	XI				
3X2X	**Total liabilities and equity**		$ 7,103,074	100	$ 7,761,021	100

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Lee, Ching-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand
(except earnings/losses per share in NT$)

	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6(21)	$ 2,294,281	100	$ 2,571,194	100
5000	Operating costs	6(6)(7)(9)(9)(17)(26)(27)	(2,419,392)	(105)	(2,153,100)	(84)
5900	Operating (loss) gross profit		(125,111)	(5)	418,094	16
	Operating expenses	6(7)(9)(9)(17) (26)(27) and 12(II)				
6100	Sales promotion expenses		(103,181)	(4)	(97,214)	(4)
6200	General and administrative expenses		(303,077)	(13)	(310,909)	(12)
6300	Research and development expenses		(81,085)	(4)	(83,811)	(3)
6450	Expected credit gains (losses)		(24,260)	(1)	2,948	-
6000	Total operating expenses		(511,603)	(22)	(488,986)	(19)
6900	Operating loss		(636,714)	(27)	(70,892)	(3)
	Non-operating revenue and expenses					
7100	Interest income	6(4)(22)	4,365	-	5,872	-
7010	Other income	6(23)	43,581	2	25,026	1
7020	Other gains and losses	6(2)(10)(24)	94,724	4	(36,786)	(1)
7050	Finance costs	6(9)(13)(15)(16)(25)	(69,788)	(3)	(71,015)	(3)
7000	Total non-operating income and expenses		72,882	3	(76,903)	(3)
7900	**Loss before tax**		(563,832)	(24)	(147,795)	(6)
7950	Tax income	6(28)	77,180	3	44,183	2
8200	**Net loss for the period**		($ 486,652)	(21)	($ 103,612)	(4)
	Other comprehensive income, net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	($ 5,676)	-	($ 1,711)	-
8310	Total of items not reclassified to profit or loss		(5,676)	-	(1,711)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		129	-	(1,125)	-
8399	Income tax related to items that may be reclassified	6(28)	(26)	-	225	-
8360	Total of items that may be reclassified subsequently to profit or loss		103	-	(900)	-
8300	**Other comprehensive income, net**		($ 5,573)	-	($ 2,611)	-
8500	**Total comprehensive profit/loss of the period**		($ 492,225)	(21)	($ 106,223)	(4)
	Net profit (loss) attributable to:					
8610	Owner of the parent company		($ 486,652)	(21)	($ 103,612)	(4)
	Total comprehensive income attributable to:					
8710	Owner of the parent company		($ 492,225)	(21)	($ 106,223)	(4)
	Basic loss per share	6(29)				
9750	Basic loss per share		($ 4.97)		($ 1.09)	
	Diluted loss per share	6(29)				
9850	Diluted loss per share		($ 4.97)		($ 1.09)	

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Lee, Ching-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

		Equity attributable to owners of parent							
		Share capital			Retained earnings		Other equity		
	Notes	Common stock capital	Capital received in advance	Additional paid-in capital	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
2023									
Balance as of January 1, 2023		$ 941,780	$ -	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
Net loss for the period		-	-	-	-	(103,612)	-	-	(103,612)
Other comprehensive income in the current period		-	-	-	-	-	(900)	(1,711)	(2,611)
Total comprehensive profit/loss of the period		-	-	-	-	(103,612)	(900)	(1,711)	(106,223)
Earnings distribution and appropriation for 2022									
Legal reserve appropriated		-	-	-	28,401	(28,401)	-	-	-
Distribution of cash dividends		-	-	-	-	(141,267)	-	-	(141,267)
Convertible corporate bond conversion	6(16)(18)(19)	9,808	-	24,569	-	-	-	-	34,377
Balance as of December 31, 2023		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437
2024									
Balance as of January 1, 2024		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437
Net loss for the period		-	-	-	-	(486,652)	-	-	(486,652)
Other comprehensive income in the current period		-	-	-	-	-	103	(5,676)	(5,573)
Total comprehensive profit/loss of the period		-	-	-	-	(486,652)	103	(5,676)	(492,225)
Convertible corporate bond conversion	6(16)(18)(19)	44,555	95,239	372,575	-	-	-	-	512,369
Balance as of December 31, 2024		$ 996,143	$ 95,239	$ 2,097,475	$ 177,140	($ 125,767)	$ 2,948	$ 36,403	$ 3,279,581

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Lee, Ching-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	January 1 to December 31, 2024	From January 1 to December 31, 2023
Cash flow from operating activities			
Loss before tax for the period		($ 563,832)	($ 147,795)
Adjusted items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(26)	259,590	272,320
Amortization expense	6(26)	26,751	25,646
Expected credit gains (losses)	6(26)	24,260	(2,948)
Net loss (gain) on financial assets measured at fair value through profit or loss	6(24)	(475)	220
Interest expense	6(25)	69,788	71,015
Interest income	6(22)	(4,365)	(5,872)
Dividend income	6(3)(23)	-	(4,632)
Gains from the disposal of property, plant and equipment	6(24)	(130)	(291)
Impairment loss on non-financial assets	6(7)(10)(24)	2,787	-
Changes in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable		(228,608)	(160,521)
Accounts receivable		(42,922)	227,566
Other receivables		(6,151)	(238)
Inventory		1,060,883	86,544
Prepayments		32,897	41,336
Other current assets		(127)	2,535
Changes in operating liabilities			
Contract liabilities		(563)	(1,771)
Notes payable		31,379	751
Accounts payable		44,871	(472,709)
Other payables		(14,791)	(121,499)
Other current liabilities		59,844	(1,667)
Other non-current liabilities		5,493	-
Cash inflow (outflow) from operations		756,579	(192,010)
Interest received		4,365	5,872
Interest paid		(57,864)	(57,410)
Dividends received		-	4,632
Income tax paid		(74,262)	(61,044)
Net cash inflows (outflows) from operating activities		628,818	(299,960)

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	January 1 to December 31, 2024	From January 1 to December 31, 2023
Cash flows from (used in) investing activities			
Acquisition of financial assets at amortized cost		$ -	$ 1,000
Proceeds from the disposal of property, plant and equipment		5,956	576
Acquisition of property, plant and equipment	6(30)	(78,046)	(186,943)
Acquisition of intangible assets	6(9)	(21,225)	(26,730)
Decrease (increase) in prepayments for business facilities		4,389	(606)
Decrease in refundable deposits		763	3,084
Net cash outflow from investing activities		(88,163)	(209,619)
Cash flows from (used in) financing activities			
Increase (decrease) in short-term borrowings	6(31)	(220,000)	660,000
Borrowing of long-term loans		81,730	108,150
Repayment of long-term borrowings	6(31)	(235,998)	(163,839)
Payments of lease liabilities	6(31)	(42,817)	(38,439)
Decrease in guarantee deposits received	6(31)	(4,326)	(217)
Distribution of cash dividends	6(20)	-	(141,267)
Net cash (outflow) inflow from financing activities		(421,411)	424,388
Effect of exchange rate changes on cash and cash equivalents		1,282	(1,558)
Net increase (decrease) in cash and cash equivalents for the period		120,526	(86,749)
Opening balance of cash and cash equivalents	6(1)	612,044	698,793
Closing balance of cash and cash equivalents	6(1)	$ 732,570	$ 612,044

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung Manager: Lee, Ching-Sheng Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Notes to the consolidated financial statements

2024 and 2023

Unit: NT$ thousand

(unless otherwise specified)

I. Company history

TBI MOTION TECHNOLOGY CO., LTD. (hereinafter referred to as the "Company") was incorporated in the Republic of China. The Company and its subsidiaries' (hereinafter referred to as "the Group") main business scope is manufacturing and sales of precision transmission components for industrial automation, ball screws and linear slides. The Group's shares have been traded on the Taiwan Stock Exchange since August 15, 2018.

II. Date and procedure for approving the financial statements

This consolidated financial report was approved by the Board of Directors on March 11, 2025 for announcement.

III. Application of new and amended standards and interpretations

(I) The impact of the adoption of the new and amended IFRSs approved and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and revisions of the IFRSs applicable in 2024 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
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 Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(II) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRSs applicable in 2025 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and revisions to the IFRSs issued by the IASB but not yet recognized by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS No. 9 and IFRS No. 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS No. 9 and IFRS No. 7 "Nature-dependent Electricity Contracts"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be decided by IASB
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 No. 19 "Subsidiaries not with Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS - Vol. 11	January 1, 2026

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and financial performance and the amount of the relevant impact will be disclosed when the assessment is completed:

1. IFRS 18 "Presentation and Disclosure in Financial Statements"

   IFRS No. 18 "Presentation and Disclosure in Financial Statements" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement and strengthens the application in the summary and principle of subdivision of the main financial statements and notes.

IV. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are described as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards and Interpretations and Interpretations Announcements (IFRSs) endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Except for the following material items, this consolidated financial statement has been prepared at historical cost:
   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
   (2) Financial assets measured at fair value through other comprehensive income.
2. The preparation of the financial report in compliance with the IFRSs requires the use of some important accounting estimates. In the process of applying the Group's accounting policies, it also requires the management to exercise its judgment on items that involve a high degree of judgment or complexity, or involve significant assumptions and estimates in the consolidated financial report. Please refer to Note 5 for details.

(III) Basis of consolidation

1. Principles for the preparation of consolidated financial statements
   (1) The Group included all subsidiaries in the consolidated financial statements. Subsidiaries refer to individual entities (including structured individual entities) that the Group has the right to control. When the Group is exposed to or entitled to variable remuneration from participation in the entity and through the power over the entity having influence over the returns, the Group controls the entity. Subsidiaries are included in the consolidated financial statements from the date the Group acquires the control, and the consolidation is terminated from the date of loss of control.
   (2) Inter-company transactions, unrealized gains and losses have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.

(3) The components of profit or loss and other comprehensive income are attributed to the owners and non-controlling interests of the parent company; the total amount of comprehensive income is also attributed to the owners and non-controlling interests of the parent company, even if the resulting non-controlling interests incur balance.

(4) If the change in the shareholding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

(5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value, and treated as the fair value of the initially recognized financial assets or the cost of the investment in affiliates or joint ventures initially. The difference between the fair value and the carrying amount is recognized in current profit or loss. The accounting treatment of all amounts related to the subsidiary previously recognized in other comprehensive income shall be the same as the basis for the direct disposal of the relevant assets or liabilities by the Group. That is, if the profit or loss previously recognized as other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed, the profit or loss will be reclassified from equity to profit or loss when the significant control over the subsidiary is lost.

2. Subsidiaries included in the consolidated financial statements:

			Percentage of equity held		
Investment company	Subsidiary	Nature of business	December 31, 2024	December 31, 2023	Description
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	Sale of precision transmission components for the automated industry	100%	100%	No
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Sale of precision transmission components for the automated industry	100%	100%	No
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Holding company for overseas enterprises	100%	100%	No
TBI Motion Technology (HK) LTD.	TBI Motion Technology (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	100%	100%	No

3. Subsidiaries not included in the consolidated financial statements: No such situation.
4. Different adjustment and treatment methods of subsidiaries during the accounting period: No such situation.
5. Material Restriction: No such situation.
6. Subsidiaries with non-controlling interests that are material to the Group: No such situation.

(IV) Foreign currency translation

The items listed in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the individual operates (i.e. the functional currency). The presentation currency of the consolidated financial statements is the functional currency of the Company, which is "NTD."

1. Transactions and balances in foreign currency
   (1) Transactions denominated in foreign currencies are translated into the functional currency using the spot exchange rate on the transaction date or the measurement date and the translation differences arising from such transactions are recognized in profit or loss for the current period.
   (2) The balance of monetary assets and liabilities denominated in foreign currencies is adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized in the current profit or loss.
   (3) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, they are adjusted using the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in the current profit or loss; if measured at fair value through other comprehensive income, the adjustment is valuated according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive income; if not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.
   (4) All foreign exchange gains and losses are reported in the "other gains and losses" of the Statement of Comprehensive Income.
2. Translation of foreign operations

   For all group individuals and affiliated enterprises whose functional currency is different from the presentation currency, the operating results and financial position shall be translated into the presentation currency in the following ways:
   (1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;

(2) The income, expenses and losses expressed in each comprehensive income statement are translated at the average exchange rates of the current period;

(3) All exchange differences arising from translation are recognized in other comprehensive income.

(V) Classification criteria for current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:

   (1) The asset is expected to be realized, or intended to be sold or consumed in the normal business cycle.

   (2) Mainly held for the purpose of trading.

   (3) Expected to be realized within 12 months after the balance sheet date.

   (4) Cash or cash equivalents, except for those to be exchanged or used to settle liabilities in at least 12 months after the balance sheet date.

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

2. Liabilities that meet one of the following conditions are classified as current liabilities:

   (1) Expected to be settled in the normal business cycle.

   (2) Mainly held for the purpose of trading.

   (3) Expected to be settled within 12 months after the balance sheet date.

   (4) Those without the right to defer the settlement of liabilities for at least 12 months after the reporting period.

   The Group classifies all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

Cash equivalent is a short-term investment with high liquidity that is readily convertible into known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets measured at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.

2. The Group adopts trade date accounting for financial assets measured at fair value through profit or loss that are customary transactions.

3. The Group measures their fair value at the time of initial recognition and the relevant transaction costs are recognized in profit or loss; subsequently, they are measured at fair value, and the profit or loss is recognized in profit or loss.

4. When the right of dividends received is established, the economic benefits related to the dividends are likely to inflow and the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at fair value through other comprehensive income

1. Refers to an irrevocable choice at the time of initial recognition to report changes in the fair value of investments in equity instruments that are not held for trading in other comprehensive income.
2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income which are in compliance with transaction practices.
3. The Group measures according to its fair value plus transaction cost at the time of initial recognition, and subsequently measured at fair value: changes in fair value of equity instruments are recognized in other comprehensive income, and at the time of derecognition, the accumulated profit or loss previously recognized in other comprehensive income shall not be reclassified as profit or loss, but transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow, and the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(IX) Financial assets measured at amortized cost

1. Refers to those who meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets measured at amortized cost which are in compliance with transaction practices.
3. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(X) Accounts and notes receivable

1. Refer to accounts and bills that, according to the contract, have the unconditional right to receive the amount of consideration exchanged for the transferred goods or services.
2. For short-term accounts and notes receivable with unpaid interest, as the discounting effect is insignificant, the Group measures them at the original invoice amount.

(XI) Financial assets impairment

On each balance sheet date, the Group, regarding debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost, considering all reasonable and corroborating information (including forward looking ones), if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable or contract assets that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses.

(XII) Derecognition of financial assets

When the contractual right to receive the cash flow from the financial asset expires, the financial asset will be derecognized.

(XIII) Inventory

Inventories are measured at the lower of cost or net realizable value, and the cost is determined in accordance with the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing whether the cost or the net realizable value is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales balance.

(XIV) Non-current assets held for sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, it is classified as an asset held for sale and measured at the lower of its carrying amount or fair value less costs to sell.

(XV) Property, Plant and Equipment

1. Property, plant and equipment are recorded at acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.
2. The subsequent cost is included in the book value of the asset or recognized as an individual asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss for the period when incurred.

3. Property, plant and equipment are subsequently measured at cost. Except for land, which is not depreciated, the depreciation is calculated using the straight-line method over the estimated useful years. Significant components of property, plant, and equipment are depreciated separately.
4. The Group reviews the residual value, years of useful life and depreciation method of each asset at the end of each fiscal year. If the residual value and the expected value of useful years are different from the previous estimates, or if the future economic benefits of the asset show a significant change in the expected consumption pattern, from the date of the change, it is treated in accordance with the provisions of IAS No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" for changes in accounting estimates. The useful lives of each asset are as follows:

Buildings	2 to 45 years
Machinery and equipment	2 to 16 years
Transportation Equipment	4 - 6 years
Other equipment	2 to 20 years

(XVI) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When the lease contract is in the form of a short-term lease or a lease of a low-value target asset, the lease payments are recognized as expenses using the straight-line method over the lease period.
2. Lease liabilities are recognized at the present value of the lease payments that have not yet been paid on the lease starting date, discounted at the Group's incremental borrowing rate. Lease payments include:

   (1) Fixed payment, less any lease incentives receivable;
   (2) Variable lease payments depending on a certain index or rate.

   The interest expense is subsequently measured using the interest method and the amortized cost method, and the interest expense is provided during the lease term. When the lease period or lease payment changes other than contract modification, the lease liabilities will be reassessed and the right-of-use assets will be remeasured.
3. The right-of-use asset is recognized at cost on the lease start date. Cost includes:

   (1) The initially measured amount of the lease liability;
   (2) Any lease payments made on or before the commencement date;
   (3) Any initial direct costs incurred; and

   the subsequent measurement is based on the cost model, and the depreciation expense is appropriated when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

(XVII) Intangible Assets

Mainly computer software and patents, they are recognized at acquisition cost and amortized using the straight-line method over the estimated useful lives of 1 to 18 years.

(XVIII) Non-financial assets impairment

On the balance sheet date, the recoverable amount of assets with signs of impairment is estimated. When the recoverable amount is lower than the carrying amount, the impairment loss is recognized. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When the impairment loss of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the increase in book value of the asset due to the impairment loss due to the reversal shall not exceed the amount of the depreciation or amortization if the impairment loss was not recognized for the asset and subsequent book value.

(XIX) Borrowings

Refers to long-term and short-term borrowings from banks. The Group measures their fair values less transaction costs at the time of initial recognition, and subsequently, for any difference between the price after deducting transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in the outstanding period according to the amortization procedure in profit or loss.

(XX) Accounts and notes payable

1. Refers to debts incurred from the purchase of raw materials, commodities or labor services on credit, and notes payable due to business and non-business reasons.
2. For short-term accounts and notes payable with unpaid interest, as the discounting effect is insignificant, the Group measures them based on the original invoice amount.

(XXI) Convertible corporate bonds payable

The convertible bonds issued by the Group are embedded with conversion rights (i.e. holders can choose the right to convert into the Group's common shares with a fixed amount of shares converted into a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded repurchase rights: The net fair value is recognized as "financial assets measured at fair value through profit or loss" at the time of initial recognition; subsequently on the balance sheet date, it is evaluated at the then fair value, and the

difference is recognized as “gains or losses on financial assets measured at fair value through profit or loss”.

2. Corporate bond host contract: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the corporate bond premium or discount payable; subsequently, the effective interest method is used and recognized in the profit or loss during the outstanding period according to the amortization procedure. It is used as an adjustment item in "Finance cost."
3. Embedded conversion right (complying with the definition of equity): At the time of initial recognition, the residual value of the issued amount after adding the above-mentioned "financial assets at fair value through profit or loss" and subtracting "corporate bonds payable" is recognized as "capital surplus - stock options", and no subsequent remeasurement is required.
4. Any directly attributable transaction costs of the issuance are allocated to each component of each liability and equity in accordance with the original book value of each component referred to above.
5. When the holder is changed, the recognized liability components (including "corporate bonds payable" and "financial assets at fair value through profit or loss") are treated according to the measurement method after classification; then the carrying amount of the above-mentioned liability component plus the carrying amount of "capital surplus - stock options" serves as the issuance cost of the ordinary shares.

(XXII) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are fulfilled, cancelled or expired.

(XXIII) Provisions

The provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. The provisions are measured based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate is based on the pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the liability, and the amortized discount is recognized as interest expense. No provisions shall be recognized for future operating losses.

(XXIV) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-discounted amount expected to be paid, and are recognized as expenses when the related services are provided.

2. Pension

   Defined contribution plan

   For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the current pension cost on an accrual basis. Prepaid allocations are recognized as assets within the scope of refundable cash or reduction of future payments.

3. Remuneration to employees and directors

   Employees' remuneration and directors' remuneration are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate. If the employee's remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the date of the resolution of the board of directors.

(XXV) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss, except for items that are recognized in other comprehensive income or directly in equity, respectively.

2. The Group calculates the income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. The management regularly evaluates the status of income tax filings in accordance with the applicable income tax related laws and regulations, and, if applicable, the estimated income tax liabilities based on the tax expected to be paid to the taxing authorities. Undistributed earnings are subject to additional income tax in accordance with the income tax law. The undistributed earnings income tax expense is recognized based on the actual distribution of earnings once the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.

3. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in the transaction (excluding business

combination) on the initial recognition of assets or liabilities, and the transaction does not affect accounting profits or taxable income (taxable losses) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences, they are not to be recognized. If the temporary difference generated by the investment in the subsidiaries can be controlled by the Group to control the time point for the temporary difference to reverse, and the temporary difference is very likely not to be reversed in the foreseeable future, it shall not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or substantially enacted at the balance sheet date and that is expected to apply when the related deferred income tax assets are realized or deferred income tax liabilities are settled.

4. Deferred income tax assets are recognized within the scope of temporary differences that are likely to be used to offset future taxable income and the unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. When there is a legally enforceable right to offset the amount of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities at the same time, offset the current income tax assets and liabilities; when there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same taxation authority, the same taxable entity, or different taxable entities and each entity intends to repay on the basis of the net amount or to realize assets and repay liabilities at the same time, the deferred income tax assets and liabilities are offset.

(XXVI) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income tax, are recognized in equity as a deduction of the consideration.

(XXVII) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed and transferred to common shares on the record date of issuance of new shares.

(XXVIII) Revenue recognition

Sale of goods

1. The Group manufactures and sells precision transmission components for industrial automation, ball screws and linear guides. Revenue from sales is recognized when the control of the product is transferred to the customer. That is, when the product is delivered

to the customer, the customer has discretion over the sales channel and price of product, and when there are no outstanding performance obligations by the Group that may affect the customer's acceptance of the product. When the product is transported to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence to prove that all acceptance criteria have been met.

2. Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contract price from that point on and it only takes time to collect the consideration from the customer.

(XXIX) Government grants

Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government subsidies and the subsidies will be received. If the nature of the government subsidies is to compensate the expenses incurred by the Group, the government subsidies shall be recognized as current profit or loss on a systematic basis in the period in which the relevant expenses are incurred. Government subsidies related to property, plant and equipment are recognized as non-current liabilities and are recognized as current period gains or losses using the straight-line method based on the estimated useful life of the related assets.

(XXX) Operating department

The information of the Group's operating segments is reported in a consistent manner with the internal management reports provided to major operational decision makers. The chief operational decision-makers are responsible for allocating resources to operating segments and evaluating their performance.

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Group prepared these consolidated financial statements, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

None.

(II) Important accounting estimates and assumptions

1. Impairment assessment of accounts receivable

   In the process of impairment assessment of accounts receivable, after considering all reasonable and corroborating information (including forward-looking information) for accounts receivable with significant financing components, if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses. The allowance is based on reasonable expectations of future events as of the balance sheet date. However, the actual results may differ materially.

2. Valuation of inventories

   Since inventories must be valued at the lower of cost or net realizable value, the Group must use judgment and estimate to determine the net realizable value of inventories on the balance sheet date. Due to the rapid changes in market products, the Group assesses the amount of inventories due to normal wear and tear, obsolete or no market sales value on the balance sheet date, and writes off the inventory cost to the net realizable value. The valuation of the inventory is mainly based on the demand for products in a specific period of time in the future, so there may be significant changes.

VI. Description of major accounting titles

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 1,302	$ 1,193
Checking deposit and demand deposit	711,592	610,851
Time deposit	19,676	-
Total	$ 732,570	$ 612,044

1. The credit quality of the financial institutions with which the Group interacts is good, and the Group interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
2. On December 31, 2024 and 2023, the Group's bank deposits of NT$30,000 were classified as "non-current financial assets at amortized cost" due to the restricted use for performance bonds.

(II) Financial assets measured at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ 475	$ -

1. The breakdown of financial assets measured at fair value through profit or loss recognized in profit or loss is as follows:

	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ 475	($ 220)

2. The Company does not provide financial assets measured at fair value through profit or loss as collateral.

3. For information on the fair value of financial assets measured at fair value through profit or loss, please refer to Note 12(3).

(III) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2024	December 31, 2023
Non-current items:		
Equity instrument		
Non-listed stocks	$ 52,515	$ 52,515
Valuation adjustment	36,403	42,079
Total	$ 88,918	$ 94,594

1. The Group chose to classify the equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income.

2. The breakdown of financial assets measured at fair value through other comprehensive income and comprehensive income recognized in profit or loss is as follows:

	2024	2023
Equity instruments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 5,676)	($ 1,711)
Dividend income recognized in profit or loss and still held at the end of the current period	$ -	$ 4,632

3. For relevant fair value information, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	December 31, 2024	December 31, 2023
Non-current items:		
Pledged time deposit	$ 30,000	$ 30,000

1. For the interest income recognized in profit or loss of financial assets measured at amortized cost in 2024 and 2023, please refer to Note 6(22).
2. Please refer to Note 8 for the Group's financial assets measured at amortized cost as collaterals.
3. The counterparties of the Group's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(V) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 399,639	$ 171,031
Accounts receivable	$ 769,573	$ 727,172
Less: Loss allowance	(109,432)	(83,081)
	$ 660,141	$ 644,091
Non-performing loans (stated as other non-current assets)	$ 74,510	$ 74,510
Less: Loss allowance	(74,510)	(74,510)
	$ -	$ -

Non-performing loans refer to the balance of accounts that have been collected through outsourcing and litigation.

1. The aging analysis of accounts receivable and notes receivable is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 351,576	$ 399,639	$ 228,253	$ 171,031
Overdue				
Within 30 days	134,583	-	109,918	-
31 to 90 days	99,475	-	158,851	-
91 to 180 days	74,507	-	147,069	-
More than 181 days	-	-	-	-
	$ 660,141	$ 399,639	$ 644,091	$ 171,031

The above is an aging analysis based on the number of overdue days.

2. The balance of accounts receivable and notes receivable on December 31, 2024 and 2023 all arose from contracts with customers, and the balance of accounts receivable on contracts with customers on January 1, 2023 was NT$1,039,758.
3. Without considering the collateral or other credit enhancements held, the maximum risk exposure amount that best represents the credit risk of the notes receivable of the Group on December 31, 2024 and 2023 was NT$399,639 and NT$171,031, respectively; the maximum credit risk exposure amount on December 31, 2024 and 2023 that best represents the credit risk of the accounts receivable of the Group was NT$660,141 and NT$644,091, respectively.
4. Please refer to Note 12(2) for the credit risk information of accounts receivable and notes receivable in detail.

(VI) Inventory

	December 31, 2024		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 296,659	($ 86,125)	$ 210,534
Work in process	555,217	(71,392)	483,825
Finished goods	844,349	(217,919)	626,430
Total	$ 1,696,225	($ 375,436)	$ 1,320,789

	December 31, 2023		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 382,990	($ 55,962)	$ 327,028
Work in process	487,334	(53,359)	433,975
Finished goods	1,771,927	(151,258)	1,620,669
Total	$ 2,642,251	($ 260,579)	$ 2,381,672

Expenses and losses related to inventory recognized in the current period:

	2024	2023
Cost of sold inventories	$ 2,282,975	$ 1,985,086
Inventory valuation losses	111,825	127,886
Loss on inventory	1,780	1,355
Revenue from sale of scraps	(1,817)	(2,868)
Assets retirement losses	24,629	41,641
	$ 2,419,392	$ 2,153,100

(VII) Property, Plant and Equipment

	Land for operating purpose	Buildings and structures for operating purpose	Machinery equipment for operating purpose	Transportation equipment for operating purpose	Others for operating purpose	Construction in process for operating purpose	Total
January 1, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,524,764	$ 5,886	$ 395,200	$ 124,076	$ 4,568,924
Accumulated depreciation	-	(419,535)	(1,089,727)	(3,769)	(285,405)	-	(1,798,436)
	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
2024							
January 1	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
Addition	-	-	45,716	1,400	28,382	8,788	84,286
Disposal - cost	-	-	(7,432)	(1,969)	(22,536)	-	(31,937)
Disposal - Accumulated depreciation	-	-	3,024	619	22,468	-	26,111
Transfer	-	-	52,495	-	1,280	(55,794)	(2,019)
Depreciation expense	-	(54,946)	(114,349)	(483)	(40,557)	-	(210,335)
Impairment losses	-	-	(1,878)	(71)	(838)	-	(2,787)
Exchange difference, net	-	-	397	60	713	-	1,170
December 31	$ 894,994	$ 1,149,523	$ 413,010	$ 1,673	$ 98,707	$ 77,070	$ 2,634,977
December 31, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,618,793	$ 5,397	$ 403,236	$ 77,070	$ 4,623,494
Accumulated depreciation	-	(474,481)	(1,203,896)	(3,653)	(303,687)	-	(1,985,717)
Accumulated impairment	-	-	(1,887)	(71)	(842)	-	(2,800)
	$ 894,994	$ 1,149,523	$ 413,010	$ 1,673	$ 98,707	$ 77,070	$ 2,634,977

On November 11, 2024, the Group passed a resolution at the board meeting to sell the property on Xinyi Road in Daxi District, Taoyuan. The Group is still actively seeking a buyer, and the transaction is not yet confirmed to be completed within one year.

	Land for operating purpose	Buildings and structures for operating purpose	Machinery equipment for operating purpose	Transportation equipment for operating purpose	Others for operating purpose	Construction in process for operating purpose	Total
January 1, 2023							
Cost	$ 1,006,321	$ 1,820,521	$ 1,431,128	$ 4,904	$ 356,576	$ 76,944	$ 4,696,394
Accumulated depreciation	-	(436,807)	(971,374)	(2,815)	(249,370)	-	(1,660,366)
	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
2023							
January 1	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
Addition	-	1,409	50,847	1,026	22,337	98,839	174,458
Disposal - cost	-	(302)	(251)	-	(5,573)	-	(6,126)
Disposal - Accumulated depreciation	-	302	56	-	5,483	-	5,841
Reclassified to non-current assets held for sale	(111,327)	(118,350)	-	-	(887)	-	(230,564)
Reclassification	-	6,075	43,359	-	23,322	(51,707)	21,049
Depreciation expense	-	(68,379)	(118,432)	(963)	(41,565)	-	(229,339)
Exchange difference, net	-	-	(296)	(35)	(528)	-	(859)
December 31	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
December 31, 2023							
Cost	$ 894,994	$ 1,624,004	$ 1,524,764	$ 5,886	$ 395,200	$ 124,076	$ 4,568,924
Accumulated depreciation	-	(419,535)	(1,089,727)	(3,769)	(285,405)	-	(1,798,436)
	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488

1. For information on property, plant and equipment as collateral, please refer to the descriptions in Note VIII.
2. For information on property, plant and equipment impairment, please refer to the description in Note 6(10).

(VIII) Lease transaction - Lessee

1. The underlying assets leased by the Group include land, buildings and buildings, official vehicles and telephone systems. The lease contract period usually ranges from 2 to 50 years. Lease contracts are negotiated separately and include various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as guarantees for loans.
2. The lease period for some of the warehouses leased by the Group shall not exceed 12 months. On December 31, 2024 and 2023, the Group's lease payments for short-term leasing commitments were NT$5,536 and NT$4,967, respectively.
3. The carrying amount of the right-of-use assets and the information of depreciation expense recognized are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 691,072	$ 616,909
Buildings	47,684	7,396
Transportation equipment (office vehicles)	4,046	6,704
Other equipment	-	6,939
	$ 742,802	$ 637,948

	2024	2023
	Depreciation expense	Depreciation expense
Land	$ 18,553	$ 16,056
Buildings	19,536	18,273
Transportation equipment (office vehicles)	4,228	5,678
Other equipment	6,938	2,974
	$ 49,255	$ 42,981

4. The increase in the Group's right-of-use assets in 2024 and 2023 were NT$154,083 and NT$30,296, respectively.
5. The information of loss (gain) related to lease contract is as follows:

	2024	2023
Items affecting current profit or loss		
Interest expense of lease liabilities	$ 12,693	$ 10,958
Expenses of short-term lease contracts	5,536	4,967

6. The Group's total cash outflow due to leases amounted to NT$61,046 and NT$54,364 in 2024 and 2023, respectively.

(IX) Intangible Assets

	Patent right	Computer software	Total
January 1, 2024			
Cost	$ 12,000	$ 110,306	$ 122,306
Accumulated amortization	(11,873)	(82,620)	(94,493)
	$ 127	$ 27,686	$ 27,813
2024			
January 1	$ 127	$ 27,686	$ 27,813
Addition	-	21,225	21,225
Disposal - cost	-	(82,353)	(82,353)
Disposal - Amortization	-	82,353	82,353
Transfer of prepaid equipment payment	-	1,648	1,648
Amortization expense	(26)	(26,725)	(26,751)
Exchange difference, net	-	8	8
December 31	$ 101	$ 23,842	$ 23,943
December 31, 2024			
Cost	$ 12,000	$ 50,826	$ 62,826
Accumulated amortization	(11,899)	(26,984)	(38,883)
	$ 101	$ 23,842	$ 23,943

	Patent right	Computer software	Total
January 1, 2023			
Cost	$ 12,000	$ 82,256	$ 94,256
Accumulated amortization	(11,848)	(57,005)	(68,853)
	$ 152	$ 25,251	$ 25,403
2023			
January 1	$ 152	$ 25,251	$ 25,403
Addition	-	26,730	26,730
Disposal - cost	-	(10)	(10)
Disposal - Amortization	-	10	10
Transfer of prepaid equipment payment	-	1,330	1,330
Amortization expense	(25)	(25,621)	(25,646)
Exchange difference, net	-	(4)	(4)
December 31	$ 127	$ 27,686	$ 27,813
December 31, 2023			
Cost	$ 12,000	$ 110,306	$ 122,306
Accumulated amortization	(11,873)	(82,620)	(94,493)
	$ 127	$ 27,686	$ 27,813

The details of amortization of intangible assets are as follows:

	2024	2023
Operating costs	$ 4,268	$ 3,086
Sales promotion expenses	93	117
General and administrative expenses	19,790	21,435
Research and development expenses	2,600	1,008
	$ 26,751	$ 25,646

(X) Non-financial assets impairment

The Group conducted impairment tests on property, plant, and equipment and adjusted their carrying amounts based on recoverable amounts, and recognized impairment losses of NT$2,787 and NT$0 in 2024 and 2023, respectively. The recoverable amount is evaluated based on fair value minus disposal costs, and adjusted according to the cost method and based on factors such as market liquidity and transaction price. Details of the Group’s impairment losses in 2024 and 2023 are as follows:

	2024		2023	
	Recognized in current profit or loss	Recognized in other comprehensive income	Recognized in current profit or loss	Recognized in other comprehensive income
Impairment losses - machinery and equipment	$ 1,878	$ -	$ -	$ -
Impairment losses - transportation equipment	71	-	-	-
Impairment losses - other equipment	838	-	-	-
	$ 2,787	$ -	$ -	$ -

(XI) Other non-current assets

	December 31, 2024	December 31, 2023
Prepayment for equipment	$ 7,678	$ 11,739
Refundable deposits	12,815	13,578
Other non-current assets	43	-
	$ 20,536	$ 25,317

(XII) Non-current assets held for sale

The Group resolved to dispose of the real estate in Yingge District on November 8, 2023 and the related assets were classified as non-current assets held for sale.

	December 31, 2024	December 31, 2023
Property, Plant and Equipment	$ 230,564	$ 230,564

The said non-current asset held for sale was re-measured at the lower of its book value or fair value less selling cost, and no impairment loss was incurred. Please refer to Note VIII for the guarantee information.

On September 25, 2024, the Group signed a sales contract with the buyer for real estate in Yingge District for NT$230,564. The sale price of NT$600,000 was determined based on the report of Tianyi Real Estate Appraiser. On December 16, 2024, a new sales contract with the same sale price was signed, and the first installment of NT$60,000 (including tax) was collected (recognized as other current liabilities - other). The property transfer registration is expected to complete before June 30, 2025.

(XIII) Short-term borrowings

Nature of loan	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 450,000	1.78-1.95%	No

Nature of loan	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 670,000	1.65-1.85%	No

Please refer to 6(25) for the interest expense recognized in profit and loss in 2024 and 2023.

(XIV) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 19,448	$ 139,486
Labor and national health insurance premium and pension payable	15,326	15,070
Payables for equipment	10,440	4,200
Payables for packaging	10,396	1,781
Research and experimentation expenses payable	1,224	2,681
Other payable expenses	82,497	84,664
	$ 239,331	$ 247,882

(XV) Long-term borrowing

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured loan	The interest is paid monthly, and the principal is paid in installment from March 23, 2016 to January 26, 2042.	2.15%-2.33%	Land and buildings	$ 1,275,840
Unsecured loan	The interest is paid monthly, and the principal is paid in installment from December 1, 2016 to October 15, 2031.	1.43%-2.35%	No	552,515
				1,828,355
Less: Long-term borrowings due within one year or one operating cycle				(316,573)
				$ 1,511,782

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured loan	The interest is paid monthly, and the principal is paid in installment from March 23, 2016 to January 26, 2042.	2.03%-2.2%	Land and buildings	$ 1,362,867
Unsecured loan	The interest is paid monthly, and the principal is paid in installment from December 1, 2016 to October 15, 2031.	1.3%-2.23%	No	619,756
				1,982,623
Less: Long-term borrowings due within one year or one operating cycle				(236,058)
				$ 1,746,565

1. Please refer to 6(25) for the interest expense recognized in profit and loss in 2024 and 2023.
2. For the above-mentioned loan from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(XVI) Bonds payable

	December 31, 2024	December 31, 2023
Bonds payable	$ 241,100	$ 763,700
Less: Discount of corporate bond payable	(3,690)	(25,845)
	237,410	737,855
Less: Due within one year or one operating cycle	(237,410)	-
	$ -	$ 737,855

1. Domestic convertible bonds issued by the Company

(1) The conditions for the Company's issuance of the 1st secured convertible bonds in Taiwan are as follows:

A. The first domestic secured convertible bonds are approved by the competent authority. The total amount to be issued is NT$500,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from October 24, 2022 to October 24, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 1st batch of convertible bonds was listed for trading on the Taipei Exchange on October 24, 2022.

B. From the day following the expiration of three months after the date of issue (January 25, 2023) to the maturity date (October 24, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$40.5 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the First Secured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$40.5 per share to NT$38.9 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (January 25, 2023) to the forty days prior to the expiration of the issuance period (September 15, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2024, NT$301,300 face value of this convertible corporate bond has been converted into 7,745,304 ordinary shares. Among them, 7,411,220 shares were approved by the board of directors on March 11, 2025, with a ex-date of March 11, 2025, and the change registration has not yet been completed.

(2) The conditions for the Company's issuance of the 2nd unsecured convertible bonds in Taiwan are as follows:

A. The second domestic unsecured convertible bonds are approved by the competent authority. The total amount to be issued is NT$300,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from December 12, 2022 to December 12, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 2nd batch of convertible bonds was listed for trading on the Taipei Exchange on December 12, 2022.

B. From the day following the expiration of three months after the date of issue (March 13, 2023) to the maturity date (December 12, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$37 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$37 per share to NT$35.5 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (March 13, 2023) to the forty days prior to the expiration of the issuance period (November 2, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2024, NT$257,600 face value of this convertible corporate bond has been converted into 7,214,880 ordinary shares. Among them, 2,112,631 shares were approved by the board of directors on March 11, 2025, with a ex-date of March 11, 2025, and the change registration has not yet been completed.

2. When the Company issued the first and second convertible corporate bonds, in accordance with IAS 32 "Financial Instruments: Presentation," the conversion option that was of the nature of conversion was separated from each component of liabilities, and accounted for in "Capital reserve - share options" was totaled NT$49,598. In addition, the embedded repurchase options are not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments,"

so they are separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss". The effective interest rate of the host contract after the separation is 1.8053% to 1.9797%.

(XVII) Pension

1. In accordance with the "Labor Pension Act", the Group has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Group contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income and segregated account is withdrawn as monthly pension or lump sum.
2. In 2024 and 2023, the pension costs recognized by the Group in accordance with the above regulations were NT$20,204 and NT$27,408, respectively.

(XVIII) Share capital

1. On December 31, 2024, the Company's authorized capital was NT$3,000,000 divided into 300,000 thousand shares; the paid-in capital was NT$996,143, with a share face value of NT$10 per share. Payment for the issued shares of the Company has been received. The number of outstanding common shares at the beginning and the end of the period is adjusted as follows: (Unit: shares)

	2024	2023
January 1	95,158,828	94,178,000
Corporate bond conversion	13,979,356	980,828
December 31	109,138,184	95,158,828

2. Corporate bond conversion

   As of December 31, 2024, the Company had 14,960,184 ordinary shares issued due to the exercise of conversion rights with respect to the secured and unsecured convertible bonds issued by the Company in 2022, and the change of registration for 9,523,851 shares has not yet been completed.

(XIX) Additional paid-in capital

1. In accordance with the provisions of the Company Act, the premium from the issuance of shares in excess of the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the Company has no accumulated losses, new shares or cash are issued or paid in proportion to the original shares of the shareholders. In addition,

according to the relevant provisions of the Securities and Exchange Act, when the additional paid-in capital above is appropriated to capital, its total amount each year shall not exceed 10% of the paid-in capital. The Company shall not use the additional paid-in capital to make up for the capital loss unless the earnings reserve is still insufficient to make up for the capital loss.

2. The changes in the additional paid-in capital of the Company in 2024 and 2023 are as follows:

	2024			
	Issuance premium	Stock options	Others	Total
January 1	$1,651,944	$ 47,712	$ 25,244	$1,724,900
Exercise of the right to convert convertible corporate bonds into stock	404,563	(31,988)	-	372,575
December 31	$2,056,507	$ 15,724	$ 25,244	$2,097,475

	2023			
	Issuance premium	Stock options	Others	Total
January 1	$1,625,489	$ 49,598	$ 25,244	$1,700,331
Exercise of the right to convert convertible corporate bonds into stock	26,455	(1,886)	-	24,569
December 31	$1,651,944	$ 47,712	$ 25,244	$1,724,900

(XX) Loss to be compensated/unappropriated earnings

1. In accordance with the Company's Articles of Incorporation, where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.

2. For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 10% of the total dividends distributed in the current year.
3. The legal reserve may not be used except to make up for the Company's losses and issuing new shares or cash in proportion to the original number of shares held by shareholders. However, if new shares or cash are issued, it shall exceed 25% of the paid-up capital.
4. When the Company distributes earnings, the special reserve shall be set aside for the debit balance of other equity items on the balance sheet date of the current year according to laws and regulations before distribution. When the debit balance of other equity items is subsequently reversed, the amount of reversal may be included in the distribution available in earnings.
5. The 2022 earnings distribution proposal of the Company was approved by the shareholders' meeting on June 27, 2023 as follows:

	2022	
	Amount	Dividends per share (NTD)
Legal reserve	$ 28,401	
Cash dividends	141,267	$ 1.5
Total	$ 169,668	

(XXI) Operating revenue

	2024	2023
Revenue from contracts with customers	$ 2,294,281	$ 2,571,194

1. Breakdown of revenue from customer contracts

   The Group's income is derived from the goods transferred at a certain point in time, and the income can be divided into the following main products:

2024	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 1,463,095	$ 702,155	$ 114,420	$ 14,611	$ 2,294,281

2023	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 1,664,486	$ 737,874	$ 138,212	$ 30,622	$ 2,571,194

2. Contract liabilities

The contractual liabilities related to the contractual revenue recognized by the Group are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities - collections in advance	$ 3,118	$ 3,681	$ 5,452

Revenue recognized in current period of contract liabilities at the beginning of the period

	2024	2023
Opening balance of contract liabilities recognized as income in current period		
Collections in advance	$ 2,912	$ 4,812

(XXII) Interest income

	2024	2023
Interest on bank deposits	$ 2,886	$ 5,400
Interest income with repurchase of bonds	978	-
Interest income from financial assets measured at amortized cost	417	203
Other interest income	84	269
	$ 4,365	$ 5,872

(XXIII) Other income

	2024	2023
Grant income	$ 25,082	$ 16,942
Rental income	403	963
Dividend income	-	4,632
Other income - others	18,096	2,489
	$ 43,581	$ 25,026

(XXIV) Other gains and losses

	2024	2023
Foreign exchange gain (loss)	$ 97,228	($ 36,770)
Gains from the disposal of property, plant and equipment	130	291
Net gain (loss) on financial assets measured at fair value through profit or loss	475	(220)
Impairment loss recognised in profit or loss, property, plant and equipment	(2,787)	-
Other losses	(322)	(87)
	$ 94,724	($ 36,786)

(XXV) Finance costs

	2024	2023
Bank borrowing interest expense	$ 45,171	$ 46,452
Interest expense on lease liabilities	12,693	10,958
Corporate bond interest expense	11,924	13,604
Others	-	1
	$ 69,788	$ 71,015

(XXVI) Additional information on the nature of the expense

	2024	2023
Employee benefit expense	$ 607,176	$ 824,411
Depreciation expenses of property, plant and equipment	210,335	229,339
Right-of-use assets depreciation expense	49,255	42,981
Amortization expense of intangible assets	26,751	25,646
Operating lease rental expense	5,536	4,967
Expected credit gains (losses)	24,260	(2,948)
	$ 923,313	$ 1,124,396

(XXVII) Employee benefit expense

		2024		2023
Salary expenses	$	505,983	$	680,736
Labor and national health insurance expenses		58,150		84,195
Pension expense		20,204		27,408
Other personnel expenses		22,839		32,072
	$	607,176	$	824,411

1. If the Company makes a profit in the year, it shall allocate at least 1% as remuneration as employees' remuneration, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlled companies or subsidiaries. The Company may allocate up to 5% as the directors' and supervisors' remuneration from the profit amount above based on the resolution of the board of directors. The proposal for the distribution of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting for reporting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.
2. There was a loss in both 2024 and 2023 so employees' remuneration and directors' remuneration were not estimated.
3. Information on employees' and directors' remuneration approved by the Company's board of directors is available on the MOPS.

(XXVIII) Income tax

1. Components of income tax benefits:

(1) Components of income tax benefits:

	2024	2023
Current income tax:		
Income tax arising from current income	$ 8,256	$ 51,277
Imposition on undistributed earnings	-	536
Overestimated income tax in previous years	(3,197)	(12,761)
Total income tax for the current period	5,059	39,052
Deferred income tax:		
The origin and reversal of the temporary difference	(82,239)	(83,235)
Total deferred income tax	(82,239)	(83,235)
Tax income	($ 77,180)	($ 44,183)

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

	2024	2023
Difference on translation of foreign operations	($ 26)	$ 225

2. Relationship between income tax benefits and accounting profit

	2024	2023
Income tax on net profit (loss) before tax calculated at statutory tax rate	($ 177,264)	($ 77,908)
Impacts of items that cannot be recognized as required by law	1,980	4,090
Temporary difference not recognized as deferred income tax assets	109,171	27,836
Reversal of unrecognized temporary differences on deferred income tax assets	(920)	(15,233)
Income exempted from taxation under the Tax Act	(6,976)	(14,260)
Overestimated amount of income tax in previous years	(3,197)	(12,761)
Income tax impact of minimum tax system	26	25
Additional income tax on undistributed earnings	-	536
Taxable losses not recognized as deferred income tax assets	-	43,492
Tax income	($ 77,180)	($ 44,183)

3. The amount of each deferred income tax asset or liability arising from the temporary difference is as follows:

	2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 3,146	($ 951)	$ -	$ 2,195
Unrealized gross profit from sales	42,861	(21,200)	-	21,661
Unrealized exchange losses	5,718	(5,718)	-	-
Deferred benefits from government grants	-	1,084	-	1,084
Impacts of foreign investment losses	37,106	(30,015)	-	7,091
Tax loss	-	147,645	-	147,645
Subtotal	$ 88,831	$ 90,845	$ -	$ 179,676
- Deferred income tax liabilities:				
Unrealized exchange gain	$ -	($ 8,606)	$ -	($ 8,606)
Exchange differences on foreign operations	(712)	-	(26)	(738)
Subtotal	(712)	(8,606)	(26)	(9,344)
Total	$ 88,119	$ 82,239	($ 26)	$ 170,332

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 2,774	$ 372	$ -	$ 3,146
Unrealized gross profit from sales	18,179	24,682	-	42,861
Unrealized exchange losses	-	5,718	-	5,718
Impacts of foreign investment losses	3,436	33,670	-	37,106
Subtotal	$ 24,389	$ 64,442	$ -	$ 88,831
- Deferred income tax liabilities:				
Effect of foreign investment interests	($ 16,811)	$ 16,811	$ -	$ -
Unrealized exchange gain	(1,982)	1,982	-	-
Exchange differences on foreign operations	(937)	-	225	(712)
Subtotal	(19,730)	18,793	225	(712)
Total	$ 4,659	$ 83,235	$ 225	$ 88,119

4. Deductible temporary differences of unrecognized deferred income tax assets:

	December 31, 2024	December 31, 2023
Deductible temporary difference	$ 967,943	$ 317,244

5. The profit-seeking enterprise income tax of the Company and of TBI Motion has been approved by the tax authorities up to the year 2022.

(XXIX) Loss per share

	2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	(Loss) per share (NTD)
Basic (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 486,652)	97,877	($ 4.97)
Diluted (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 486,652)	97,877	
Net (loss) for the period attributable to the ordinary shareholders of the parent company plus the effect of potential ordinary shares	($ 486,652)	97,877	($ 4.97)

	2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	(Loss) per share (NTD)
Basic (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 103,612)	94,946	($ 1.09)
Diluted (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 103,612)	94,946	
Net (loss) for the period attributable to the ordinary shareholders of the parent company plus the effect of potential ordinary shares	($ 103,612)	94,946	($ 1.09)

(XXX) Supplementary information on cash flow

1. Investment activities with only partial cash payment:

	2024	2023
Additions of property, plant and equipment	$ 84,286	$ 174,458
Add: Payables for equipment, beginning	4,200	16,685
Less: Payables for equipment, ending	(10,440)	(4,200)
Cash paid in current period	$ 78,046	$ 186,943

2. Financing activities that do not affect cash flow:

	2024	2023
Conversion of convertible bonds into share capital	$ 512,369	$ 34,377

(XXXI) Changes in liabilities from financing activities

	January 1, 2024	Changes in cash flow	Non-cash changes	December 31, 2024
Short-term borrowings	$ 670,000	($ 220,000)	$ -	$ 450,000
Long-term borrowing	1,982,623	(154,268)	-	1,828,355
Bonds payable	737,855	-	(500,445)	237,410
Lease liabilities	656,227	(42,817)	154,156	767,566
Guarantee deposits received	4,526	(4,326)	-	200
Total liabilities from financing activities	$4,051,231	($ 421,411)	($ 346,289)	$3,283,531

	January 1, 2023	Changes in cash flow	Non-cash changes	December 31, 2023
Short-term borrowings	$ 10,000	$ 660,000	$ -	$ 670,000
Long-term borrowing	2,038,312	(55,689)	-	1,982,623
Bonds payable	758,628	-	-	758,628
Lease liabilities	664,554	(38,439)	30,112	656,227
Guarantee deposits received	4,743	(217)	-	4,526
Total liabilities from financing activities	$3,476,237	$ 565,655	$ 30,112	$4,072,004

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Group
Li, Ching-Kung	Chairman of the Group
Lee, Ching-Sheng	General manager of the Group

(II) Remuneration of key management personnel

	2024	2023
Short-term employee benefits	$ 9,800	$ 9,976
Post-employment benefits	108	108
Total	$ 9,908	$ 10,084

(III) Others

The Group borrowed from financial institutions on December 31, 2024 and 2023, with Lei Ching-Kun and Li, Chin-Sheng serving as joint guarantors. The financing amounts were a joint guarantee for NT$387.049, and Li, Ching-Kun’s sole guarantee for NT$1,891,306 and a joint guarantee for NT$2,652,623, respectively.

VIII. Pledged assets

The details of the guarantees provided for the Group's assets are as follows:

	Book value		
Assets	December 31, 2024	December 31, 2023	Purpose of guarantee
Financial assets measured at amortized cost			
Pledged time deposit	$ 30,000	$ 30,000	Note 1
Property, Plant and Equipment			
Land	894,994	894,994	Note 2
Buildings	915,655	942,595	Note 2
Non-current assets held for sale	230,564	230,564	Note 2
	$ 2,071,213	$ 2,098,153	

Note 1: The performance bond of the Company.

Note 2: Long-term borrowings.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Capital expenditures signed but not yet incurred

	December 31, 2024	December 31, 2023
Property, Plant and Equipment	$ 19,792	$ 11,346

(II) The Group has opened an unused letter of credit for the purchase of materials

	December 31, 2024	December 31, 2023
Letter of credit issued but not used	$ 6,122	$ 24,434

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

1. TBI Motion Technology (Suzhou) Co., Ltd. We received a lawsuit for trademark infringement on February 11, 2025, and have now entrusted Beijing Yingke (Suzhou) Law Firm to handle it to protect the company's rights and interests. The company's related operational activities are proceeding normally, and there is no significant impact on its financial and business situation. According to the lawyer's evaluation, there is a high chance of winning the lawsuit.
2. On March 11, 2025, the board of directors passed a resolution to offset losses for the year 2024, proposing to use the legal reserve of NT$125,767 to make up for the losses. After making up for the losses, the amount of losses to be made up for is NT$0.

XII. Others

(I) Capital management

The goal of the Group's capital management is to ensure the continued operation of the Group, maintain the optimal capital structure to reduce the cost of capital, and provide returns for shareholders. 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 liabilities. The Group uses the debt capital ratio to monitor its capital, which is calculated by dividing net debt by total capital.

The Group's strategy in 2024 remains the same as that in 2023. The Group's debt ratios on December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Total borrowings	$ 2,515,765	$ 3,390,478
Less: Cash and cash equivalent	(732,570)	(612,044)
Debt, net	1,783,195	2,778,434
Total equity	3,279,581	3,259,437
Total capital	$ 5,062,776	$ 6,037,871
Debt capital ratio	35.22%	46.02%

(II) Financial instruments

1. Type of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 475	$ -
Financial assets measured at fair value through other comprehensive income		
Selecting designated investments in equity instruments	$ 88,918	$ 94,594
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 732,570	$ 612,044
Financial assets measured at amortized cost	30,000	30,000
Notes receivable	399,639	171,031
Accounts receivable	660,141	644,091
Other receivables	6,470	319
Refundable deposits	12,815	13,578
	$ 1,931,028	$ 1,565,657

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 450,000	$ 670,000
Notes payable	35,457	4,078
Accounts payable	187,266	142,395
Other payables	239,331	247,882
Long-term borrowings (including those due within one year or one operating cycle)	1,828,355	1,982,623
Bonds payable (including the portion due within one year or one business cycle)	237,410	737,855
Guarantee deposits received	200	4,526
	$ 2,978,019	$ 3,789,359
Lease liabilities	$ 767,566	$ 656,227

2. Risk management policy

Risk management is carried out by the Group's Finance Department in accordance with the policies approved by the Board of Directors. The Finance Department of the Group works closely with various operating units within the Group to identify, evaluate and avoid financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

3. Nature and extent of significant financial risk

(1) Market risk

Exchange rate risk

A. The Group operates in a multinational company, so it is subject to the exchange rate risk arising from transactions with the functional currency of the Company and its subsidiaries, which are mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Group's business involves some non-functional currencies, therefore it is subject to exchange rate fluctuations. The assets and liabilities denominated in foreign currencies with significant exchange rate fluctuations are as follows:

(Foreign currency: functional currency)	December 31, 2024 Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,538	32.7930	$ 116,022
JPY: NTD	152,224	0.2099	31,952
EUR: NTD	985	34.1520	33,640
RMB: NTD	21,137	4.4775	94,641
Financial liabilities			
Monetary items			
USD: NTD	18	32.7930	590
JPY: NTD	2,827	0.2099	593

(Foreign currency: Functional currency)	December 31, 2023 Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,669	30.7080	$ 112,668
JPY: NTD	13,390	0.2172	2,908
EUR: NTD	18	34.0070	612
RMB: NTD	5,917	4.3265	25,600
Financial liabilities			
Monetary items			
JPY: NTD	2,898	0.217	629
USD: NTD	10	30.7080	307

C. On the Group’s monetary items, due to exchange rate fluctuations, the aggregate amount of all exchange gains (losses) recognized in 2024 and 2023 (including realized and unrealized) were NT$97,228 and NT$(36,770)), respectively.

D. The risk analysis of the Group's foreign currency market due to significant exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	2024 Sensitivity analysis: Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 928	$ -
JPY: NTD	1%	256	-
EUR: NTD	1%	269	-
RMB: NTD	1%	757	-
Financial liabilities			
Monetary items			
USD: NTD	1%	(5)	-
JPY: NTD	1%	(5)	-
EUR: NTD	1%	-	-

(Foreign currency: functional currency)	2023 Sensitivity analysis: Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 901	$ -
JPY: NTD	1%	23	-
EUR: NTD	1%	5	-
RMB: NTD	1%	205	-
Financial liabilities			
Monetary items			
JPY: NTD	1%	(5)	-
USD: NTD	1%	(2)	-

Price risk

A. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. To manage the price risk of equity instrument investment, the Group will diversify its investment portfolio, and the diversification method is based on the limit set by the Group.

B. The Group mainly invests in equity instruments issued by domestic companies, and the prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the price of these equity instruments rose or fell by 1%, and all other factors remained unchanged, the net profit arising from the profit or loss of equity instruments measured at fair value through profit and loss would increase or decrease by NT$711 and NT$756 in 2024 and 2023.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk mainly comes from the long-term and short-term loans issued at floating interest rates, which expose the Group to cash flow interest rate risk. In 2024 and 2023, the Group's borrowings with floating interest rates were mainly denominated in NTD.

B. When the borrowing rate increased or decreased by 1%, and all other factors remained unchanged, the net income after tax in 2024 and 2023 would decrease or increase by NT$18,227 and NT$21,221, respectively, mainly due to the fluctuation of interest expenses caused by floating rate borrowings.

(2) Credit risk

A. The Group's credit risk refers to the risk of financial loss due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations, mainly from the inability of counterparties to settle accounts receivable in accordance with the collection terms.

B. The Group establishes credit risk management from the group perspective. For banks and financial institutions, only institutions with good reputation and no recent major default records can be accepted as trading counterparts. According to the internal credit policy, for each new customer within the Group, management and credit risk analysis must be conducted before the establishment of payment and delivery terms and conditions. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. The limits of individual risks are determined by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. According to the Group's credit risk management procedures, a default is deemed to have occurred when the contract amount is overdue for more than 180 days according to the agreed payment terms.

D. The Group classifies customers' accounts receivable according to geographical area, customer rating and trade credit risk characteristics, and estimates expected credit losses based on the allowance matrix and loss rate method in a simplified manner.

E. The indicators used by the Group to determine that the debt instrument investment is subject to credit impairment are as follows:
   (A) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganization greatly increases;
   (B) The issuer disappears from the active market for the financial assets due to financial difficulties;
   (C) The issuer delays or fails to repay the interest or principal;
   (D) Unfavorable changes in national or regional economic conditions that result in the issuer's default.

F. The Group will continue to pursue legal proceedings for the default of financial assets to preserve the rights of the creditor's right. After the recourse procedures, the amount of financial assets for which it is impossible to reasonably expect to be recoverable is written off.

G. The Group takes into account the forward-looking consideration and the loss rate based on historical and current information in a specific period to estimate the loss allowance for accounts receivable and overdue receivables. The provision matrix and loss ratio for December 31, 2024 and 2023 are as follows:

December 31, 2024	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%~2.84%	$ 359,938	$ -	$ 359,938	($ 8,362)
Within 30 days	0.03%~3.38%	138,754	-	138,754	(4,171)
31 to 90 days	0.03%~22.42%	114,941	-	114,941	(15,466)
91 to 180 days	32.49%~70.82%	136,678	-	136,678	(62,171)
More than 181 days	100%	19,262	-	19,262	(19,262)
Individual assessment	100%	-	74,510	74,510	(74,510)
Total				$ 844,083	($ 183,942)

December 31, 2023	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%	$ 228,321	$ -	$ 228,321	($68)
Within 30 days	0.03%	109,954	-	109,954	(36)
31 to 90 days	0.03%~1.3%	160,152	-	160,152	(1,301)
91 to 180 days	6.29%~99.76%	169,317	-	169,317	(22,248)
More than 181 days	100%	59,428	-	59,428	(59,428)
Individual assessment	100%	-	74,510	74,510	(74,510)
Total				$ 801,682	($ 157,591)

H. The Group's simplified statement of changes in the loss allowance on accounts receivable is as follows:

	2024		
	Accounts receivable	Non-performing loans	Total
January 1	$ 83,081	$ 74,510	$ 157,591
Provision for impairment loss	24,260	-	24,260
Receivables written off due to irrecoverability	(521)	-	(521)
Exchange rate effect	2,612	-	2,612
December 31	$ 109,432	$ 74,510	$ 183,942

	2023		
	Accounts receivable	Non-performing loans	Total
January 1	$ 161,634	$ -	$ 161,634
Reversal of impairment loss	(2,948)	-	(2,948)
Reclassification	(74,510)	74,510	-
Exchange rate effect	(1,095)	-	(1,095)
December 31	($ 83,081)	$ 74,510	$ 157,591

(3) Liquidity risk

A. Cash flow forecasting is carried out by each operating entity within the Group and compiled by the Group's Finance Department. The Finance Department of the Group monitors the forecast of the Group's working capital needs to ensure that it has sufficient funds to meet operating needs, and maintains a sufficient undrawn commitment limit at all times to prevent the Group from breaching the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, debt terms compliance, financial ratio targets in line with the internal balance sheet, etc.

B. The surplus cash held by each operating entity will be transferred back to the Group's Finance Department when it exceeds the needs for working capital management. The Group's Finance Department, on the other hand, invests the remaining funds in interest-bearing demand deposits and time deposits with appropriate maturities or sufficient liquidity to provide sufficient levels in response to the above forecasts. As of December 31, 2024 and 2023, the Group held cash and cash equivalents for NT$732,570 and NT$612,044, respectively, and undrawn borrowing facilities of NT$579,804 and NT$1,436,957, respectively, which are expected to generate cash flows to manage liquidity risk.

C. The Group's derivative financial liabilities and non-derivative financial liabilities are equivalent to the amounts listed in the consolidated balance sheet based on the remainder of the period from the balance sheet date to the contractual maturity date, except for those listed in the following table, which are all due within one year. The contractual cash flow disclosed is the undiscounted amount as follows:

Non-derivative financial liabilities:

December 31, 2024	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	$ 450,000	$ -	$ -	$ -	$ 450,000
Notes payable	35,457	-	-	-	35,457
Accounts payable	187,266	-	-	-	187,266
Other payables	239,331	-	-	-	239,331
Lease liabilities	49,215	40,250	81,653	836,930	1,008,048
Long-term borrowings (including those due within one year)	351,755	339,836	628,949	705,542	2,026,082
Bonds payable (recognized as liabilities due in one year)	241,100	-	-	-	241,100

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	$ 670,000	$ -	$ -	$ -	$ 670,000
Notes payable	4,078	-	-	-	4,078
Accounts payable	142,395	-	-	-	142,395
Other payables	247,882	-	-	-	247,882
Lease liabilities	37,855	25,901	68,540	741,389	873,685
Long-term borrowings (including those due within one year)	272,106	328,536	741,568	860,203	2,202,413
Bonds payable	-	763,700	-	-	763,700

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. An active market refers to a market with sufficient frequency and volume of transactions to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the call back rights embedded in the convertible corporate bonds payable by the Group belongs to this category.

Level 3: Unobservable inputs for the asset or liability. All the equity instruments invested by the Group for which there is no active market belong to this category.

2. The Group's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes and accounts payable, and other payables, of which their book values, are a reasonable approximation of the fair value.

3. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks and fair value levels of the assets and liabilities. Relevant information is as follows:

(1) The Group's assets and liabilities are classified according to the nature. The relevant information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss - current				
Derivatives	$ -	$ 475	$ -	$ 475
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	88,918	88,918
Total	$ -	$ 475	$ 88,918	$ 89,393

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 94,594	$ 94,594

(2) The methods and assumptions used by the Group to measure fair value are as follows: When evaluating non-standardized and less complex financial instruments, such as debt instruments without an active market, interest rate swap contracts, foreign exchange contracts and options, the Group uses the evaluation techniques widely used by market participants. The parameters used by the valuation model of such financial instruments are usually market observable information.

4. There was no transfer between Level 1 and Level 2 in 2024 and 2023.

5. The following table shows the changes in Level 3:

	2024	2023
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income
January 1	$ 94,594	$ 96,305
Profit or loss recognized in other comprehensive income		
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(5,676)	(1,711)
December 31	$ 88,918	$ 94,594

6. There was no transfer into or out of Level 3 in 2024 and 2023.

7. The valuation process of the Group's fair value classified as Level 3 is that the financial department entrusts an external professional appraisal institution to conduct independent fair value verification of financial instruments.

8. The quantitative information of the significant unobservable input value of the evaluation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input value changes are as follows:

	Fair value on December 31, 2024	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 88,918	Comparable Public Company Act	Discount for lack of market liquidity	21.89%	The higher the lack of market liquidity discount, the lower the fair value.

	Fair value on December 31, 2023	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 94,594	Comparable Public Company Act	Discount for lack of market liquidity	19.54%	The higher the lack of market liquidity discount, the lower the fair value.

9. The external professional appraisal agency commissioned by the Group's Finance Department carefully evaluates the valuation model and valuation parameters selected; however, the use of different valuation models or valuation parameters may result in different evaluation results. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the impact on the current profit and loss or other comprehensive income is as follows:

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 889	($ 889)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 946	($ 946)

XIII. Disclosures in notes

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.
2. Endorsements/guarantees provided for others: No such situation.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Table 1.

4. Accumulated purchase or sale of the same securities reaching NT$300 million or more than 20% of the paid-in capital: No such situation.

5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.

6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: Please refer to Table 2.

7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 3.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4.

9. Engagement in derivative transactions: Please refer to Note 6(2).

10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 5.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 6.

(III) Mainland China Investment Information

1. Basic information: Please refer to Table 7.

2. Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region: Please refer to Table 8.

(IV) Information of major shareholders

Names of shareholders holding 5% or more of the Company's shares, number of shares held and percentage: Please refer to Table 9.

XIV. Information of operating segments

(I) General information

The Group only operates in a single industry, and the Group's operating decision-maker has identified the Group as a reportable department based on the overall performance evaluation and resource allocation.

(II) Measurement of segment information

The Group's operating decision-maker evaluates the performance of operating segments based on the after-tax net profit. The measurement indicators are based on the revenue achievement rate, gross profit achievement rate, and net operating profit achievement rate.

The status of excessive and short expenses is reviewed on a monthly basis to assess the rationality of resource consumption.

(III) Information on segment profits and losses, assets and liabilities

The information of the segments to be provided to the chief operating decision-maker is as follows:

2024	Single operating department	Reconciliation and write-off	Total
External income	$ 2,294,281	$ -	$ 2,294,281
Internal department revenue	1,140,167	(1,140,167)	-
Segment revenue	$ 3,434,448	($ 1,140,167)	$ 2,294,281
Segment income	($ 486,652)	$ -	($ 486,652)
Segment income includes:			
Depreciation and amortization	$ 286,616	($ 275)	$ 286,341
Interest income	4,365	-	4,365
Interest expense	69,788	-	69,788
income tax expense	77,180	-	77,180
Segment assets	$ 9,459,789	($ 2,356,715)	$ 7,103,074
Departmental liabilities	$ 6,327,606	($ 2,504,113)	$ 3,823,493

2023	Single operating department	Reconciliation and write-off	Total
External income	$ 2,571,194	$ -	$ 2,571,194
Internal department revenue	2,902,842	(2,902,842)	-
Segment revenue	$ 5,474,036	($ 2,902,842)	$ 2,571,194
Segment income	($ 103,612)	$ -	($ 103,612)
Segment income includes:			
Depreciation and amortization	$ 297,966	$ -	$ 297,966
Interest income	5,872	-	5,872
Interest expense	71,015	-	71,015
income tax expense	44,183	-	44,183
Segment assets	$ 10,941,392	($ 3,180,371)	$ 7,761,021
Departmental liabilities	$ 7,552,121	($ 3,050,537)	$ 4,501,584

(IV) Reconciliation of segment profit and loss

1. The Group has only a single reportable segment that provides external revenue and profit information to the chief operating decision-maker. The amount in the consolidated statements of comprehensive income is measured in a consistent manner. The net profit of the Group's reportable segment is net profit after tax and does not need to be adjusted.

2. The Group has only a single reportable segment, the total assets and total liabilities provided to the chief operating decision-maker and the assets and liabilities of the consolidated balance sheet shall be measured in a consistent manner, and the assets and liabilities of the reportable segment are equal to the total assets and total liabilities, no adjustment is required.

(V) Information by product type and service type

Please refer to Note 6(21).

(VI) Information by Region

Information of the Group by region in 2024 and 2023 is as follows:

	2024		2023	
	Income	Non-current assets	Income	Non-current assets
Taiwan	$ 138,084	$ 3,338,351	$ 258,827	$ 3,401,615
Asia	2,026,922	71,049	2,104,721	46,373
Europe	89,941	-	115,191	-
Others	39,334	-	92,455	-
Total	$ 2,294,281	$ 3,409,400	$ 2,571,194	$ 3,447,988

(VII) Important customer information

Information on the Group's important customers in 2024 and 2023 is as follows:

	2024			2023	
	Income	Percentage (%)		Income	Percentage (%)
A	$ 648,147	28%	D	$ 506,669	20%
B	323,122	14%	B	334,230	13%
C	228,676	10%	A	315,264	12%
			E	253,295	10%

TBI Motion Technology Co., Ltd.
Parent Company Only Financial Statements and Independent Auditors' Report
2024 and 2023
(Stock code: 4540)

<u>Notice to readers</u>

This English-version financial report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Company address: No.123, Sanduo Rd., Shulin Dist.,
New Taipei City, Taiwan

Tel: (02)2689-2689

TBI Motion Technology Co., Ltd.

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

Table of Contents

Independent Auditors’ Report

(114) Cai-Shen-Bao-Zi No.24005243

To: TBI MOTION TECHNOLOGY CO., LTD.

Audit Opinions

We have audited the Parent Company Only Balance Sheet of TBI MOTION TECHNOLOGY CO., LTD. on December 31, 2024 and 2023, and the Parent Company Only Statement of Comprehensive Income, Parent Company Only Statement of Changes in Equity, and Parent Company Only Statement of Cash Flows from January 1 to December 31, 2024 and 2023, and notes to the financial statements (including a summary of significant accounting policies).

In our opinion, the parent company only financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are fairly stated in terms of the parent company only financial position of TBI MOTION TECHNOLOGY CO., LTD. on December 31, 2024 and 2023, and the parent company only financial performance and cash flows from January 1 to December 31, 2024 and 2023.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the parent company only financial statements". We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and independent of TBI MOTION TECHNOLOGY CO., LTD. We have also 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 that, in our professional judgment, are of most significance in our audit of the parent company only financial statements of TBI MOTION TECHNOLOGY CO., LTD. for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements of TBI MOTION TECHNOLOGY CO., LTD. for 2024 are as follows:

Assessment of impairment of accounts receivable

Item description

For the accounting policy on accounts receivable, please refer to Note 4(9) of the parent company only financial statements; for the accounting estimates and assumptions for the impairment assessment of accounts receivable, please refer to Note 5(2) of the parent company only financial statements; for the accounting subject of accounts receivable, please refer to Note 6(5) of the parent company only financial statements.

The Company manages the collection and collection of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 "Financial Instruments" for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Parent Company Only Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

Corresponding audit procedures

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the

management of overdue accounts receivable.

2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years, and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

Inventory impairment assessment

Item description

For the accounting policy of inventory, please refer to Note 4(12) of the parent company only financial statements; for the accounting estimates and uncertainties of the valuation of inventories, please refer to Note 5(2) of the parent company only financial statements; for the description of the accounting titles of inventories, please refer to the parent company only financial statements Note 6(6).

The assessment of the net realizable value of TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries' inventories involves the subjective judgments and estimates of the management. Therefore, we believe that the inventory impairment assessment is one of the most important matters in the current year's audit.

Corresponding audit procedures

We have summarized the corresponding procedures that have been executed for the inventory impairment assessment as follows:

1. Based on our understanding of the operation and industry nature of the TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries, we evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.
2. Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.

3. Obtain the data on the net realizable value, select a sample to check the selling price and re-calculate it.
4. We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.
5. The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

In preparing the parent company only financial statements, the management's responsibilities also include assessing the Company's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Company or to cease operations, or the Company has no other viable alternative but to cease operations.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Parent Company Only Financial Statement

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the parent company only financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, the misstatement is considered material.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement, whether due to fraud or error, in the parent company only financial statements; design and execute countermeasures in response to the risks assessed; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 to express an opinion on the effectiveness of the TBI MOTION TECHNOLOGY CO., LTD.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the disclosures), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's 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 the governance unit, we determined the key audit matters of the Company's parent company only financial statements for 2024. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Chih Ping-Chun

Certified Public Accountant

Chiu Chao-Hsien

Formerly approved by the Securities and Futures Commission, Ministry of Finance:
(88) Tai-Cai -Zheng (VI) No. 16120
FSC Approved No.:
Jin-Guan-Zheng-Shen-Zi No. 1020049451

March 11, 2025

TBI Motion Technology Co., Ltd.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NT$ thousand

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 515,116	7	$ 220,866	3
1110	Current financial assets at fair value through profit or loss	6(2)	475	-	-	-
1150	Notes receivable, net	6(5)	712	-	-	-
1170	Net accounts receivable	6(5)	712	-	15,959	-
1180	Accounts receivable - related parties, net	7	2,135,211	29	2,848,511	36
1200	Other receivables		3,492	-	205	-
1210	Other receivables - Related parties	7	105	-	742	-
1220	Current income tax assets	6(28)	17,028	-	-	-
130X	Inventory	6(6)	803,231	11	843,438	11
1410	Prepayments		9,230	-	17,701	-
1460	Non-current assets held for sale, net	6(12) and 8	230,564	3	230,564	3
1470	Other current assets		255	-	189	-
11XX	**Total current assets**		3,716,131	50	4,178,175	53
	Non-current assets					
1517	Non-current financial assets measured at fair value through other comprehensive income	6(3)	88,918	1	94,594	1
1535	Non-current financial assets at amortised cost	6(4) and 8	30,000	-	30,000	-
1550	Investments accounted for using the equity method	6(7)	112,931	2	116,664	2
1600	Property, Plant and Equipment	6(8), 7 and 8	2,588,199	35	2,728,434	35
1755	Right-of-use assets	6(9)	717,202	10	634,115	8
1780	Intangible Assets	6(10)	23,529	-	26,930	-
1840	Deferred income tax assets	6(28)	104,989	2	87,838	1
1900	Other non-current assets	6(11)	14,781	-	17,072	-
15XX	**Total non-current assets**		3,680,549	50	3,735,647	47
1XXX	**Total assets**		$ 7,396,680	100	$ 7,913,822	100

(continued on next page)

TBI Motion Technology Co., Ltd.
Parent company only balance sheet
December 31, 2024 and 2023

Unit: NT$ thousand

	Liabilities and equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13) and 7	$ 450,000	6	$ 670,000	9
2130	Current contract liabilities	6(21)	691	-	691	-
2150	Notes payable		35,457	-	4,078	-
2170	Accounts payable		179,112	2	139,539	2
2200	Other payables	6(14)	201,366	3	229,989	3
2220	Other payables - related parties	7	164	-	-	-
2230	Current income tax liabilities	6(28)	-	-	34,174	-
2280	Current lease liabilities	6(9)	19,958	-	24,667	-
2320	Long-term liabilities due within one year or one operating cycle	6(15)(16), 7 and 8	553,983	8	236,058	3
2399	Other current liabilities - Other		59,815	1	80	-
21XX	**Total current liabilities**		1,500,546	20	1,339,276	17
	Non-current liabilities					
2530	Bonds payable	6(16)	-	-	737,855	9
2540	Long-term borrowing	6(15), 7 and 8	1,511,782	21	1,746,565	22
2570	Deferred income tax liabilities	6(28)	9,344	-	712	-
2580	Lease liabilities - non-current	6(9)	721,039	10	628,510	8
2600	Other non-current liabilities	6(7)	374,388	5	201,467	3
25XX	**Total non-current liabilities**		2,616,553	36	3,315,109	42
2XXX	**Total liabilities**		4,117,099	56	4,654,385	59
	Equity					
	Share capital	6(18)				
3110	Common stock capital		996,143	14	951,588	12
3140	Capital received in advance		95,239	1	-	-
	Additional paid-in capital	6(19)				
3200	Additional paid-in capital		2,097,475	28	1,724,900	22
	Retained earnings	6(20)				
3310	Legal reserve		177,140	2	177,140	2
3350	Unappropriated retained earnings (accumulated deficit)		(125,767)	(2)	360,885	5
	Other equity	6(3)				
3400	Other equity		39,351	1	44,924	-
3XXX	**Total equity**		3,279,581	44	3,259,437	41
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Material events after the reporting period	XI				
3X2X	**Total liabilities and equity**		$ 7,396,680	100	$ 7,913,822	100

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

Chairman: Li, Ching-Kung   Manager: Lee, Ching-Sheng   Accounting supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd.
Parent company only statement of comprehensive income
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand
(except earnings/losses per share in NT$)

			2024		2023	
	Item	Notes	Amount	%	Amount	%
4000	Operating revenue	6(21) and 7	$ 1,137,666	100	$ 2,958,659	100
5000	Operating costs	6(6)(8)(9)(10)(17)(26)(27)	(1,244,162)	(110)	(2,441,570)	(83)
5900	Operating (loss) gross profit		(106,496)	(10)	517,089	17
5910	Unrealized loss (gain) on sales	6(7) and 7	111,317	10	(123,412)	(4)
5950	Gross operating profit, net		4,821	-	393,677	13
	Operating expenses	6(8)(9)(10)(17) (26)(27)				
6100	Sales promotion expenses		(33,753)	(3)	(41,947)	(1)
6200	General and administrative expenses		(217,580)	(19)	(239,921)	(8)
6300	Research and development expenses		(81,085)	(7)	(83,811)	(3)
6450	Expected credit loss or gain	12(2)	11,479	1	70,852	2
6000	Total operating expenses		(320,939)	(28)	(294,827)	(10)
6900	Operating income (loss)		(316,118)	(28)	98,850	3
	Non-operating revenue and expenses					
7100	Interest income	6(4)(22)	1,921	-	1,820	-
7010	Other income	6(3)(23) and 7	44,507	4	28,367	1
7020	Other gains and losses	6(24) and 7	89,534	8	(41,258)	(2)
7050	Finance costs	6(9)(13)(15)(25)	(69,144)	(6)	(70,620)	(2)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	6(7)	(249,702)	(22)	(185,734)	(6)
7000	Total non-operating income and expenses		(182,884)	(16)	(267,425)	(9)
7900	**Loss before tax**		(499,002)	(44)	(168,575)	(6)
7950	Tax income	6(28)	12,350	1	64,963	2
8200	**Net loss for the period**		($ 486,652)	(43)	($ 103,612)	(4)
	Other comprehensive income, net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	($ 5,676)	-	($ 1,711)	-
8310	Total of items not reclassified to profit or loss		(5,676)	-	(1,711)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(7)	129	-	(1,125)	-
8399	Income tax related to items that may be reclassified	6(28)	(26)	-	225	-
8360	Total of items that may be reclassified subsequently to profit or loss		103	-	(900)	-
8300	**Other comprehensive income, net**		($ 5,573)	-	($ 2,611)	-
8500	**Total comprehensive profit/loss of the period**		($ 492,225)	(43)	($ 106,223)	(4)
	Basic loss per share	6(29)				
9750	Basic loss per share		($ 4.97)		($ 1.09)	
	Diluted loss per share	6(29)				
9850	Diluted loss per share		($ 4.97)		($ 1.09)	

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

Chairman: Li, Ching-Kung　　Manager: Lee, Ching-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd.
Parent company only statement of changes in equity
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	Share capital			Retained earnings		Other equity		
		Common stock capital	Capital received in advance	Additional paid-in capital	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
2023									
Balance as of January 1, 2023		$ 941,780	$ -	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
Net loss for the period		-	-	-	-	(103,612)	-	-	(103,612)
Other comprehensive income in the current period		-	-	-	-	-	(900)	(1,711)	(2,611)
Total comprehensive profit/loss of the period		-	-	-	-	(103,612)	(900)	(1,711)	(106,223)
Earnings distribution and appropriation for 2022	6(20)								
Legal reserve appropriated		-	-	-	28,401	(28,401)	-	-	-
Distribution of cash dividends		-	-	-	-	(141,267)	-	-	(141,267)
Convertible corporate bond conversion	6(16)	9,808	-	24,569	-	-	-	-	34,377
Balance as of December 31, 2023		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437
2024									
Balance as of January 1, 2024		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437
Net loss for the period		-	-	-	-	(486,652)	-	-	(486,652)
Other comprehensive income in the current period		-	-	-	-	-	103	(5,676)	(5,573)
Total comprehensive profit/loss of the period		-	-	-	-	(486,652)	103	(5,676)	(492,225)
Convertible corporate bond conversion	6(16)	44,555	95,239	372,575	-	-	-	-	512,369
Balance as of December 31, 2024		$ 996,143	$ 95,239	$ 2,097,475	$ 177,140	($ 125,767)	$ 2,948	$ 36,403	$ 3,279,581

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

Chairman: Li, Ching-Kung   Manager: Lee, Ching-Sheng   Accounting supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd.
Parent company only statement of cash flows
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	January 1 to December 31, 2024	From January 1 to December 31, 2023
Cash flow from operating activities			
Loss before tax for the period		($ 499,002)	($ 168,575)
Adjusted items			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(26)	233,417	248,273
Amortization expense	6(26)	26,274	25,169
Expected credit loss or gain	6(26) and 12(2)	(11,479)	(70,852)
Net loss (gain) of financial assets measured at fair value through profit or loss	6(24)	(475)	220
Gains from the disposal of property, plant and equipment	6(8)(24)	(136)	(291)
Interest expense	6(25)	69,144	70,620
Interest income	6(22)	(1,921)	(1,820)
Dividend income	6(3)(23)	-	(4,632)
Share of losses on subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	249,702	185,734
Unrealized gain (loss) on sales		(111,317)	123,412
Changes in assets/liabilities related to operating activities			
Changes in operating assets			
Notes receivable		(712)	-
Accounts receivable		26,726	68,329
Accounts receivable - related parties		713,300	(533,833)
Other receivables		(3,287)	12,989
Other receivables - related parties		637	(368)
Inventory		40,207	456,603
Prepayments		8,471	(5,911)
Other current assets		(66)	(189)
Changes in operating liabilities			
Contract liabilities		-	(806)
Notes payable		31,379	751
Accounts payable		39,573	(470,583)
Other payables		(34,647)	(121,411)
Other payable expenses - related parties		164	(168)
Other current liabilities		59,735	(1,136)
Other non-current liabilities		5,419	-
Cash inflow (outflow) from operations		841,106	(188,475)
Interest received		1,921	1,820
Interest paid		(57,220)	(57,016)
Dividends received		60,001	4,632
Income tax paid		(47,397)	(51,840)
Net cash inflows (outflows) from operating activities		798,411	(290,879)

(continued on next page)

TBI Motion Technology Co., Ltd.
Parent company only statement of cash flows
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	January 1 to December 31, 2024	From January 1 to December 31, 2023
Cash flows from (used in) investing activities			
Disposal of financial assets at amortized cost		$ -	$ 1,000
Acquisition of property, plant and equipment	6(30)	(61,046)	(174,439)
Proceeds from the disposal of property, plant and equipment		9,735	576
Acquisition of intangible assets	6(10)	(21,225)	(26,730)
Decrease in refundable deposits		1,219	3,589
Decrease (increase) in prepayments for business facilities		1,442	(1,796)
Net cash outflow from investing activities		(69,875)	(197,800)
Cash flows from (used in) financing activities			
Increase (decrease) in short-term borrowings	6(31)	(220,000)	660,000
Borrowing of long-term loans	6(31)	81,730	108,150
Repayment of long-term borrowings	6(31)	(235,998)	(163,839)
Distribution of cash dividends	6(20)	-	(141,267)
Investments/Subsidiaries accounted for using the equity method	6(7)	(32,341)	-
Payments of lease liabilities	6(31)	(27,677)	(22,235)
Net cash (outflow) inflow from financing activities		(434,286)	440,809
Net increase (decrease) in cash and cash equivalents for the period		294,250	(47,870)
Opening balance of cash and cash equivalents	6(1)	220,866	268,736
Closing balance of cash and cash equivalents	6(1)	$ 515,116	$ 220,866

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

Chairman: Li, Ching-Kung Manager: Lee, Ching-Sheng Accounting supervisor: Shen, Hsin-Kai

TBI Motion Technology Co., Ltd.
Notes to parent company only financial statements
2024 and 2023

Unit: NT$ thousand
(unless otherwise specified)

I. Company history

TBI MOTION TECHNOLOGY CO., LTD. (hereinafter referred to as the "Company") was incorporated in the Republic of China. The Company's main business scope is manufacturing and sales of precision transmission components for industrial automation, ball screws and linear slides. The Company's shares have been traded on the Taiwan Stock Exchange since August 15, 2018.

II. Date and procedure for approving the financial statements

This parent company only financial report was approved by the Board of Directors on March 11, 2025 for release.

III. Application of new and amended standards and interpretations

(I) The impact of the adoption of the new and amended IFRSs approved and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and revisions of the IFRSs applicable in 2024 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
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 Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

(II) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRSs applicable in 2025 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and revisions to the IFRSs issued by the IASB but not yet recognized by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS No. 9 and IFRS No. 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS No. 9 and IFRS No. 7 "Nature-dependent Electricity Contracts"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be decided by IASB
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 No. 19 "Subsidiaries not with Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS - Vol. 11	January 1, 2026

Except the following, the Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

1. IFRS 18 "Presentation and Disclosure in Financial Statements"

   IFRS No. 18 "Presentation and Disclosure in Financial Statements" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement and strengthens the application in the summary and principle of subdivision of the main financial statements and notes.

IV. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the parent company only financial statements are described as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Statement

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

(II) Basis of preparation

1. Except for the following significant items, the parent company only financial statements are prepared at historical cost:
   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
   (2) Financial assets measured at fair value through other comprehensive income.
2. The preparation of financial statements in conformity with the International Financial Reporting Standards, International Accounting Standards, their interpretations and interpretation announcements (hereinafter collectively referred to as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(III) Foreign currency translation

The items listed in the financial statements of the Company are measured using the currency of the primary economic environment (i.e. the functional currency) in which the Company operates. The parent company only financial report is presented in the Company's functional currency "NTD".

1. Transactions and balances in foreign currency
   (1) Transactions denominated in foreign currencies are translated into the functional currency using the spot exchange rate on the transaction date or the measurement date and the translation differences arising from such transactions are recognized in profit or loss for the current period.
   (2) The balance of monetary assets and liabilities denominated in foreign currencies is adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized in the current profit or loss.
   (3) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, they are adjusted using the spot exchange rate on the

balance sheet date, and the exchange difference arising from the adjustment is recognized in the current profit or loss; if measured at fair value through other comprehensive income, the adjustment is valuated according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive income; if not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.

(4) All foreign exchange gains and losses are reported in the "other gains and losses" of the income statement.

2. Translation of foreign operations

For all group individuals and affiliated enterprises whose functional currency is different from the presentation currency, the operating results and financial position shall be translated into the presentation currency in the following ways:

(1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;

(2) The income, expenses and losses expressed in each comprehensive income statement are translated at the average exchange rates of the current period;

(3) All exchange differences arising from translation are recognized in other comprehensive income.

(IV) Classification criteria for current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:

(1) The asset is expected to be realized, or intended to be sold or consumed in the normal business cycle.

(2) Mainly held for the purpose of trading.

(3) Expected to be realized within 12 months after the balance sheet date.

(4) Cash or cash equivalents, except for those to be exchanged or used to settle liabilities in at least 12 months after the balance sheet date.

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

2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Expected to be settled in the normal business cycle.

(2) Mainly held for the purpose of trading.

(3) Expected to be settled within 12 months after the balance sheet date.

(4) Those without the right to defer the settlement of liabilities for at least 12 months after the reporting period.

The Company classifies all liabilities that do not meet the above conditions as non-current.

(V) Cash equivalents

Cash equivalent is a short-term investment with high liquidity that is readily convertible into known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial assets measured at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Company adopts trade date accounting for financial assets measured at fair value through profit or loss of customary transactions.
3. The Company measures the fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss; subsequently, the measurement is made at fair value, and the gain or loss is recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to the dividends are likely to flow in, and the amount of dividends can be reliably measured, the Company will recognize dividend income in profit or loss.

(VII) Financial assets measured at fair value through other comprehensive income

1. It refers to an irrevocable choice at the time of initial recognition to report changes in the fair value of equity instrument investments that are not held for trading in other comprehensive income, or debt instrument investments that meet the following conditions at the same time:
   (1) The financial asset is held under the business mode for the purpose of collecting contractual cash flows and selling.
   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Company adopts trade date accounting for financial assets measured at fair value through other comprehensive income which are in line with transaction practices.
3. The Company measures the fair value plus transaction cost at the time of initial recognition, and subsequently measures the fair value:

   Changes in fair value of equity instruments are recognized in other comprehensive income, and at the time of derecognition, the accumulated profit or loss previously recognized in other comprehensive income shall not be reclassified as profit or loss, but transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow, and the amount of dividends can be reliably measured, the Company recognizes dividend income in profit or loss.

(VIII) Financial assets measured at amortized cost

1. Refers to those who meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Company adopts trade date accounting for financial assets measured at amortized cost which are in line with trading practices.
3. The Company holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant, and is they are measured at the investment amount.

(IX) Accounts and notes receivable

1. Refer to accounts and bills that, according to the contract, have the unconditional right to receive the amount of consideration exchanged for the transferred goods or services.
2. For short-term accounts and notes payable with unreceived interest, as the discounting effect is insignificant, the Company measures them based on the original invoice amount.

(X) Financial assets impairment

On each balance sheet date, the Company, regarding debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost, considering all reasonable and corroborating information (including forward looking ones), if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable or contract assets that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses.

(XI) Derecognition of financial assets

When the contractual right to receive the cash flow from the financial asset expires, the financial asset will be derecognized.

(XII) Inventory

Inventories are measured at the lower of cost or net realizable value, and the cost is determined in accordance with the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing whether the cost or the net realizable value is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales balance.

(XIII) Non-current assets held for sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, it is classified as an asset held for sale and measured at the lower of its carrying amount or fair value less costs to sell.

(XIV) Investments/Subsidiaries accounted for using the equity method

1. Subsidiaries refer to individual entities (including structured individual entities) that the Company has the right to control. When the Company is exposed to or entitled to variable remuneration from participation in the entity and through the power over the entity having influence over the returns, the Company controls the entity.
2. The unrealized gains and losses arising from the transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Company.
3. The share of profit or loss after the acquisition of the subsidiary by the Company is recognized as the current profit or loss, and the share of other comprehensive income after the acquisition of the subsidiary is recognized as other comprehensive income. If the share of loss recognized by the Company in a subsidiary equal or exceeds the equity in the subsidiary, the Company continues to recognize losses in proportion to its shareholding.
4. If the change in the shareholding in the subsidiary does not result in a loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.
5. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss during the period and other comprehensive income presented in the parent company only financial report shall be the same as the allocated profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial report prepared on a consolidated basis, and the owners' equity presented in the parent company only financial report shall be the same as the equity attributable to owners of the parent presented in the financial report prepared on a consolidated basis.

(XV) Property, Plant and Equipment

1. Property, plant and equipment are recorded at acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.
2. The subsequent cost is included in the book value of the asset or recognized as an individual asset only when the future economic benefits related to the item are likely to flow into the Company, and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss for the period when incurred.
3. Property, plant and equipment are subsequently measured at cost. Except for land, which is not depreciated, the depreciation is calculated using the straight-line method over the estimated useful years. Significant components of property, plant, and equipment are depreciated separately.
4. The Group reviews the residual value, years of useful life and depreciation method of each asset at the end of each fiscal year. If the residual value and the expected value of useful years are different from the previous estimates, or if the future economic benefits of the asset show a significant change in the expected consumption pattern, from the date of the change, it is treated in accordance with the provisions of IAS No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" for changes in accounting estimates. The useful lives of each asset are as follows:

Buildings	2 to 45 years
Machinery and equipment	2 to 16 years
Transportation Equipment	5 - 6 years
Other equipment	2 to 20 years

(XVI) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Company. When the lease contract is in the form of a short-term lease or a lease of a low-value target asset, the lease payments are recognized as expenses using the straight-line method over the lease period.
2. Lease liabilities are recognized at the present value of the lease payments that have not yet been paid on the lease starting date, discounted at the Company's incremental borrowing rate. Lease payments include:

   (1) Fixed payment, less any lease incentives receivable;
   (2) Variable lease payments depending on a certain index or rate;

   The interest expense is subsequently measured using the interest method and the amortized cost method, and the interest expense is provided during the lease term. When the lease period or lease payment changes other than contract modification, the lease liabilities will be reassessed and the right-of-use assets will be remeasured.

3. The right-of-use asset is recognized at cost on the lease start date. Cost includes:

   (1) The initially measured amount of the lease liability;
   (2) Any lease payments made on or before the commencement date;
   (3) Any initial direct costs incurred; and

   the subsequent measurement is based on the cost model, and the depreciation expense is appropriated when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

(XVII) Intangible Assets

Mainly computer software and patents, they are recognized at acquisition cost and amortized using the straight-line method over the estimated useful lives of 1 to 18 years.

(XVIII) Non-financial assets impairment

On the balance sheet date, the recoverable amount of assets with signs of impairment is estimated. When the recoverable amount is lower than the carrying amount, the impairment loss is recognized. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When the impairment loss of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the increase in book value of the asset due to the impairment loss due to the reversal shall not exceed the amount of the depreciation or amortization if the impairment loss was not recognized for the asset and subsequent book value.

(XIX) Borrowings

Refers to long-term and short-term borrowings from banks. The Company measures their fair values less transaction costs at the time of initial recognition, and subsequently, for any difference between the price after deducting transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in the outstanding period according to the amortization procedure in profit or loss.

(XX) Accounts and notes payable

1. Refers to debts incurred from the purchase of raw materials, commodities or labor services on credit, and notes payable due to business and non-business reasons.
2. For short-term accounts and notes payable with unpaid interest, as the discounting effect is insignificant, the Company measures them based on the original invoice amount.

(XXI) Convertible corporate bonds payable

The convertible bonds issued by the Company are embedded with conversion rights (i.e. holders can choose the right to convert into the Company's common shares with a fixed amount of shares converted into a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded repurchase rights: The net fair value is recognized as "financial assets measured at fair value through profit or loss" at the time of initial recognition; subsequently on the balance sheet date, it is evaluated at the then fair value, and the difference is recognized as “gains or losses on financial assets measured at fair value through profit or loss”.
2. Corporate bond host contract: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the corporate bond premium or discount payable; subsequently, the effective interest method is used and recognized in the profit or loss during the outstanding period according to the amortization procedure. It is used as an adjustment item in "Finance cost."
3. Embedded conversion right (complying with the definition of equity): At the time of initial recognition, the residual value of the issued amount after adding the above-mentioned "financial assets at fair value through profit or loss" and subtracting "corporate bonds payable" is recognized as "capital surplus - stock options", and no subsequent remeasurement is required.
4. Any directly attributable transaction costs of the issuance are allocated to each component of each liability and equity in accordance with the original book value of each component referred to above.
5. When the holder is changed, the recognized liability components (including "corporate bonds payable" and "financial assets at fair value through profit or loss") are treated according to the measurement method after classification; then the carrying amount of the above-mentioned liability component plus the carrying amount of "capital surplus - stock options" serves as the issuance cost of the ordinary shares.

(XXII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-discounted amount expected to be paid, and are recognized as expenses when the related services are provided.

2. Pension

   Defined contribution plan

For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the current pension cost on an accrual basis. Prepaid allocations are recognized as assets within the scope of refundable cash or reduction of future payments.

3. Remuneration to employees and directors

   Employees' remuneration and directors' remuneration are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate. If the employee's remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the date of the resolution of the board of directors.

(XXIII) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss, except for items that are recognized in other comprehensive income or directly in equity, respectively.
2. The Company calculates the income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. The management regularly evaluates the status of income tax filings in accordance with the applicable income tax related laws and regulations, and, if applicable, the estimated income tax liabilities based on the tax expected to be paid to the taxing authorities. Undistributed earnings are subject to additional income tax in accordance with the income tax law. The undistributed earnings income tax expense is recognized based on the actual distribution of earnings once the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.
3. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in the transaction (excluding business combination) on the initial recognition of assets or liabilities, and the transaction does not affect accounting profits or taxable income (taxable losses) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences, they are not to be recognized.
4. Deferred income tax assets are recognized within the scope of temporary differences

that are likely to be used to offset future taxable income and the unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.

5. When there is a legally enforceable right to offset the amount of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities at the same time, offset the current income tax assets and liabilities; when there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same taxation authority, the same taxable entity, or different taxable entities and each entity intends to repay on the basis of the net amount or to realize assets and repay liabilities at the same time, the deferred income tax assets and liabilities are offset.

(XXIV) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income tax, are recognized in equity as a deduction of the consideration.

(XXV) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed and transferred to common shares on the record date of issuance of new shares.

(XXVI) Revenue recognition

Sale of goods

1. The Company manufactures and sells precision transmission components for industrial automation, ball screws, and linear slides. Revenues from sales are recognized when the control of the product is transferred to the customer, i.e. when the product is delivered to the customer. The customer has discretion over the sales channel and price of the product, and the Company has no outstanding performance obligation that may affect the customer's acceptance of the product. When the product is transported to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence to prove that all acceptance criteria have been met.
2. Accounts receivable are recognized when the goods are delivered to the customer, as the Company has an unconditional right to the contract price from that point on, and it only takes time to collect the consideration from the customer.

(XXVII) Government grants

Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government subsidies and the subsidies will be received. If the nature of the government subsidies is to compensate the expenses incurred by the Company, the government subsidies shall be recognized as current profit or loss on a systematic basis in the period in which the relevant expenses are incurred. Government subsidies related to property, plant and equipment are recognized as non-current liabilities and are recognized as current period gains or losses using the straight-line method based on the estimated useful life of the related assets.

(XXVIII) Operating department

The information of the Company's operating segments is reported in a consistent manner with the internal management reports provided to major operational decision makers. The chief operational decision-makers are responsible for allocating resources to operating segments and evaluating their performance.

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Company prepared these parent company only financial statements, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

None.

(II) Important accounting estimates and assumptions

1. Impairment assessment of accounts receivable

In the process of impairment assessment of accounts receivable, after considering all reasonable and corroborating information (including forward-looking information) for accounts receivable with significant financing components, if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses. The allowance is based on reasonable expectations of future events as of the balance sheet date. However, the actual results may differ materially.

2. Valuation of inventories

Since inventories must be valued at the lower of cost or net realizable value, the Company must use judgment and estimate to determine the net realizable value of inventories on the balance sheet date. Due to the rapid changes in market products, the Company assesses the amount of inventories due to normal wear and tear, obsolete or no market sales value on the balance sheet date, and writes off the inventory cost to the net realizable value. The valuation of the inventory is mainly based on the demand for products in a specific period of time in the future, so there may be significant changes.

VI. Description of major accounting titles

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 693	$ 1,006
Checking deposit and demand deposit	514,423	219,860
Total	$ 515,116	$ 220,866

1. The credit quality of the financial institutions with which the Company interacts is good, and the Company interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
2. On December 31, 2024 and 2023, the Company's bank deposits of NT$30,000 were classified as "non-current financial assets at amortized cost" due to the restricted use of performance bonds.

(II) Financial assets measured at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ 475	$ -

1. The breakdown of financial assets measured at fair value through profit or loss that are recognized in profit or loss is as follows:

	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ 475	($ 220)

2. The Company does not provide financial assets measured at fair value through profit or loss as collateral.

3. For information on the fair value of financial assets measured at fair value through profit or loss, please refer to Note 12(3).

(III) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2024	December 31, 2023
Non-current items:		
Equity instrument		
Non-listed stocks	$ 52,515	$ 52,515
Valuation adjustment	36,403	42,079
Total	$ 88,918	$ 94,594

1. The Company chose to classify the equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2024 and 2023 were NT$88,918 and NT$$94,594, respectively.

2. The breakdown of financial assets measured at fair value through other comprehensive income that are recognized in profit or loss and comprehensive income is as follows:

	2024	2023
Equity instruments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 5,676)	($ 1,711)
Dividend income recognized in profit or loss		
Still held at the end of the current period	$ -	$ 4,632

3. Without considering the collateral or other credit enhancements held, the financial assets that are measured at fair value through other comprehensive gain or loss that can best represent the Company and have the highest credit risk on December 31, 2024 and 2023 and the risk exposure amounted to NT$88,918 and NT$94,594, respectively.

4. For information on the fair value of financial assets measured at fair value through other comprehensive income, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	December 31, 2024	December 31, 2023
Non-current items:		
Pledged time deposit	$ 30,000	$ 30,000

1. Without considering the collateral or other credit enhancements held, the financial assets measured at amortized cost that are most representative of the Company held on December 31, 2024 and 2023 both had the maximum credit risk exposure amount of NT$30,000.
2. The credit quality of the financial institutions with which the Company interacts is good, and the Company interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
3. The interest income recognized in profit or loss of financial assets measured at amortized cost in 2024 and 2023 were NT$417 and NT$203 in 2024 and 2023, respectively.
4. Please refer to Note 8 for the Company's financial assets measured at amortized cost provided as collaterals.
5. Please refer to Note 12(2) for the credit risk information of financial assets measured at amortized cost. The counterparties of the Company's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(V) Accounts and notes receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 712	$ -
Accounts receivable	$ 712	$ 27,959
Less: Loss allowance	-	(12,000)
	$ 712	$ 15,959
Non-performing loans (stated as other non-current assets)	$ 74,510	$ 74,510
Less: Loss allowance	(74,510)	(74,510)
	$ -	$ -

Non-performing loans refer to the balance of accounts that have been collected through outsourcing or litigation.

1. The aging analysis of accounts receivable is as follows:

	December 31, 2024		December 31, 2023
	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 712	$ 712	$ 14,903
Overdue			
Within 30 days	-	-	238
31 to 90 days	-	-	818
91 to 180 days	-	-	-
181 and above	-	-	-
	$ 712	$ 712	$ 15,959

The above is an aging analysis based on the number of overdue days.

2. The balance of accounts receivable and notes receivable on December 31, 2024 and 2023 all arose from contracts with customers, and the balance of accounts receivable on contracts with customers on January 1, 2023 was NT$170,798.

3. Without considering the collateral or other credit enhancements held, the maximum risk exposure amount that best represents the credit risk of the notes receivable of the Company on December 31, 2024 and 2023 was NT$712and NT$0, respectively; the maximum credit risk exposure amount on December 31, 2024 and 2023 that best represents the credit risk of the accounts receivable of the Company was NT$712 and NT$15,959, respectively.

4. Please refer to Note 12(2) for the credit risk information of accounts receivable and notes receivable in detail.

(VI) Inventory

	December 31, 2024		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 260,636	($ 83,040)	$ 177,596
Work in process	537,001	(71,368)	465,633
Finished goods	238,320	(78,318)	160,002
Total	$ 1,035,957	($ 232,726)	$ 803,231

	December 31, 2023		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 295,323	($ 55,806)	$ 239,517
Work in process	479,814	(53,350)	426,464
Finished goods	249,816	(72,359)	177,457
Total	$ 1,024,953	($ 181,515)	$ 843,438

Expenses and losses related to inventory recognized in the current period:

	2024	2023
Cost of sold inventories	$ 1,170,469	$ 2,338,243
Inventory valuation losses	51,211	65,518
Loss on inventory	325	1,330
Revenue from sale of scraps	(1,817)	(2,868)
Assets retirement losses	23,974	39,347
	$ 1,244,162	$ 2,441,570

(VII) Investments accounted for using the equity method

	2024	2023
January 1	$ 116,664	$ 225,799
Less: Balance of investment loans accounted for using the equity method (under "2600 - Other non-current liabilities")	(201,136)	-
Add: Investments accounted for using the equity method	32,341	-
Share of investment income accounted for using equity method	(249,702)	(185,734)
Investment earnings distributed accounted for using the equity method	(60,001)	-
Realized gain on sales	214,307	90,895
Unrealized gain on sales	(102,990)	(214,307)
Realized fixed asset disposal gain	136	-
Unrealized fixed asset disposal gain	(5,455)	-
Other changes in equity	129	(1,125)
Add: Loan balance of investments accounted for using the equity method (under "2600 - Other non-current liabilities")	368,638	201,136
December 31	$ 112,931	$ 116,664

1. The investment under equity method is as follows:

	December 31, 2024	December 31, 2023
Subsidiary:		
TBI MOTION TECHNOLOGY (USA) LLC.	$ 26,603	$ 6,575
TBI Motion Intelligence Co., Ltd.	86,328	110,089
	112,931	116,664
Less: TBI MOTION TECHNOLOGY (HK) LTD.		
Loan balance of investments accounted for using the equity method (under "2600 - Other non-current liabilities")	(368,638)	(201,136)
	($ 255,707)	($ 84,472)

2. The share of profit or loss of the subsidiaries accounted for using the equity method in 2024 and 2023 is as follows:

	2024	2023
Subsidiary:		
TBI MOTION TECHNOLOGY (USA) LLC.	($ 13,425)	($ 4,848)
TBI MOTION TECHNOLOGY (HK) LTD.	(271,158)	(247,554)
TBI Motion Intelligence Co., Ltd.	34,881	66,668
	($ 249,702)	($ 185,734)

3. For information on the Company's subsidiaries, please refer to Note 4(3) to the Company's 2024 consolidated financial statements.

(VIII) Property, Plant and Equipment

	Land for operating purpose	Buildings and structures for operating purpose	Machinery equipment for operating purpose	Transportation equipment for operating purpose	Others for operating purpose	Construction in process for operating purpose	Total
January 1, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,505,487	$ 3,484	$ 365,964	$ 124,075	$ 4,518,008
Accumulated depreciation	-	(419,535)	(1,087,288)	(3,165)	(279,586)	-	(1,789,574)
	$ 894,994	$ 1,204,469	$ 418,199	$ 319	$ 86,378	$ 124,075	$ 2,728,434
2024							
January 1	$ 894,994	$ 1,204,469	$ 418,199	$ 319	$ 86,378	$ 124,075	$ 2,728,434
Addition	-	-	31,355	-	26,927	8,788	67,070
Disposal - cost	-	-	(7,030)	-	(22,457)	-	(29,487)
Disposal - Accumulated depreciation	-	-	2,750	-	22,457	-	25,207
Reclassification	-	-	52,496	-	1,280	(55,794)	(2,018)
Depreciation expense	-	(54,947)	(111,915)	(68)	(34,077)	-	(201,007)
December 31	$ 894,994	$ 1,149,522	$ 385,855	$ 251	$ 80,508	$ 77,069	$ 2,588,199
December 31, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,582,308	$ 3,484	$ 371,714	$ 77,069	$ 4,553,573
Accumulated depreciation	-	(474,482)	(1,196,453)	(3,233)	(291,206)	-	(1,965,374)
	$ 894,994	$ 1,149,522	$ 385,855	$ 251	$ 80,508	$ 77,069	$ 2,588,199

On November 11, 2024, the Company passed a resolution at the board meeting to sell the property on Xinyi Road in Daxi District, Taoyuan. The Company is still actively seeking a buyer, and the transaction is not yet confirmed to be completed within one year.

	Land for operating purpose	Buildings and structures for operating purpose	Machinery equipment for operating purpose	Transportation equipment for operating purpose	Others for operating purpose	Construction in process for operating purpose	Total
January 1, 2023							
Cost	$ 1,006,321	$ 1,820,521	$ 1,421,554	$ 3,142	$ 345,265	$ 76,944	$ 4,673,747
Accumulated depreciation	-	(436,807)	(970,641)	(2,779)	(247,704)	-	(1,657,931)
	$ 1,006,321	$ 1,383,714	$ 450,913	$ 363	$ 97,561	$ 76,944	$ 3,015,816
2023							
January 1	$ 1,006,321	$ 1,383,714	$ 450,913	$ 363	$ 97,561	$ 76,944	$ 3,015,816
Addition	-	1,409	40,824	342	20,393	98,839	161,807
Disposal - cost	-	(302)	(251)	-	(4,693)	-	(5,246)
Disposal - Accumulated depreciation	-	302	56	-	4,603	-	4,961
Reclassified to non-current assets held for sale	(111,327)	(118,350)	-	-	(887)	-	(230,564)
Reclassification	-	6,074	43,360	-	5,886	(51,708)	3,612
Depreciation expense	-	(68,378)	(116,703)	(386)	(36,485)	-	(221,952)
December 31	$ 894,994	$ 1,204,469	$ 418,199	$ 319	$ 86,378	$ 124,075	$ 2,728,434
December 31, 2023							
Cost	$ 894,994	$ 1,624,004	$ 1,505,487	$ 3,484	$ 365,964	$ 124,075	$ 4,518,008
Accumulated depreciation	-	(419,535)	(1,087,288)	(3,165)	(279,586)	-	(1,789,574)
	$ 894,994	$ 1,204,469	$ 418,199	$ 319	$ 86,378	$ 124,075	$ 2,728,434

For information on property, plant and equipment as collateral, please refer to the descriptions in Note VIII.

(IX) Lease transaction - Lessee

1. The underlying assets leased by the Company include land, buildings and structures, official vehicles and the telephone system. The lease contract period usually ranges from 2 to 50 years. Lease contracts are negotiated separately and include various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as guarantees for loans.

2. The carrying amount of the right-of-use assets and the information of depreciation expense recognized are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 691,072	$ 616,909
Buildings	22,734	5,100
Transportation equipment (office vehicles)	3,396	5,168
Other equipment	-	6,938
	$ 717,202	$ 634,115

	2024	2023
	Depreciation expense	Depreciation expense
Land	$ 18,552	$ 16,056
Buildings	3,855	3,860
Transportation equipment (office vehicles)	3,065	3,430
Other equipment	6,938	2,975
	$ 32,410	$ 26,321

3. The increase in the Company's right-of-use assets in 2024 and 2023 were NT$115,497 and NT$20,576, respectively.

4. The information of loss (gain) related to lease contract is as follows:

	2024	2023
Items affecting current profit or loss		
Interest expense of lease liabilities	$ 12,050	$ 10,563
Expenses of short-term lease contracts	126	260

5. The total cash outflow for the lease of the Company amounted to NT$39,853 and NT$33,058 in 2024 and 2023, respectively.

(X) Intangible Assets

	Patent right	Computer software	Total
January 1, 2024			
Cost	$ 12,000	$ 108,616	$ 120,616
Accumulated amortization	(11,873)	(81,813)	(93,686)
	$ 127	$ 26,803	$ 26,930
2024			
January 1	$ 127	$ 26,803	$ 26,930
Addition	-	21,225	21,225
Disposal - cost		(82,363)	(82,363)
Disposal - accumulated amortization	-	82,363	82,363
Transfer of prepaid equipment payment	-	1,648	1,648
Amortization expense	(26)	(26,248)	(26,274)
December 31	$ 101	$ 23,428	$ 23,529
December 31, 2024			
Cost	$ 12,000	$ 49,126	$ 61,126
Accumulated amortization	(11,899)	(25,698)	(37,597)
	$ 101	$ 23,428	$ 23,529

	Patent right	Computer software	Total
January 1, 2023			
Cost	$ 12,000	$ 80,556	$ 92,556
Accumulated amortization	(11,848)	(56,669)	(68,517)
	$ 152	$ 23,887	$ 24,039
2023			
January 1	$ 152	$ 23,887	$ 24,039
Addition	-	26,730	26,730
Transfer of prepaid equipment payment	-	1,330	1,330
Amortization expense	(25)	(25,144)	(25,169)
December 31	$ 127	$ 26,803	$ 26,930
December 31, 2023			
Cost	$ 12,000	$ 108,616	$ 120,616
Accumulated amortization	(11,873)	(81,813)	(93,686)
	$ 127	$ 26,803	$ 26,930

The details of amortization of intangible assets are as follows:

	2024	2023
Operating costs	$ 4,240	$ 3,058
Sales promotion expenses	92	117
General and administrative expenses	19,342	20,986
Research and development expenses	2,600	1,008
	$ 26,274	$ 25,169

(XI) Other non-current assets

	December 31, 2024	December 31, 2023
Prepayment for equipment	$ 7,275	$ 8,347
Refundable deposits	7,506	8,725
	$ 14,781	$ 17,072

(XII) Non-current assets held for sale

The Company resolved to dispose of the real estate in Yingge District on November 8, 2023, and the related assets were reclassified as non-current assets held for sale.

	December 31, 2024	December 31, 2023
Property, Plant and Equipment	$ 230,564	$ 230,564

The said non-current asset held for sale was re-measured at the lower of its book value or fair value less selling cost, and no impairment loss was incurred. Please refer to Note VIII for the guarantee information.

On September 25, 2024, the Company signed a sales contract with the buyer for real estate in Yingge District for NT$230,564. The sale price of NT$600,000 was determined based on the report of Tianyi Real Estate Appraiser. On December 16, 2024, a new sales contract with the same sale price was signed, and the first installment of NT$60,000 (including tax) was collected (recognized as other current liabilities - other). The property transfer registration is expected to complete before June 30, 2025.

(XIII) Short-term borrowings

Nature of loan	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 450,000	1.78-1.95%	No

Nature of loan	December 31, 2023	Interest rate range	Collateral

Bank borrowings				
Unsecured loan	$	670,000	1.65-1.85%	No

Please refer to 6(25) for the interest expense recognized in profit and loss in 2024 and 2023.

(XIV) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 103,723	$ 125,727
Labor and national health insurance premium and pension payable	15,041	14,823
Repairs payable	11,301	9,756
Payables for equipment	10,037	4,013
Utilities expenses payable	5,144	3,180
Research and experimentation expenses payable	1,223	2,681
Other payable expenses	54,897	69,809
	$ 201,366	$ 229,989

(XV) Long-term borrowing

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured loan	The interest is paid monthly, and the principal is paid in installment from March 23, 2016 to January 26, 2042.	2.15%-2.33%	Land and buildings	$ 1,275,840
Unsecured loan	The interest is paid monthly, and the principal is paid in installment from December 1, 2016 to October 15, 2031.	1.43%-2.35%	No	552,515
				1,828,355
Less: Long-term borrowings due within one year or one operating cycle				(316,573)
				$ 1,511,782

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured loan	The interest is paid monthly, and the principal is paid in installment from March 23, 2016 to January 26, 2042.	2.03%-2.2%	Land and buildings	$ 1,362,867
Unsecured loan	The interest is paid monthly, and the principal is paid in installment from December 1, 2016 to October 15, 2031.	1.3%-2.23%	No	619,756
				1,982,623
Less: Long-term borrowings due within one year or one operating cycle				(236,058)
				$ 1,746,565

1. Please refer to 6(25) for the interest expense recognized in profit and loss in 2024 and 2023.
2. For the above-mentioned loan from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(XVI) Bonds payable

	December 31, 2024	December 31, 2023
Bonds payable	$ 241,100	$ 763,700
Less: Discount of corporate bond payable	(3,690)	(25,845)
	237,410	737,855
Less: Due within one year or one operating cycle	(237,410)	-
	$ -	$ 737,855

1. Domestic convertible bonds issued by the Company
   (1) The conditions for the Company's issuance of the 1st domestic secured convertible bond are as follows:
      A. The first domestic secured convertible bonds are approved by the competent authority. The total amount to be issued is NT$500,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from October 24, 2022 to October 24, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 1st batch of convertible bonds was listed

for trading on the Taipei Exchange on October 24, 2022.

B. From the day following the expiration of three months after the date of issue (January 25, 2023) to the maturity date (October 24, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$40.5 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the First Secured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$40.5 per share to NT$38.9 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (January 25, 2023) to the forty days prior to the expiration of the issuance period (September 15, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2024, NT$301,300 face value of this convertible corporate bond has been converted into 7,745,304 ordinary shares. Among them, 7,411,220 shares were approved by the board of directors on March 11, 2025, with a ex-date of March 11, 2025, and the change registration has not yet been completed.

(2) The conditions for the Company's issuance of the 2nd domestic unsecured convertible bond are as follows:

A. The second domestic unsecured convertible bonds are approved by the competent authority. The total amount to be issued is NT$300,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from December 12, 2022 to December 12, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 2nd batch of convertible bonds was listed for trading on the Taipei Exchange on December 12, 2022.

B. From the day following the expiration of three months after the date of issue (March 13, 2023) to the maturity date (December 12, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$37 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$37 per share to NT$35.5 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (March 13, 2023) to the forty days prior to the expiration of the issuance period (November 2, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2024, NT$257,600 face value of this convertible corporate bond has been converted into 7,214,880 ordinary shares. Among them, 2,112,631 shares were approved by the board of directors on March 11, 2025, with a ex-date of March 11, 2025, and the change registration has not yet been completed.

2. When the Company issued the 1st and 2nd convertible corporate bonds, in accordance with IAS 32 "Financial Instruments: Presentation," the conversion option that was of the nature of conversion was separated from each liability component, and recognized in "capital surplus - stock options" for a total of NT$49,598. In addition, the embedded repurchase options are not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they are separated and accounted for in the net amount of "Financial assets measured at fair value through profit or loss". After the separation, the effective interest rates of the main contract liabilities are from 1.8053% to 1.9797%.

(XVII) Pension

1. In accordance with the "Labor Pension Act", the Company has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Company contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income in the segregated account is withdrawn as monthly pension or lump sum.

2. In 2024 and 2023, the pension costs recognized by the Company in accordance with the above regulations were NT$19,137 and NT$26,389, respectively.

(XVIII) Share capital

1. On December 31, 2024, the Company's authorized capital was NT$3,000,000 divided into 300,000 thousand shares; the paid-in capital was NT$996,143, with a share face value of NT$10 per share. Payment for the issued shares of the Company has been received. The number of outstanding common shares at the beginning and the end of the period is adjusted as follows: (Unit: shares)

	2024	2023
January 1	95,158,828	94,178,000
Corporate bond conversion	13,979,356	980,828
December 31	109,138,184	95,158,828

2. Corporate bond conversion

As of December 31, 2024, the Company had 14,960,184 ordinary shares issued due to the exercise of conversion rights with respect to the secured and unsecured convertible bonds issued by the Company in 2022, and the change of registration for 9,523,851 shares has not yet been completed.

(XIX) Additional paid-in capital

1. In accordance with the provisions of the Company Act, the premium from the issuance of shares in excess of the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the Company has no accumulated losses, new shares or cash are issued or paid in proportion to the original shares of the shareholders. In addition, according to the relevant provisions of the Securities and Exchange Act, when the additional paid-in capital above is appropriated to capital, its total amount each year shall not exceed 10% of the paid-in capital. The Company shall not use the additional paid-in capital to make up for the capital loss unless the earnings reserve is still insufficient to make up for the capital loss.

2. The changes in the additional paid-in capital of the Company in 2024 and 2023 are as follows:

	2024			
	Issuance premium	Stock options	Others	Total
January 1	$ 1,651,944	$ 47,712	$ 25,244	$ 1,724,900
Exercise of the right to convert convertible corporate bonds into stock	404,563	(31,988)	-	372,575
December 31	$ 2,056,507	$ 15,724	$ 25,244	$ 2,097,475

	2023			
	Issuance premium	Stock options	Others	Total
January 1	$ 1,625,489	$ 49,598	$ 25,244	$ 1,700,331
Exercise of the right to convert convertible corporate bonds into stock	26,455	(1,886)	-	24,569
December 31	$ 1,651,944	$ 47,712	$ 25,244	$ 1,724,900

(XX) Loss to be compensated/unappropriated earnings

1. In accordance with the Company's Articles of Incorporation, where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.
2. For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 10% of the total dividends distributed in the current year.
3. The legal reserve may not be used except to make up for the Company's losses and issuing new shares or cash in proportion to the original number of shares held by shareholders. However, if new shares or cash are issued, it shall exceed 25% of the paid-up capital.
4. When the Company distributes earnings, the special reserve shall be set aside for the debit balance of other equity items on the balance sheet date of the current year according to laws and regulations before distribution. When the debit balance of other equity items is subsequently reversed, the amount of reversal may be included in the distribution available In earnings.

5. The 2022 earnings distribution proposal of the Company was approved by the shareholders' meeting on June 27, 2023 as follows:

	2022	
	Amount	Dividends per share (NTD)
Legal reserve	$ 28,401	
Cash dividends	141,267	$ 1.5
Total	$ 169,668	

(XXI) Operating revenue

	2024	2023
Revenue from contracts with customers	$ 1,137,666	$ 2,958,659

1. Breakdown of revenue from customer contracts

The Company's revenue is derived from the goods transferred at a certain point in time, and the revenue can be divided into the following main products:

2024	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 715,283	$ 305,772	$ 80,386	$ 36,225	$ 1,137,666

2023	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 2,040,267	$ 557,879	$ 234,096	$ 126,417	$ 2,958,659

2. Contract liabilities

The contractual liabilities related to the Company's recognition of contractual revenue from customers are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities - collections in advance	$ 691	$ 691	$ 1,497

Revenue recognized in current period of contract liabilities at the beginning of the period

	2024	2023
Opening balance of contract liabilities recognized as income in current period		
Collections in advance	$ -	$ 912

(XXII) Interest income

	2024	2023
Interest on bank deposits	$ 1,235	$ 1,517
Interest income from financial assets measured at amortized cost	417	203
Other interest income	269	100
	$ 1,921	$ 1,820

(XXIII) Other income

	2024	2023
Rental income	$ 2,353	$ 2,486
Dividend income	-	4,632
Grant income	25,082	16,942
Other income - others	17,072	4,307
	$ 44,507	$ 28,367

(XXIV) Other gains and losses

	2024	2023
Foreign exchange gain (loss)	$ 89,032	($ 41,248)
Gains from the disposal of property, plant and equipment	136	291
Net gain (loss) on financial assets measured at fair value through profit or loss	475	(220)
Other income	(109)	(81)
	$ 89,534	($ 41,258)

(XXV) Finance costs

	2024	2023
Bank borrowing interest expense	$ 45,170	$ 46,452
Interest expense on lease liabilities	12,050	10,563
Corporate bond interest expense	11,924	13,604
Others	-	1
	$ 69,144	$ 70,620

(XXVI) Additional information on the nature of the expense

	2024	2023
Employee benefit expense	$ 533,841	$ 758,032
Depreciation expenses of property, plant and equipment	201,007	221,952
Right-of-use assets depreciation expense	32,410	26,321
Amortization expense of intangible assets	26,274	25,169
Operating lease rental expense	126	260
Expected credit loss or gain	(11,479)	(70,852)
	$ 782,179	$ 960,882

(XXVII) Employee benefit expense

	2024	2023
Salary expenses	$ 448,025	$ 628,587
Labor and national health insurance expenses	48,397	75,056
Pension expense	19,137	26,389
Other personnel expenses	18,282	28,000
	$ 533,841	$ 758,032

1. If the Company makes a profit in the year, it shall allocate at least 1% as remuneration as employees’ remuneration, which shall be distributed in shares or cash by resolution of the board meeting. The recipients of the payment may include employees of the controlled companies or subsidiaries. The Company may allocate up to 5% as the directors' and supervisors' remuneration from the profit amount above based on the resolution of the board of directors. The proposal for the distribution of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting for reporting. However, if the Company has accumulated losses, it shall first reserve a

certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

2. There was a loss in both 2024 and 2023 so employees' remuneration and directors' remuneration were not estimated.

3. Information on employees' and directors' remuneration approved by the Company's board of directors is available on the MOPS.

(XXVIII) Income tax

1. Tax benefits

(1) Components of income tax benefits:

	2024	2023
Current income tax:		
Income tax arising from current income	$ -	$ 33,764
Imposition on undistributed earnings	-	536
Overestimated income tax in previous years	(3,805)	(17,013)
Total income tax for the current period	(3,805)	17,287
Deferred income tax:		
The origin and reversal of the temporary difference	(8,545)	(82,250)
Total deferred income tax	(8,545)	(82,250)
Tax income	($ 12,350)	($ 64,963)

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

	2024	2023
Difference on translation of foreign operations	($ 26)	$ 225

2. Relationship between income tax benefits and accounting profit

	2024	2023
Income tax on net profit before tax calculated at statutory tax rate	($ 99,800)	($ 33,715)
Temporary difference not recognized as deferred income tax assets	97,173	13,104
Reversal of unrecognized temporary differences on deferred income tax assets	(921)	(15,102)
Impacts of items that cannot be recognized as required by law	1,979	1,487
Income exempted from taxation under the Tax Act	(6,976)	(14,260)
Overestimated amount of income tax in previous years	(3,805)	(17,013)
Additional income tax on undistributed earnings	-	536
Tax income	($ 12,350)	($ 64,963)

3. The amount of each deferred income tax asset or liability arising from the temporary difference is as follows:

	2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 3,006	($ 132)	$ -	$ 2,874
Unrealized gross profit from sales	42,861	(21,200)	-	21,661
Impacts of foreign investment losses	37,106	(30,015)	-	7,091
Deferred benefits from government grants	-	1,084	-	1,084
Unrealized exchange losses	4,865	(4,865)	-	-
Tax loss	-	72,279	-	72,279
Subtotal	87,838	17,151	-	104,989
- Deferred income tax liabilities:				
Unrealized exchange gain	$ -	($ 8,606)	$ -	($ 8,606)
Exchange differences on foreign operations	(712)	-	(26)	(738)
Subtotal	(712)	(8,606)	(26)	(9,344)
Total	$ 87,126	$ 8,545	($ 26)	$ 95,645

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 2,630	$ 376	$ -	$ 3,006
Unrealized gross profit from sales	18,179	24,682	-	42,861
Impacts of foreign investment losses	3,436	33,670	-	37,106
Unrealized exchange losses	-	4,865	-	4,865
Subtotal	24,245	63,593	-	87,838
- Deferred income tax liabilities:				
Effect of foreign investment interests	($ 16,811)	$ 16,811	$ -	$ -
Unrealized exchange gain	(1,846)	1,846	-	-
Exchange differences on foreign operations	(937)	-	225	(712)
Subtotal	(19,594)	18,657	225	(712)
Total	$ 4,651	$ 82,250	$ 225	$ 87,126

4. The Company's effective period of unused tax losses and the amount of unrecognized deferred tax assets are as follows:

December 31, 2024				
Year of occurrence	Amount declared/ amount approved	Amount not yet deducted	Amount of unrecognized deferred tax assets	Final deduction year
2024	$ 361,394	$ 361,394	$ -	123

5. Deductible temporary differences of unrecognized deferred income tax assets:

	December 31, 2024	December 31, 2023
Deductible temporary difference	$ 719,783	$ 238,516

6. The Company's profit-seeking business income tax has been approved by the tax authorities up to 2022.

(XXIX) Loss per share

	2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Loss per share (NTD)
Basic loss per share			
Net loss for the period attributable to common shareholders	($ 486,652)	97,877	($ 4.97)
Diluted loss per share			
Net loss for the period attributable to common shareholders	($ 486,652)	97,877	
Net loss for the period attributable to common shareholders plus the effect of potential common shares	($ 486,652)	97,877	($ 4.97)

	2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Loss per share (NT$)
Basic loss per share			
Net loss for the period attributable to common shareholders	($ 103,612)	94,946	($ 1.09)
Diluted loss per share			
Net loss for the period attributable to common shareholders	($ 103,612)	94,946	
Net loss for the period attributable to common shareholders plus the effect of potential common shares	($ 103,612)	94,946	($ 1.09)

(XXX) Supplementary information on cash flow

1. Investment activities with only partial cash payment:

	2024	2023
Additions of property, plant and equipment	$ 67,070	$ 161,807
Add: Payables for equipment, beginning	4,013	16,645
Less: Payables for equipment, ending	(10,037)	(4,013)
Cash paid in current period	$ 61,046	$ 174,439

2. Financing activities that do not affect cash flow:

	2024	2023
Conversion of convertible bonds into share capital	$ 512,369	$ 34,377

(XXXI) Changes in liabilities from financing activities

	January 1, 2024	Changes in cash flow	Non-cash changes	December 31, 2024
Short-term borrowings	$ 670,000	($ 220,000)	$ -	$ 450,000
Long-term borrowing	1,982,623	(154,268)	-	1,828,355
Bonds payable	737,855	-	(500,445)	237,410
Lease liabilities	653,177	(27,677)	115,497	740,997
Guarantee deposits received	331	-	-	331
Total liabilities from financing activities	$ 4,043,986	($ 401,945)	($ 384,948)	$ 3,257,093

	January 1, 2023	Changes in cash flow	Non-cash changes	December 31, 2023
Short-term borrowings	$ 10,000	$ 660,000	$ -	$ 670,000
Long-term borrowing	2,038,312	(55,689)	-	1,982,623
Bonds payable	758,628	-	(20,773)	737,855
Lease liabilities	654,836	(22,235)	20,576	653,177
Guarantee deposits received	331	-	-	331
Total liabilities from financing activities	$ 3,462,107	$ 582,076	($ 197)	$ 4,043,986

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Company
TBI MOTION TECHNOLOGY (USA) LLC. (TBI USA)	Subsidiary
TBI MOTION TECHNOLOGY (HK) LTD. (TBI HK)	Subsidiary
TBI Motion Intelligence Co., Ltd. (TBI Motion)	Subsidiary
TBI Motion Technology (Suzhou) Co., Ltd. (TBI Motion Suzhou)	Subsidiary
Li, Ching-Kung	Chairman of the Company
Lee, Ching-Sheng	President of the Company

(II) Significant transactions with related parties

1. Sale of goods

	2024	2023
Sale of goods:		
Subsidiary		
TBI Motion Suzhou	$ 701,544	$ 2,306,789
TBI Motion	436,759	581,920
TBI USA	1,036	14,269
	$ 1,139,339	$ 2,902,978

	2024	2023
Technical service income (presented in "7010 Other income"):		
Subsidiary		
TBI Motion Suzhou	$ 709	$ 2,106

(1) There is no significant difference between the transaction price and payment terms of the sale of goods and the non-related parties.

(2) Technical service income is calculated based on the number of service hours agreed in the contract.

2. Rental income

	2024	2023
Rental income:		
Subsidiary		
TBI Motion	$ 1,950	$ 1,575

The Company leases the plant in Shulin to TBI Motion. The lease term is 1 year, and the payment is made on a monthly basis during the payment period.

3. Receivables from related parties

	December 31, 2024	December 31, 2023
Accounts receivable:		
TBIMotionSuzhou	$ 2,007,285	$ 2,683,891
TBIMotion	127,649	158,330
TBIUSA	277	6,290
Subtotal	2,135,211	2,848,511
Other receivables:		
TBIMotionSuzhou	103	717
TBIMotion	2	25
Subtotal	105	742
Total	$ 2,135,316	$ 2,849,253

The receivables from related parties are mainly from sales transactions, and the receivables are not pledged with interest. No allowance for loss was provided for receivables from related parties. Other receivables are mainly receivables collected on behalf of others.

4. Payables to related parties

	December 31, 2024	December 31, 2023
Other payables:		
TBIMotion	$ 164	$ -

Other payables are mainly payments on behalf of others.

5. Property transactions

(1) Proceeds from disposal of property, plant and equipment

	2024		2023	
	Disposal price	Disposal gain	Disposal price	Disposal gain
TBI Motion Suzhou	$ 9,735	$ 136	$ -	$ -

(2) Acquisition of financial assets

Counterparty	Account recognized	Shares	Target	2024 Acquisition price
TBI USA	Investments accounted for using the equity method	-	-	$ 32,341

(3) Disposal of other assets

	2024		2023	
	Disposal price	Disposal of gains (losses)	Disposal price	Disposal of gains (losses)
Other income:				
Subsidiary				
TBI Motion	$ -	$ -	$ 20	$ -

(III) Remuneration of key management personnel

	2024	2023
Short-term employee benefits	$ 9,800	$ 9,976
Post-employment benefits	108	108
Total	$ 9,908	$ 10,084

(IV) Others

The Company borrowed from financial institutions on December 31, 2024 and 2023, with Lei Ching-Kun and Li Chin-Sheng serving as joint guarantors. The financing amounts were a joint guarantee for NT$387.049, and Li Ching-Kun's sole guarantee for NT$1,891,306 and a joint guarantee for NT$2,652,623, respectively.

VIII. Pledged assets

The Company's assets are guaranteed as follows:

Assets	Book value December 31, 2024	December 31, 2023	Purpose of guarantee
Financial assets measured at amortized cost			
Pledged time deposit	$ 30,000	$ 30,000	Note 1
Property, Plant and Equipment			
Land	894,994	894,994	Note 2
Buildings	915,655	942,595	Note 2
Non-current assets held for sale	230,564	230,564	Note 2
	$ 2,071,213	$ 2,098,153	

Note 1: The performance bond of the Company.

Note 2: Long-term borrowings.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Capital expenditures signed but not yet incurred

	December 31, 2024	December 31, 2023
Property, Plant and Equipment	$ 19,792	$ 11,346

(II) The Company's letters of credit opened but unused for the purchase of materials

	December 31, 2024	December 31, 2023
Letter of credit issued but not used	$ 6,122	$ 24,434

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

On March 11, 2025, the board of directors passed a resolution to offset losses of the year 2024, proposing to use the legal reserve of NT$125,767 to make up for the losses. Afterwards, the amount of losses to be made up for is NT$0.

XII. Others

(I) Capital management

The Company's capital management objectives are to ensure the continued operation of the Company, maintain the optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Company uses the debt capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" reported in the parent company only balance sheet) less cash and cash equivalents. The calculation of total capital is "equity" reported in the parent company only balance sheet plus net debt.

The Company's debt capital ratio as of December 31, 2024 and 2023 was as follows:

	December 31, 2024	December 31, 2023
Total borrowings	$ 2,515,765	$ 3,390,478
Less: Cash and cash equivalent	(515,116)	(220,866)
Debt, net	2,000,649	3,169,612
Total equity	3,279,581	3,259,437
Total capital	$ 5,280,230	$ 6,429,049
Debt capital ratio	37.89%	49.30%

(II) Financial instruments

1. Types of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 475	$ -
Financial assets measured at fair value through other comprehensive income		
Selecting designated investments in equity instruments	$ 88,918	$ 94,594
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 515,116	$ 220,866
Financial assets measured at amortized cost	30,000	30,000
Notes receivable	712	-
Accounts receivable (including related party)	2,135,923	2,864,470
Other receivables (including related parties)	3,597	947
Refundable deposits	7,506	8,725
	$ 2,782,247	$ 3,219,602
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 450,000	$ 670,000
Notes payable	35,457	4,078
Accounts receivable (including related parties)	179,112	139,539
Other payables (including related parties)	201,530	229,989
Long-term borrowings (including those due within one year or one operating cycle)	1,828,355	1,982,623
Bonds payable (including the portion due within one year or one business cycle)	237,410	737,855
Guarantee deposits received	331	331
	$ 2,932,195	$ 3,764,415
Lease liabilities	$ 740,997	$ 653,177

2. Risk management policy

Risk management is carried out by the Company's Finance Department in accordance with the policies approved by the Board of Directors. The Company's Finance Department works closely with various operating units within the Company to identify, evaluate and avoid financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

3. Nature and extent of significant financial risk

(1) Market risk

Exchange rate risk

A. The Company operates in a number of countries, and is therefore exposed to the exchange rate risk arising from transactions with the functional currencies of its subsidiaries which are mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Company's business involves some non-functional currencies and therefore subject to exchange rate fluctuations. The assets and liabilities denominated in foreign currencies with significant exchange rate fluctuations are as follows:

	December 31, 2024		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 2,528	32.7930	$ 82,901
JPY: NTD	1,524	0.2099	320
EUR: NTD	8	34.1520	273
RMB: NTD	468,700	4.4775	2,098,604
Financial liabilities			
Monetary items			
JPY: NTD	2,827	0.2099	593
Non-monetary items (note)			
USD: NTD	10,430	32.7930	342,035

Note: Investment under equity method

(Foreign currency: functional currency)	December 31, 2023 Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,874	30.7080	$ 118,963
JPY: NTD	13,390	0.2172	2,908
EUR: NTD	18	34.0070	612
RMB: NTD	626,255	4.3265	2,709,492
Financial liabilities			
Monetary items			
JPY: NTD	2,898	0.2172	629
USD: NTD	10	30.7080	307
Non-monetary items (note)			
USD: NTD	6,336	30.7080	194,561

Note: Investment under equity method

C. On the Company's monetary items, due to exchange rate fluctuations, the aggregate amount of all exchange gains (losses) recognized in 2024 and 2023 (including realized and unrealized) were NT$89,032 and NT$(41,248), respectively.

D. The analysis of the Company's risk in the foreign currency market due to significant exchange rate fluctuations: is as follows:

	2024		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of change	Affecting profit and loss	Affecting other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 663	$ -
JPY: NTD	1%	3	-
EUR: NTD	1%	2	-
RMB: NTD	1%	16,789	-
Financial liabilities			
Monetary items			
JPY: NTD	1%	(5)	-
Non-monetary items			
USD: NTD	1%	-	2,620

	2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of change	Affecting profit and loss	Affecting other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 952	$ -
JPY: NTD	1%	23	-
EUR: NTD	1%	5	-
RMB: NTD	1%	21,676	-
Financial liabilities			
Monetary items			
JPY: NTD	1%	(5)	-
USD: NTD	1%	(2)	-
Non-monetary items			
USD: NTD	1%	-	1,556

Price risk

A. The Company's equity instruments exposed to price risk are recognized financial assets held at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Company diversifies its investment portfolio. The diversification method is based on the limit set by the Company.

B. The Company mainly invests in equity instruments issued by domestic companies. The prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the price of these equity instruments rose or fell by 1%, and all other factors remained unchanged, the net profit arising from the profit or loss of equity instruments measured at fair value through profit and loss would increase or decrease by NT$711 and NT$756 in 2024 and 2023.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk mainly comes from the long-term and short-term borrowings with floating interest rates, which expose the Company to cash flow interest rate risk. In 2024 and 2023, the Company's borrowings at floating interest rates were mainly denominated in NTD.

B. If the borrowing rate increased or decreased by 1%, and all other factors remained unchanged, the net income after tax in 2024 and 2023 would increase or decrease by NT$18,227 and NT$21,221, respectively.

(2) Credit risk

A. The Company's credit risk refers to the risk of financial loss due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations, mainly from the inability of counterparties to settle accounts receivable in accordance with the collection terms.

B. The Company has established credit risk management from the corporate perspective. For banks and financial institutions, only institutions with good reputation and no recent major default records can be accepted as trading counterparts. According to the internal credit policy, for each new customer within the Company, management and credit risk analysis must be conducted before the establishment of payment and delivery terms and conditions. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. The limits of individual risks are determined by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. According to the Company's credit risk management procedures, a default is deemed to have occurred when the contract amount is overdue for more than 180 days according to the agreed payment terms.

D. The Company classifies customers' accounts receivable according to geographical area, customer rating and trade credit risk characteristics, and estimates expected credit losses based on the allowance matrix and loss rate method in a simplified manner.

E. The indicators used by the Company to determine that the debt instrument investment is subject to credit impairment are as follows:

(A) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganization greatly increases;

(B) The issuer disappears from the active market for the financial assets due to financial difficulties;

(C) The issuer delays or fails to repay the interest or principal;

(D) Unfavorable changes in national or regional economic conditions that result in the issuer's default.

F. The Company will continue to pursue legal proceedings for the default of financial assets to preserve the creditor's right. After the recourse procedures, the amount of financial assets for which it is impossible to reasonably expect to be recoverable is written off.

G. The Company takes into account the forward-looking consideration and the loss rate based on historical and current information in a specific period to estimate the loss allowance for accounts receivable and overdue receivables. The provision matrix and loss ratio for December 31, 2024 and 2023 are as follows:

December 31, 2024	Expected loss rate	Total carrying amount	Non-performing loans	Loss allowance
Not past due	0.03%	$ 712	$ -	$ -
Within 30 days	0.03%	-	-	-
31 to 90 days	0.03%	-	-	-
91 to 180 days	0.03%~93.15%	-	-	-
More than 181 days	100%	-	-	-
Individual assessment	100%	-	74,510	(74,510)
Total		$ 712	$ 74,510	($ 74,510)

December 31, 2023	Expected loss rate	Total carrying amount	Non-performing loans	Loss allowance
Not past due	0.03%	$ 14,911	$ -	($ 8)
Within 30 days	0.03%	238	-	-
31 to 90 days	0.03%	818	-	-
91 to 180 days	14.16%~99.76%	-	-	-
More than 181 days	100%	11,992	-	(11,992)
Individual assessment	100%	-	74,510	(74,510)
Total		$ 27,959	$ 74,510	($ 86,510)

H. The Company's simplified statement of changes in the loss allowance for accounts receivable is as follows:

	2024		
	Accounts receivable	Non-performing loans	Total
January 1	$ 12,000	$ 74,510	$ 86,510
Reversal of impairment loss	(11,479)	-	(11,479)
Receivables written off due to irrecoverability	(521)	-	(521)
December 31	$ -	$ 74,510	$ 74,510

	2023		
	Accounts receivable	Non-performing loans	Total
January 1	$ 157,362	$ -	$ 157,362
Reversal of impairment loss	(70,852)	-	(70,852)
Reclassification	(74,510)	74,510	-
December 31	$ 12,000	$ 74,510	$ 86,510

(3) Liquidity risk

A. The cash flow forecast is implemented by each operating entity of the Company and summarized by the Company's Finance Department. The Finance Department of the Company monitors the forecast of the Company's working capital needs to ensure that it has sufficient funds to meet operating needs, and maintains a sufficient undrawn commitment limit at all times to prevent the Company from breaching the relevant borrowing limits or terms. The forecast considers the Company's debt financing plan, debt terms compliance, financial ratio targets in line with the internal balance sheet, etc.

B. The surplus cash held by each operating entity will be transferred back to the Company's Finance Department when it exceeds the management needs of working capital. The Company's Finance Department, on the other hand, invests the remaining funds in interest-bearing demand deposits and time deposits with appropriate maturities or sufficient liquidity to provide sufficient levels in response to the above forecasts. As of December 31, 2024 and 2023, the Company's money market positions were NT$515,116 and NT$220,866, respectively, and the undrawn borrowing facilities were NT$579,804 and NT$1,436,957, respectively, which are expected to generate cash flows to manage liquidity risk.

C. The following table shows the Company's non-derivative financial liabilities grouped by relevant maturity dates, and analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flow amount disclosed in the following table is the undiscounted amount.

Non-derivative financial liabilities:

December 31, 2024	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 450,000	$ -	$ -	$ -	$ 450,000
Notes payable	35,457	-	-	-	35,457
Accounts payable	179,112	-	-	-	179,112
Other payables	201,530	-	-	-	201,530
Lease liabilities	31,810	30,171	81,653	836,930	980,564
Long-term borrowings (including those due within one year)	351,755	339,836	628,949	705,542	2,026,082
Bonds payable (recognized as liabilities due in one year)	241,100	-	-	-	241,100

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 670,000	$ -	$ -	$ -	$ 670,000
Notes payable	4,078	-	-	-	4,078
Accounts payable	139,539	-	-	-	139,539
Other payables	229,989	-	-	-	229,989
Lease liabilities	35,031	25,520	68,477	741,389	870,417
Long-term borrowings (including those due within one year)	272,106	328,536	741,568	860,203	2,202,413
Bonds payable	-	763,700	-	-	763,700

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. An active market refers to a market with sufficient frequency and volume of transactions to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the call back rights embedded in the convertible corporate bonds payable by the Company belongs to this category.

Level 3: Unobservable inputs for the asset or liability. Equity instruments for which there is no active market invested by the Company belong to this category.

2. The Company's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables, refundable deposits, short-term and long-term borrowings, notes and accounts payable, other payables, and guarantee deposits received, for which their book values, are a reasonable approximation of the fair value.

3. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks and fair value levels of the assets and liabilities. The relevant information is as follows:

(1) The Company's assets and liabilities are classified by nature. The relevant information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through profit or loss				
Debt securities	$ -	$ 475	$ -	$ 475
Financial assets and equity securities measured at fair value through other comprehensive income	-	-	88,918	88,918
Total	$ -	$ 475	$ 88,918	$ 89,393

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets and equity securities measured at fair value through other comprehensive income	$ -	$ -	$ 94,594	$ 94,594

(2) The methods and assumptions used by the Company to measure fair value are as follows:

When evaluating non-standardized and less complex financial instruments, such as debt instruments without an active market, interest rate swap contracts, foreign exchange contracts and options, the Company uses the evaluation techniques widely used by market participants. The parameters used by the valuation model of such financial instruments are usually market observable information.

4. There was no transfer between Level 1 and Level 2 in 2024 and 2023.

5. The following table shows the changes in tier 3 in 2024 and 2023:

	2024	2023
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income
January 1	$ 94,594	$ 96,305
Profit or loss recognized in other comprehensive income		
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(5,676)	(1,711)
December 31	$ 88,918	$ 94,594

6. There was no transfer into or out of Level 3 in 2024 and 2023.

7. The valuation process of the Company's fair value classified as Level 3 is that the financial department entrusts an external professional appraisal institution to conduct independent fair value verification of financial instruments.

8. The quantitative information of the significant unobservable input value of the evaluation

model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input value changes are as follows:

	December 31, 2024 Fair value	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 88,918	Comparable Public Company Act	Discount for lack of market liquidity	21.89%	The higher the lack of market liquidity discount, the lower the fair value.

	December 31, 2023 Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 94,594	Comparable Public Company Act	Discount for lack of market liquidity	19.54% of face value	The higher the lack of market liquidity discount, the lower the fair value.

9. The external professional appraisal agency commissioned by the Company's Finance Department carefully evaluates the valuation model and valuation parameters selected; however, the use of different valuation models or valuation parameters may result in different evaluation results. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the impact on the current profit and loss or other comprehensive income is as follows:

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 889	($ 889)

	Input value	Travel Variations	December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 946	($ 946)

XIII. Disclosures in notes

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.

2. Endorsements/guarantees provided for others: No such situation.

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Table 1.

4. Accumulated purchase or sale of the same securities reaching NT$300 million or more than 20% of the paid-in capital: No such situation.

5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.

6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: Please refer to Table 2.

7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 3.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4.

9. Engagement in derivative transactions: Please refer to Note 6(2).

10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 5.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 6.

(III) Mainland China Investment Information

1. Basic information: Please refer to Table 7.

2. Significant transactions with investee companies in mainland China directly or indirectly

through enterprises in a third region: Please refer to Table 8.

(IV) Information of major shareholders

Information on major shareholders: Please refer to Table 9.

XIV. Information of operating segments

Not applicable.

TBI Motion Technology Co., Ltd.
Cash and cash equivalents
December 31, 2024

Statement 1 Unit: NT$ thousand

Item	Summary		Amount	
Cash on hand			$	693
Demand deposits				
- NTD Demand deposits				420,926
- Foreign currency demand deposits	USD	61 * 32.793		2,013
	RMB	20,379 * 4.4775		91,248
	JPY	1,127 * 0.2099		236
			$	515,116

(left blank below)

TBI Motion Technology Co., Ltd.

Changes in financial assets measured at fair value through other comprehensive income - noncurrent

January 1 to December 31, 2024

Statement 2 Unit: NT$ thousand

Business Title	Beginning of period		Increase in the current period		Decrease in current period		End of period		Guarantee or pledge
	Number of shares (thousand shares)	Carrying amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Carrying amount	
CHUAN DA TECHNOLOGY CO., LTD.	3,860	$52,515	-	$ -	-	$ -	3,860	$52,515	No
Valuation adjustment		42,079		-		(5,676)		36,403	
Total		$94,594		$ -		($5,676)		$88,918	

TBI Motion Technology Co., Ltd.
Accounts receivable
December 31, 2024

Statement 3 | Unit: NT$ thousand

Customer name	Amount	Note
Company A	$ 712	
Total accounts receivable	712	
Less: Allowance for bad debt	-	
Net accounts receivable	$ 712	

Note: "Code" was used as the name of the customer mentioned above, as the Company has a contractual agreement with the customer not to disclose the name of the customer.

(left blank below)

TBI Motion Technology Co., Ltd.
Inventory
December 31, 2024

Statement 4 | Unit: NT$ thousand

Item	Amount: Cost	Amount: Net realizable value	Note
Raw materials and supplies	$ 260,636	$ 258,936	
Work in process	537,001	519,102	
Finished goods	238,320	220,298	
	1,035,957	$ 998,336	
Less: Allowance for decline in value of inventories and bad debts	(232,726)		
	$ 803,231		

(left blank below)

TBI Motion Technology Co., Ltd.
Statement of Changes in Investment Using Equity Method
December 31, 2024

Statement 5 Unit: NT$ thousand

	Opening balance		Increase for the period (Note 1)		Decrease in current period (Note 1)		Closing balance			Market price or equity net value		
Business Title	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of shareholdings	Amount	Unit price	Total price	Basis of valuation
TBI MOTION TECHNOLOGY (USA) LLC	10,000	$ 6,575	10,000	$ 32,341	-	($ 12,313)	20,000	100%	$ 26,603	$ 1.37	$ 27,476	Equity method
TBI MOTION TECHNOLOGY (HK) LTD	60,000	(201,136)	-	-	-	(167,502)	60,000	100%	(368,638)	(4.33)	(259,843)	Equity method
TBI Motion Intelligence Co., Ltd.	3,927,865	110,089	-	-	-	(23,761)	3,927,865	100%	86,328	0.02	84,968	Equity method
		($ 84,472)		$ 32,341		($203,576)			($ 255,707)			

Note 1: New investment, investment income recognized using the equity method, earnings distribution, share of other comprehensive income of affiliates and joint ventures, and foreign currency translation adjustments.

TBI Motion Technology Co., Ltd.
Statement of Changes in Right-of-use Assets
December 31, 2024

Statement 6

Unit: NT$ thousand

Item	Opening balance	Increase in the current period	Decrease in current period	Transfer in the period	Closing balance
Cost					
Land	$ 679,219	$ 92,715	$ -	$ -	$ 771,934
Houses	11,577	21,489	-	(7,187)	25,879
Transportation Equipment	8,055	1,293	-	(1,134)	8,214
Other assets	10,441	-	-	(10,441)	-
Subtotal	$ 709,292	$ 115,497	$ -	($ 18,762)	$ 806,027
Accumulated depreciation					
Land	(62,310)	(18,552)	-	-	(80,862)
Houses	(6,477)	(3,855)	-	7,187	(3,145)
Transportation Equipment	(2,887)	(3,065)	-	1,134	(4,818)
Other assets	(3,503)	(6,938)	-	10,441	-
Subtotal	(75,177)	(32,410)	-	18,762	(88,825)
Total	$ 634,115	$ 83,087	$ -	$ -	$ 717,202

TBI Motion Technology Co., Ltd.
Accounts payable
December 31, 2024

Statement 7 Unit: NT$ thousand

Customer name	Amount		Note
Vendor A	$	25,951	
Vendor B		21,142	
Vendor C		14,582	
Supplier D		10,453	
Supplier E		10,592	
Others		96,392	The balance of each sporadic customer did not exceed 5% of the account balance
Net accounts payable	$	179,112	

Note: "Code" was used as the name of the customer mentioned above, as the Company has a contractual agreement with the customer not to disclose the name of the customer.

(left blank below)

TBI Motion Technology Co., Ltd.
Short-term borrowings
December 31, 2024

Statement 8 | Unit: NT$ thousand

Creditors	Type of loan	Closing balance	Duration of contract	Interest rate range	Pledge or guarantee
First Bank	Unsecured loan	$ 130,000	2024.10.15 ~ 2025.01.15	1.775%	No
CTBC Bank	〃	150,000	2024.12.06 ~ 2025.03.31	1.950%	〃
Taiwan Cooperative Bank	〃	170,000	2024.09.24 ~ 2025.09.24	1.950%	〃
		$ 450,000			

TBI Motion Technology Co., Ltd.
Long-term borrowing
December 31, 2024

Statement 9

Unit: NT$ thousand

Creditors	Summary	Amount of borrowings	Duration of contract	Interest rate	Pledge or guarantee
Chang Hwa Bank	Secured loan	$ 164,222	2016.3.23~2031.3.23	2.29%	Buildings
First Bank	Secured loan	157,142	2016.3.29~2031.3.29	2.33%	〃
Taiwan Cooperative Bank	Secured loan	101,865	2016.6.29~2031.6.29	2.22%	〃
Taiwan Cooperative Bank	Secured loan	128,042	2016.6.29~2031.6.29	2.22%	〃
E. Sun Bank	Unsecured loan	6,011	2016.12.1~2026.12.1	2.15%	No
E. Sun Bank	Secured loan	54,568	2016.12.1~2031.12.1	2.15%	Non-current assets held for sale
Taiwan Cooperative Bank	Unsecured loan	65,000	2020.7.1~2027.6.15	1.48%	No
Chang Hwa Bank	Unsecured loan	77,500	2020.8.3~2027.7.15	1.48%	〃
Chang Hwa Bank	Unsecured loan	80,729	2020.9.1~2027.7.15	1.48%	〃
Chang Hwa Bank	Unsecured loan	67,813	2020.9.30~2027.7.15	1.48%	〃
First Bank	Unsecured loan	33,441	2021.5.20~2028.5.15	1.53%	〃
E. Sun Bank	Unsecured loan	1,660	2021.10.29~2031.10.15	1.93%	〃
E. Sun Bank	Unsecured loan	18,743	2021.12.24~2031.10.15	1.93%	〃
E. Sun Bank	Unsecured loan	7,712	2022.1.3~2031.10.15	1.43%	〃
Chang Hwa Bank	Secured loan	670,000	2022.1.27~2042.1.27	2.23%	Land and buildings
E. Sun Bank	Unsecured loan	12,388	2022.4.8~2031.10.15	1.43%	No
E. Sun Bank	Unsecured loan	21,115	2022.5.25~2031.10.15	1.43%	〃
E. Sun Bank	Unsecured loan	8,171	2022.10.7~2031.10.15	1.43%	〃
Bank of Shanghai	Unsecured loan	20,833	2023.1.3~2026.1.3	2.35%	〃
First Bank	Unsecured loan	49,670	2023.8.2~2028.5.15	1.53%	〃
First Bank	Unsecured loan	81,730	2024.12.24~2028.5.15	1.53%	〃
		1,828,355			
Less: Due within one year or one operating cycle		(316,573)			
		$ 1,511,782			

TBI Motion Technology Co., Ltd.
Lease liabilities
December 31, 2024

Statement 10 | Unit: NT$ thousand

Item	Summary	Lease period	Discount rate	Amount	Note
Land	Forest Industry Exclusive Zone	Until March 2062	1.62%	$ 714,602	
Houses and buildings	Dormitory	Till June 2027, etc.	1.62%~1.69%	22,850	
Transportation Equipment	Corporate car	By August 2027, etc.	〃	3,545	
				740,997	
		Less: Lease liabilities – current		(19,958)	
		Lease liabilities - non-current		$ 721,039	

TBI Motion Technology Co., Ltd.
Operating revenue
January 1 to December 31, 2024

Statement 11 Unit: NT$ thousand

Item	Unit	Quantity	Amount	Note
Ball Screw	Piece	704,958	$ 726,782	
Linear Guide	Set	998,867	306,290	
Ball Spline	Set	54,644	80,491	
Others			36,228	
Total sales revenue			1,149,791	
Less: Sales returns and discounts			(12,125)	
Total operating revenue			$ 1,137,666	

(left blank below)

TBI Motion Technology Co., Ltd.
Operating costs
January 1 to December 31, 2024

Statement 12 Unit: NT$ thousand

Item	Amount		Amount
	Amount		Amount
Opening raw materials	$	295,323	
Add: Purchases in current period		263,726	
Less: Reclassified expenses	(	37,238)	
Raw materials inventory loss	(	40)	
Assets retirement losses	(	1,918)	
Raw materials, ending	(	260,636)	
Input raw materials in current period		259,217	
Direct labor		195,962	
Manufacturing overhead		747,542	
Manufacturing cost		1,202,721	
Work-in-progress at beginning of period		479,814	
Add: Purchase of goods		31,131	
Less: Reclassified expenses	(	4,996)	
Work-in-progress at the end of period	(	537,001)	
Assets retirement losses	(	21,223)	
Work-in-progress inventory deficit	(	279)	
Cost of finished goods		1,150,167	
Add: Finished goods at beginning of period		249,816	
Purchases in current period		1,932	
Less: Reclassified expenses		7,713	
Inventory deficit of finished goods	(	6)	
Assets retirement losses	(	833)	
Finished goods, end of period	(	238,320)	
Operating costs		1,170,469	
Income from sale of scraps and wastes materials	(	1,817)	
Inventory valuation losses		51,211	
Assets retirement losses		23,974	
Loss on inventory		325	
Total operating cost	$	1,244,162	

TBI Motion Technology Co., Ltd.
Manufacturing overhead
January 1 to December 31, 2024

Statement 13 Unit: NT$ thousand

Item	Amount	Note
Depreciation expense	$ 181,588	
Processing cost	173,619	
Wages and salaries	140,003	
Low value consumables	75,941	
Labor and national health insurance premiums	36,487	
Others	139,904	The balance of each individual item did not exceed 5% of the balance of this account.
	$ 747,542	

(left blank below)

TBI Motion Technology Co., Ltd.
Sales promotion expenses
January 1 to December 31, 2024

Statement 14 Unit: NT$ thousand

Item	Amount	Note
Wages and salaries	$ 11,711	
Advertising expenses	7,580	
Import/export expenses	3,236	
Others	11,226	The balance of each individual item did not exceed 5% of the balance of this account.
	$ 33,753	

(left blank below)

TBI Motion Technology Co., Ltd.
General and administrative expenses
January 1 to December 31, 2024

Statement 15 Unit: NT$ thousand

Item	Amount	Note
Wages and salaries	$ 67,479	
Depreciation	40,667	
Amortization and appropriation	19,342	
Labor service expense	12,473	
Others	77,619	The balance of each individual item did not exceed 5% of the balance of this account.
	$ 217,580	

(left blank below)

TBI Motion Technology Co., Ltd.
R&D expenses
January 1 to December 31, 2024

Statement 16 Unit: NT$ thousand

Item	Amount	Note
Wages and salaries	$ 32,870	
Research and experimentation expenses	15,606	
Depreciation expense	9,930	
Labor service expense	8,437	
Others	14,242	The balance of each individual item did not exceed 5% of the balance of this account.
	$ 81,085	

(left blank below)

TBI Motion Technology Co., Ltd.
Summary of employee benefits, depreciation, depletion, and amortization expenses incurred in the current period by function
January 1 to December 31, 2024

Statement 17 Unit: NT$ thousand

By function / By nature	2024			2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salary expenses	$ 335,965	$ 112,060	$ 448,025	$ 503,778	$ 124,809	$ 628,587
Labor and national health insurance expenses	36,487	11,910	48,397	62,676	12,380	75,056
Pension expense	13,482	5,655	19,137	21,864	4,525	26,389
Directors' Remuneration	-	-	-	-	-	-
Other employee benefit expenses	11,940	6,342	18,282	20,862	7,138	28,000
Total	397,874	135,967	533,841	609,180	148,852	758,032
Depreciation expense	181,588	51,829	233,417	192,523	55,750	248,273
Amortization expense	4,240	22,034	26,274	3,058	22,111	25,169

Note:
1. As of December 31, 2024 and 2023, the number of employees of the Company was 819 and 1,175, respectively. Among them, there were 5 directors who did not serve as employees concurrently in both years.
2. For a company whose shares are listed on the TWSE or whose shares are traded on the TPEx, add the disclosure of the following information:
(1) The average employee benefit expense for the year is NT$656.
The average employee benefit expense in the previous year was NT$648.
(2) The average employee wage for the year is NT$550.
The average employee wage in the previous year was NT$537.
(3) The average employee wage expense adjustment is 2.43%.
(4) The remuneration to supervisors for the current year and the previous year is both NT$0. (The Company does not have supervisors)

TBI Motion Technology Co., Ltd.

Summary of employee benefits, depreciation, depletion, and amortization expenses by function in the current period (continued)

January 1 to December 31, 2024

Statement 17 Unit: NT$ thousand

(5) The Company's policy on the payment of salaries and remunerations:

(A) Directors

The remuneration to directors includes allowances for transportation and business execution, and earnings distribution. The remuneration of earnings distribution shall be conducted in accordance with the Company's Articles of Incorporation. If the Company makes a profit in a year, the Board of Directors shall resolve to allocate less than 5% of the profit for the remuneration of the directors. The appropriation of directors' remuneration shall be reported to the shareholders' meeting.

(B) Managers

Managers' remunerations include salaries, bonuses and employee remuneration, which are determined based on their positions, responsibilities, performance and contribution to the Company, and with reference to peers in the industry; employee remunerations are distributed in accordance with the Company's Articles of Incorporation and submitted to the board of directors for resolution.

(C) Employee salaries and remunerations

The employee remuneration includes salary, bonus and employee compensation, and is determined by taking into account the duties and responsibilities assumed, annual evaluation and contribution to the Company, and with reference to the industry level. it is distributed after approval by board resolution.