Stock Code: 6174

Aker Technology Co., Ltd.

2024 Annual Report

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AKER TECHNOLOGY CO., LTD.
2024 Annual Report
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Website for public information disclosure: http://mops.twse.com.tw

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I. Spokesperson of the Company:

Name: Chen Meng-Cheng

Title: Senior Manager

Telephone: (04) 2533-5978

Email: billy@aker.com.tw

Acting Spokesperson:

Name: Chang Su-Yi

Title: Assistant Manager

Telephone: (04) 2533-5978

Email: vicky@aker.com.tw

II. Address and Telephone Number of Headquarters, Branches and Plants:
Headquarters: No. 11-3, Jianguo Road, Tanzi District, Taichung City
Factory: No. 11-3, Jianguo Road, Tanzi District, Taichung City
Telephone: (04) 2533-5978 Fax: (04) 2533-6011
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Subsidiary in Shenzhen: Room 28E, Tower C, 6009 Shennan Avenue, Futian District, Shenzhen, PRC
Email: billy@aker.com.tw

III. Share Registrar:

Name: President Securities Co., Ltd.

Address: B1F, No. 8, Dongxing Rd, Songshan District, Taipei City

Telephone: (02) 2747-8266

Website: www.pscnet.com.tw

IV. CPAs for the most recent financial statements:

CPA Name: Lai Chih-Wei, Wang Yu-Chuan

CPA firm: PwC Taiwan

Address: 12th Floor, No. 402, Shizheng Road, Xitun District, Taichung City

Telephone: (04) 2704-9168

Website: www.pwc.tw

V. Name of any exchange where the Company's securities are traded overseas, and the method by which to access information on the overseas securities: Not applicable.

VI. Company website: www.aker.com.tw

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One.Letter to Shareholders

I. 2024 Business Report

(I) Business plan implementation results

The global economy exhibited a slow recovery in 2024 with easing inflationary pressure, a generally robust job market, gradual recovery of trade, and monetary easing by major central banks. According to the data from International Monetary Fund (IMF), the global economic growth rate was 3.2%, the same as the previous year. In 2024, with the efforts of all employees, in addition to improving production efficiency and product quality, we also strictly controlled unnecessary expenses so that the Company could maintain profitability. The Company's operating performance for 2024 was net operating revenue of NT$466,961 thousand, an increase of NT$1,648 thousand, or 0.35%, from the net operating revenue of NT$465,313 thousand in the previous year. The gross profit margin was 33%, which was comparable to 33% in the previous year. The net profit after tax was NT$37,261 thousand, an increase of NT$22,962 thousand from NT$14,299 thousand in the previous year, representing an increase rate of 160.58%.

(II) Budget execution

The Company did not announce the financial forecast for 2024.

(III) Analysis of financial income, expenses and profitability

Unit: NTD Thousands

Item/Year		2024	2023
Financial income and expense	Net operating revenue	466,961	465,313
	Gross operating profit, net	153,782	151,577
	Profit or loss after tax	37,261	14,299
Profitability	Return on assets (%)	4.58	1.73
	Return on equity (%)	5.61	2.02
	Operating income to paid-in capital (%)	(1.35)	1.70
	Ratio of pre-tax net profit to paid-in capital (%)	7.71	2.53
	Net profit margin (%)	7.98	3.07
	Earnings per share (NTD/share) - before tax	0.77	0.25
	Earnings per share (NTD/share) - after tax	0.75	0.29

(IV) Research and development status

Products developed in 2024:

1. Wide temperature compensated quartz oscillator/Voltage controlled temperature compensated quartz oscillator
2. High-frequency differential output oscillator (greater than 500MHz)
3. 1.2V quartz oscillator
4. 3225/2520 Low EMI quartz oscillators

II. Summary of 2024 Business Plan

(I) Business Policy

1. Stable supply of raw materials.
2. Continue to develop niche products.
3. Provide customers with all-round technical marketing services.
4. Emphasize education, training, and industry exchanges to improve the quality of employees, build cohesion, stimulate potentials, and achieve company goals.

The Company focuses on production in Taiwan and provides global service. In addition to improving the production efficiency and R&D technology in Taiwan, we have also actively expanded our bases at home and abroad to be closer to customers, implement local services, provide customers with immediate and complete support, establish long-term cooperative relations, and receive the benefits of marketing the Company's product image.

(II) Expected sales target and basis

The Company's 2025 business forecast is based on factors such as production capacity, industry economy, and recent orders, and thereby estimates the sales volume of each product. The following is the Company's estimated sales volume for 2025.

Unit: Thousand Pieces

Main products	Sales volume
Quartz components	165,800

(III) Important production and marketing policies

1. Product and sales policy
   (1) Strengthen communication with customers and suppliers, shorten product delivery time, and expand market share.
   (2) Expand the scope of product application in response to customer needs.
   (3) Continue to develop niche markets and customers.
2. Production policy
   (1) With Taiwan as the production base, we can effectively improve the production process to reduce production costs, increase the yield rate, strengthen quality management, and improve customer satisfaction.
   (2) The AOI visual inspection + deep learning system has been introduced to more accurately determine whether there is any abnormality at the workstation, and use the system to select defective products to replace the existing manual visual inspection insufficiency, in order to strengthen quality management.
   (3) Integrate data through ERP/MES/BI and aggregate it into the operation center to grasp and monitor visualized production information at any time.
   (4) Plan to renovate and transform AKER's Nanhuan Plant located at No. 11 Nanhuan Road in the Industrial Park of the Ministry of Economic Affairs to cope with future business development.
   (5) A digital energy environment *monitoring* system was introduced into the plant to instantly detect abnormal overconsumption and effectively reduce plant operating costs.

III. Looking to the future

In 2025 , moderate inflation in various countries is expected to boost demand. As global trade continues to expand, global economic growth will remain moderate . However, we will still face many uncertain factors, mainly the new US policy, the monetary policy direction of central banks of various countries, the risk of China's economic downturn, and the continued military conflicts in the Middle East and Russia-Ukraine. However, the Company's customers are spread all over the world and our finances are quite sound. Faced with many variables in 2025, the Company will still respond cautiously.

2025 is still a challenging year for the Company. In addition to actively exploring niche products and emerging product application markets, and expanding the business scope, the Company will also continue to effectively improve the manufacturing process to reduce production costs, increase yield, strengthen quality management, and provide better quality products and services to customers to achieve the Company's goal of robust growth and sustainable operation.

Dear shareholders

Good health and good luck

Chairman Lin Yi-Lun　　Manager Li Ching-Yi　　Accounting Supervisor: Chen Meng-Cheng

Two. Corporate Governance Report

I. Information on directors, general managers, deputy general managers, assistant managers, and heads of departments and branches

(I) Profile of directors:

(1) Name of director, major education (education), date of election (appointment), term of office, and number of shares held by the director, his/her spouse and minor children, and by others

April 28, 2024

Job title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial election	Shares held at the time of election		Current shareholding		Shares held by spouse and underage children		Shares held in the name of another person		Main experience (academic)	Positions in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Chairman	Republic of China	Lin Yi-Lun	Male 51-60	1100726	3 years	981214	2,067,602	4.14	2,106,602	4.21	3,244,747	6.48	0	0	MBA, University of Tennessee, Memphis Chairman, Aker Technology Co., Ltd.	Chairman, AKER ELECTRONIC CO., LTD. Chairman, Kaijing Electronic Technology Co., Ltd. Member of Xing Xin Limited Partnership Investment Advisory Committee Chairman, Piezoelectric Crystal Industries Association of Taiwan	Director Director	Li Ching-Yi Li Yao-Ming	Spouse Relative by marriage	Note 2
Director and General Manager	Republic of China	Li Ching-Yi	Female 51-60	1100726	3 years	981214	2,930,747	5.86	3,244,747	6.48	2,106,602	4.21	0	0	MBA, Drexel University, USA General Manager, Aker Technology Co., Ltd.	Director, Aker Electronic Co., Ltd. Chairman, Huai Yan Investment Co., Ltd. Consultant, KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.	Chairman Director	Lin Yi-Lun Li Yao-Ming	Spouse First degree of kinship	Note 2
Director	Republic of China	Aker Electronic Co., Ltd.	Male	1100726	3 years	981214	12,459,808	24.92	12,637,808	25.27	0	0	0	0	Graduated from Department	President, KUNG LONG BATTERIES INDUSTRIAL CO.,LTD. Director, Lilong Vietnam	Director Chairman	Li Ching-Yi Lin Yi-Lun	First degree of kinship Relative by marriage	

Job title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial election	Shares held at the time of election		Current shareholding		Shares held by spouse and underage children		Shares held in the name of another person		Main experience (academic)	Positions in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
		Representative: Li Yao-Ming	81-90	1100726	3 years	981214	22,697	0.05	219,339	0.44	0	0	0	0	of Electrical and Mechanical Engineering, Changhua University of Science and Technology President of Kuang Hsing Knitting Co., Ltd. 17th President of Caotun Lions Club Chief of Consultant Team of Nantou County Military Police The 17th Chairman of the Taiwan Economic Corp. District Counselor, Lions Clubs International 300-C3 Chairman, KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.					
Independent director	Republic of China	Wang Kai-Li	Male 51-60	1100726	3 years	1040602	0	0	0	0	0	0	0	0	PhD, Economics, University of Utah, USA Full-time Professor, Department of Finance, Tunghai University Honorary Chairman, Taiwan Banking Association Director of EMBA, College of Management, Tunghai University	Professor, Department of Finance, Tunghai University Member of Audit Committee and Convener of Aker Technology Co., Ltd. Member of Compensation Committee of Aker Technology Co., Ltd. Independent Director, Member of Audit Committee and Member of Remuneration Committee of KY Pai Ho Industrial Co., Ltd. Independent director and member of Audit Committee and Remuneration Committee of SHEH KAI PRECISION CO.,LTD.	None	None	None	

Job title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of election (assumption of office)	Term of office	Date of initial election	Shares held at the time of election		Current shareholding		Shares held by spouse and underage children		Shares held in the name of another person		Main experience (academic)	Positions in the Company and other companies	Spouse or other managers, directors or supervisors within the second degree of kinship			Note
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Job title	Name	Relationship	
Independent director	Republic of China	Chang Kuo-Hsiung	Male 61-70	1100726	3 years	1070627	0	0	0	0	0	0	0	0	PhD, Graduate Institute of Business Administration, National Taiwan University EMBA Director (CEO), College of Management, Tunghai University Dean, Department of International Business and Trade, Tunghai University Professor, Department of International Business and Trade, Tunghai University	Professor, Department of International Business and Trade, Tunghai University Member of Remuneration Committee and Convener of Aker Technology Inc. Member of Audit Committee of Aker Technology Corp. Independent director of SUNDER BIOMEDICAL TECH. CO. LTD. and member of the Remuneration Committee Independent director and member of Audit Committee and Compensation Committee of Taiwan Gaoming Railway Enterprise Co., Ltd. Independent director and member of Audit Committee and Remuneration Committee of FULL WANG INTERNATIONAL DEVELOPMENT CO.,LTD.	None	None	None	
Independent director	Republic of China	Yang Ching-Chung	Male 71-80	1100726	3 years	1100726	0	0	0	0	0	0	0	0	Changhua High School Manager of First Commercial Bank	Member of Audit Committee of Aker Technology Corp.	None	None	None	
Independent director	Republic of China	Yeh Lily-Ying	Female 51-60	1130626	3 years	1130626	0	0	0	0	0	0	0	0	Master's Degree, Drexel University, USA Managing Director of Everglory Group Pte. Ltd. Managing Director of Citibank Taiwan Ltd. Senior Vice President of Corporate Banking, CTBC Bank Co., Ltd. Sales Director of Comdisco Trade Inc., Taiwan	Member of Audit Committee of Aker Technology Corp. Independent Director of Faraday Technology Corporation CEO & Director of Trust Capital Alternative Pte. Ltd. Director of Meng & Yume Innovate Pte. Ltd. Chairman of Transtar Logistics Co., Ltd.	None	None	None	

Note 1: The institutional shareholders shall list the names of the institutional shareholders and their representatives (representatives of institutional shareholders shall indicate the name of the institutional shareholders), and fill in the following table 1.

Note 2: If the Company's chairman and general manager or person of equivalent position (chief manager) are the same person, spouse or first-degree relative, the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and ensuring that more than half of the directors are not employees or managers) should be explained. The chairman and general manager of the Company are spouses to improve operating efficiency. However, in order to strengthen the independence of the board of directors, the Company also plans to increase the number of independent directors in the future election to enhance the functions of the board of directors and strengthen the supervisory function. At present, the Company has the following specific measures:

1. The current independent directors are specialized in commerce, finance, and accounting, and can effectively exert their supervisory functions.
2. Each year, directors are arranged to participate in professional director courses external organizations of the Corporate Governance Institute to improve the operational efficiency of the board of directors.
3. Independent directors may fully discuss in each functional committee and make suggestions for the board of directors' reference to implement corporate governance.
4. More than half of the directors in the board of directors do not serve as employees or managers concurrently.

(2) Major shareholders of corporate shareholders

Table 1: Major shareholders of the corporate shareholders

Mar 24, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Aker Electronic Co., Ltd.	Lin Yi-Lun 50% Li Ching-Yi 36.13% Lin Ching-Kai 11.87% Li Yao-Ming 2%

(3) If the major shareholder of a legal person, the major shareholder

No such situation.

(4) Disclosure of professional qualifications of directors and independence of independent directors:

Conditions / Name	Professional qualifications and experience	Status of independence	Number of independent directors in other public companies
Lin Yi-Lun	• MBA, University of Tennessee, Memphis • At present, he is Chairman of Aker Technology Co., Ltd., Chairman of Aker Electronic Co., Ltd., Chairman of Kaijing Electronic Technology Co., Ltd., Director of Taiwan Aiwa Electronic Industries Co., Ltd., Member of the Investment Advisory Committee of Xingxin Limited Partnership and Chairman of the Piezoelectric Crystal Industries Association of Taiwan. • More than 5 years of work experience in commerce, finance and company operations. • None of the conditions described in Article 30 of the Company Act.	Spouse to Director Li Ching-Yi	-
Li Ching-Yi	• MBA, Drexel University, USA • At present, he is President of Aker Technology Co., Ltd., Director of Aker Electronic Co., Ltd., Chairman of Huaiyan Investment Co., Ltd., and Consultant of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD. • More than 5 years of work experience in commerce, finance and company operations. • None of the conditions described in Article 30 of the Company Act.	Spouse to Chairman Lin Yi-Lun	-
Li Yao-Ming	• Graduated from Department of Electrical and Mechanical Engineering, Changhua University of Science and Technology • At present, he is the President of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD. and the Director of Lilong Vietnam. • More than 5 years of work experience in business, finance, and work required for the Company's business. • None of the conditions described in Article 30 of the Company Act.	First-degree relative to Director Li Ching-Yi	-
Wang Kai-Li	• PhD, Economics, University of Utah, USA • At present, he is a professor of the Department of Finance of Tunghai University, a member of the Audit Committee and Convener of Aker Technology Co., Ltd., a member of the Compensation Committee of Aker Technology Co., Ltd., Independent Director and Member of Audit Committee and Compensation Committee of Dayu International Co., Ltd., Independent director, member of Audit Committee and member of Remuneration Committee of KY Paiho Industrial Co., Ltd., and Independent director and member of the Audit Committee and Remuneration Committee of Shikai Precision Co., Ltd. • Possessed at least five years of experience as professors at public or private colleges or universities in commerce, finance, or relevant departments required by the Company's operations. • None of the conditions described in Article 30 of the Company Act.	Compliant with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters	3

Name \ Conditions	Professional qualifications and experience	Status of independence	Number of independent directors in other public companies
Chang Kuo-Hsiung	• PhD, Graduate Institute of Business Administration, National Taiwan University • At present, he is a professor of the Department of International Business and Trade of Tunghai University, a member of the Compensation Committee and Convener of Aker Technology Co., Ltd., a member of the Audit Committee of Aker Technology Co., Ltd., an independent director and a member of the Compensation Committee of Shande Biochemical Co., Ltd., Independent Director, Audit Committee Member, and Compensation Committee Member of Kaoming Iron Enterprise Co., Ltd., and Independent Director and member of the Audit Committee and Remuneration Committee of FULL WANG INTERNATIONAL DEVELOPMENT CO.,LTD. • Possessed at least five years of experience as professors at public or private colleges or universities in commerce, finance, or relevant departments required by the Company's operations. • None of the conditions described in Article 30 of the Company Act.	Compliant with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters	3
Yang Ching-Chung	• Changhua High School • Retired manager of First Commercial Bank and currently a member of the Audit Committee of Aker Technology Co., Ltd. • More than 5 years of work experience in business, finance, and work required for the Company's business. • None of the conditions described in Article 30 of the Company Act.	Compliant with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters	-
Yeh Lily-Ying	• Master's Degree, Drexel University, USA • Member of Audit Committee of Aker Technology Corp. • Member of Audit Committee of Aker Technology Corp. • Independent Director of Faraday Technology Corporation • CEO & Director of Trust Capital Alternative Pte. Ltd. • Director of Meng & Yume Innovate Pte. Ltd. • Chairman of Transtar Logistics Co., Ltd. • More than 5 years of work experience in business, finance, and work required for the Company's business. • None of the conditions described in Article 30 of the Company Act.	Compliant with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters	

Diversity and independence of the board of directors:

The Company's board of directors should guide the strategies, supervise the management, and be accountable to the Company and shareholders. The operations and arrangements of its corporate governance system should ensure that the board of directors exercises its powers in accordance with laws and regulations, the Company's Articles of Incorporation, or the resolutions of shareholders' meetings. In order to meet the Company's business development needs, the Company's board of directors should have an industrial and financial accounting department. Management experts and scholars; each director of the Company has their own professional background, professional skills and experience. The members of the board of directors cover business management, finance and other professional fields.

All directors are of Taiwan nationality, with 3 independent directors accounting for 57of the total. The age distribution of directors includes 4 directors aged between 51 and 60, 1 director aged between 61 and 70, and 2 directors aged over 70.

None of the board members has the conditions specified in Article 30 of the Company Act; the three independent directors are all in compliance with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters. Except for Wang Kai-Li and Chang Kuo-Hsiung, who each served as independent director of 3 other public companies, none of the other directors served concurrently as independent director. The Company strictly abides by the provisions of Chapter 3, Section 2, "Independent Director System" of the "Corporate Governance Best Practice Principles": Independent directors should have professional knowledge, their shareholding and concurrent employment should be restricted, and they should maintain independence within the scope of their duties and should not have any direct or indirect interests in the Company. in order to maintain the detached independence of the independent directors.

(5) Education and training for directors and supervisors

Job title	Name	Date of assumption	Date of continuing education		Organizer	Course Name	Duration of advanced studies	Whether the continuing education meets the requirements
			From	Up to				
Director	Lin Yi-Lun	June 26, 2024	July 20, 2024 August 8, 2024	July 20, 2024 August 8, 2024	Business Development Institute Taiwan Corporate Governance Association	Corporate Governance and Corporate Sustainability Workshop Legal liability for common violations of the Securities and Exchange Act	3.0 3.0	Yes
Director	Li Ching-Yi	June 26, 2024	July 20, 2024 August 8, 2024	July 20, 2024 August 8, 2024	Business Development Institute Taiwan Corporate Governance Association	Corporate Governance and Corporate Sustainability Workshop Legal liability for common violations of the Securities and Exchange Act	3.0 3.0	Yes
Representative of corporate director	Li Yao-Ming	June 26, 2024	August 8, 2024 November 7, 2024	August 8, 2024 November 7, 2024	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Legal liability for common violations of the Securities and Exchange Act Protection of trade secrets	3.0 3.0	Yes
Independent director	Wang Kai-Li	June 26, 2024	August 8, 2024 August 8, 2024	August 8, 2024 August 8, 2024	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Discussion of important issues of insider trading and market manipulation Sustainable Transformation and International Trends	3.0 3.0	Yes
Independent director	Chang Kuo-Hsiung	June 26, 2024	September 27, 2024 November 1, 2024	September 27, 2024 November 1, 2024	Securities and Futures Institute Securities and Futures Institute	Course Series for Directors, Supervisors and Corporate Governance Managers - Sustainable Development Strategies and Planning for Listed Companies Series of Courses for Directors, Supervisors and Corporate Governance Officers - Financial Information Interpretation Skills for Directors and Supervisors	3.0 3.0	Yes
Independent director	Yang Ching-Chung	June 26, 2024	August 8, 2024 November 7, 2024	August 8, 2024 November 7, 2024	Taiwan Corporate Governance Association Taiwan Corporate Governance Association	Legal liability for common violations of the Securities and Exchange Act Protection of trade secrets	3.0 3.0	Yes
Independent director	Yeh Li-Ying	June 26, 2024	August 8, 2024 September 10, 2024	August 8, 2024 September 10, 2024	Taiwan Corporate Governance Association Taiwan Independent Directors Association	Legal liability for common violations of the Securities and Exchange Act The Application and Challenges of Generative AI from the Perspective of ChatGPT	3.0 3.0	Yes

(II) General manager, deputy general manager, senior manager, heads of departments and branches:

Mar 24,2025

Job title	Nationality	Name	Gender	Date of election (assumption of office)	Number of shares held		Shares held by spouse and underage children		Shares held in the name of another person		Main experience (academic)	Positions held in other companies	Managers who are a spouse or a relative within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Li Ching-Yi	Female	2012.6	3,244,747	6.48	2,106,602	4.21	0	0	MBA, Drexel University, USA General Manager of Aker Technology Co., Ltd.	Director, Aker Electronic Co., Ltd. Chairman, Huai Yan Investment Co., Ltd. Consultant, KUNG LONG BATTERIES INDUSTRIAL	Chairman	Lin Yi-Lun	Spouse	Note 1

Job title	Nationality	Name	Gender	Date of election (assumption of office)	Number of shares held		Shares held by spouse and underage children		Shares held in the name of another person		Main experience (academic)	Positions held in other companies	Managers who are a spouse or a relative within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
												CO.,LTD.				
Business Planning Office, Administration Department Deputy General Manager of Domestic Sales Department	Republic of China	Tseng Chin-Hung	Male	2016.08	0	0	0	0	0	0	PhD, Department of Industrial Engineering, Tunghai University Vice President of Business Planning Office and Management Department of Aker Technology Co., Ltd.	None	None	None	None	
Deputy General Manager, Manufacturing Department	Republic of China	Yu-Chang Wang	Male	2025.01	76	0	0	0	0	0	Department of Industrial Management, I-Shou University Senior Manager of Manufacturing Department, Aker Technology Co., Ltd.	None	None	None	None	
Senior Manager, Quality Control Department	Republic of China	Yang Ching-Fa	Male	2015.02	0	0	0	0	0	0	Department of Electronic Engineering, Feng Chia University Manager of Technology Development Department, Aker Technology Co., Ltd.	None	None	None	None	
Distribution channel and export Assistant Vice President of Sales Division	Republic of China	Hsueh-Ling Hsieh	Female	2016.01	11,153	0.02	25	0	0	0	Department of General Commerce, Taichung College of Business Manager of Channel Sales Division of Aker Technology Corp.	None	None	None	None	
Assistant Vice President of R&D Technology Department	Republic of China	Yong-Nan Kuo	Male	2020.07	220	0	0	0	0	0	Department of Electronics, Tamkang University Manager of Technology Development Department, Aker Technology Co., Ltd.	None	None	None	None	
Assistant Vice President of Finance Department	Republic of China	Chen Meng-Cheng	Male	2025.01	6,000	0.01	0	0	0	0	Master of Finance, Lingtung University of Science and Technology Manager of Finance Department of Aker Technology Corp.	None	None	None	None	
Assistant Manager of Manufacturing Department	Republic of China	Tung-Mao Lin	Male	2025.01	0	0	0	0	0	0	Department of Textiles, Asia Eastern University of Science and Technology Manager of Manufacturing Department, Aker Technology Co., Ltd.	None	None	None	None	
Assistant Vice President of Domestic Sales Department	Republic of China	Hsiang-Chin Li	Female	2025.01	0	0	0	0	0	0	Vanung University of Science and Technology Manager of Domestic Sales Department of Aker Technology Corp.	None	None	None	None	

Note 1: If the Company's chairman and general manager or person of equivalent position (top manager) are the same person, spouse or first-degree relative, the Company should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and ensuring that more than half of the directors do not concurrently serve as employees or managers, etc.):

The chairman and general manager of the Company are spouses, this is to improve operating efficiency. However, in order to strengthen the independence of the board of directors, the Company also plans to increase the number of independent directors in the future election to enhance the functions of the board of directors and strengthen its supervisory function. At present, the Company has the following specific measures:

1. The current independent directors are specialized in commerce, finance, and accounting, and can effectively exert their supervisory functions.
2. Each year, directors are arranged to participate in professional director courses external organizations of the Corporate Governance Institute to improve the operational efficiency of the board of directors.
3. Independent directors may fully discuss in each functional committee and make suggestions for the board of directors' reference to implement corporate governance.
4. More than half of the directors in the board of directors do not serve as employees or managers concurrently.

Note 2 :Deputy General Manager Zeng Jinhong retired on February 3, 2025.

II. Remuneration to directors (including independent directors),general managers, and deputy general managers in the most recent year

(I) Remuneration to general directors, independent directors, general managers, and deputy general managers

(1) Remuneration to the general directors and independent directors (disclose the name and remuneration separately)

Unit: NTD Thousands

Job title	Name	Remuneration to directors								The sum of A, B, C and D as a percentage of net income after tax		Remuneration for part-time employees								The sum of A, B, C, D, E, F and G as a percentage of net income after tax		Received from subsidiaries Externally reinvested business or the parent company's remuneration
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salaries, bonuses and allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
																The Company		All companies included in the financial report				
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash amount	Amount of shares	Cash amount	Amount of shares	The Company	All companies included in the financial report	
Chairman	Lin Yi-Lun	2,644	2,644	0	0	230	230	0	0	7.71%	7.71%	0	0	0	0	0	0	0	0	7.71%	7.71%	None
Director and General Manager	Li Ching-Yi	0	0	0	0	230	230	0	0	0.62%	0.62%	2,600	2,600	0	0	71	0	71	0	7.79%	7.79%	None
Director	Li Yao-Ming	0	0	0	0	115	115	30	30	0.39%	0.39%	0	0	0	0	0	0	0	0	0.39%	0.39%	None
Director	Representative of Aker Electronic Co., Ltd.: Chen Shuo-Tsan	0	0	0	0	56	56	15	15	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None
Independent director	Wang Kai-Li	88	88	0	0	115	115	35	35	0.64%	0.64%	0	0	0	0	0	0	0	0	0.64%	0.64%	None
Independent director	Chang Kuo-Hsiung	88	88	0	0	115	115	35	35	0.64%	0.64%	0	0	0	0	0	0	0	0	0.64%	0.64%	None
Independent director	Yang Ching-Chung	88	88	0	0	115	115	35	35	0.64%	0.64%	0	0	0	0	0	0	0	0	0.64%	0.64%	None
Independent director	Yeh Lily-Ying	40	40	0	0	59	59	20	20	0.32%	0.32%	0	0	0	0	0	0	0	0	0.32%	0.32%	None

1. Please describe the policy, system, standards and structure for the payment of remuneration to independent directors, and describe the correlation between the amount of remuneration paid and the responsibilities, risks, time invested, etc. The Company's independent directors are ex-officio members of the Remuneration Committee. In addition to the remuneration paid to general directors, they will be paid a different and reasonable remuneration based on their responsibilities, risks, and time commitment.
2. In addition to the remuneration disclosed in the above table, the remuneration received by the Company's directors for providing services to all the companies included in the financial statements (such as serving as a consultant who is not an employee, etc.): None.

<u>Remuneration brackets table</u>

Breakdown of remuneration to directors of the Company	Name of director			
	Sum of the first four remunerations (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report
less than NTD 1,000,000	General director: Ching-Yi Li, Yao-Ming Li, Shuo-Tsan Chen Independent directors: Wang Kai-Li, Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	General director: Ching-Yi Li, Yao-Ming Li, Shuo-Tsan Chen Independent directors: Wang Kai-Li, Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	General director: Ching-Yi Li, Yao-Ming Li, Shuo-Tsan Chen Independent directors: Wang Kai-Li, Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	General director: Ching-Yi Li, Yao-Ming Li, Shuo-Tsan Chen Independent directors: Wang Kai-Li, Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	None	None	None	None
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Lin Yi-Lun	Lin Yi-Lun	Lin Yi-Lun	Lin Yi-Lun
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	None	None	None	None
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	None	None	None	None
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	None	None	None	None
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	None	None	None	None
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	None	None	None	None
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	None	None	None	None
More than NTD 100,000,000	None	None	None	None
Total	8	8	8	8

(2) Remuneration to the general managers and deputy general managers (summarized and disclosed by grade)

Unit: NTD Thousands

Job title	Name	Salary (A)		Severance pay and pension (B)		Bonus and Special expense, etc. (C)		Employees' remuneration (D)				The sum of A, B, C and D as a percentage of net income after tax (%)		Received remuneration from reinvested businesses or the parent company other than subsidiaries
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
General Manager	Li Ching-Yi	3,618	10,240	0	0	376	553	71	0	71	0	10.91 %	29.16%	0
General Manager	Eric Greenberg													
Deputy General Manager	Tseng Chin-Hung													
Deputy General Manager	Ying-Ching Chien													

<u>Remuneration brackets table</u>

The remuneration range for each general manager and deputy general manager of the Company	Name of the general manager and deputy general manager	
	The Company	All companies included in the financial report E
less than NTD 1,000,000	None	None
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Tseng Chin-Hung	Tseng Chin-Hung
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Li Ching-Yi	Ching-Yi Li, Ying-Ching Chien
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	None	Eric Greenberg
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	None	None
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	None	None
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	None	None
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	None	None
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	None	None
More than NTD 100,000,000	None	None
Total	2	4

(3) Compensation of the top five highest paid executives

Unit: NTD Thousands

Job title	Name	Salary (A)		Severance pay and pension (B)		Bonus and Special expense, etc. (C)		Employees' remuneration (D)				The sum of A, B, C and D as a percentage of net income after tax (%)		Received remuneration from reinvested businesses or the parent company other than subsidiaries
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
General Manager	Li Ching-Yi	2,378	2,378	0	0	222	222	71	0	71	0	7.17%	7.17%	0
Deputy General Manager	Tseng Chin-Hung	1,239	1,239	0	0	154	154	0	0	0	0	3.74%	3.74%	0
Associate	Yu-Chang Wang	1,027	1,027	0	0	129	129	45	0	45	0	3.22%	3.22%	0
Associate	Ying-Ching Chien	927	927	0	0	104	104	39	0	39	0	2.87%	2.87%	0
Associate	Hsueh-Ling Hsieh	927	927	0	0	125	125	49	0	49	0	2.95%	2.95%	0

(II) Names of managerial officers allocated to employee bonuses and distribution (Proposed 2024 employee remuneration)

As of December 31, 2024, unit: NTD thousands

	Job title	Name	Amount of shares	Cash amount	Total	Total as a percentage of net income after tax (%)
Managers	General Manager	Li Ching-Yi	0	429	429	1.15
	Deputy General Manager, Business Planning Office, Administration Department and Domestic Sales Department	Tseng Chin-Hung				
	Deputy General Manager, Manufacturing Department	Yu-Chang Wang				
	Senior Manager, Quality Control Department	Yang Ching-Fa				
	Senior Manager of Sales and Export Business	Hsueh-Ling Hsieh				
	Assistant Vice President of R&D Technology Department	Yong-Nan Kuo				
	Manager of Finance Department	Chen Meng-Cheng				

(III) The remuneration paid to individual directors shall be disclosed under any of the following circumstances

1. If the individual or separate financial reports of the Company have incurred after-tax losses in the last **three** years, the remuneration of individual directors should be disclosed: No such situation.
2. Remuneration paid to individual directors if the Company's shareholding percentages were insufficient for three consecutive months or more in the most recent year: No such situation.
3. If the average pledge ratio exceeds 50% in the most recent three months after serving as director, the remuneration paid to an individual director with pledge ratio exceeding 50% in that month shall be disclosed: No such situation.
4. If the remuneration received by all the directors as director's remuneration from all the companies included in the financial statements exceeds 2% of the after-tax net profit, and the remuneration of any individual director exceeds NT$15 million, the disclosure shall be disclosed: No such situation.
5. Listed or OTC companies that were ranked in the bottom two in the most recent year's corporate governance evaluation results, or that had changed their trading methods, suspended trading, terminated their listing in the most recent year and up to the publication date of their annual report, or that were otherwise deemed by the Corporate Governance Evaluation Committee to be ineligible for evaluation: We have disclosed the remuneration of individual directors in accordance with legal regulations.
6. The average annual salary of non-managerial full-time employees of a company listed on TWSE or TPEx in the most recent year did not reach NT$500,000: No such situation.
7. The after-tax net profit of the listed company in the most recent year has increased by more than 10%, but the average annual salary of full-time employees who are not in management positions has not increased from the previous year: No such situation.
8. The listed company's net profit after tax in the most recent year has declined by 10% and exceeded NT$5 million, and the average remuneration per director (excluding remuneration for part-time employees) has increased by 10% and exceeded NT$100,000: No such situation.

(IV) A comparative analysis of the ratio of the total remuneration paid to the directors, general manager and deputy general manager of the Company and all the companies in the consolidated statements in the most recent two years to the net profit after tax, and an explanation of the policy, standard and combination of remuneration payment, and the correlation between the remuneration setting procedure and operating performance and future risks:

1. Analysis of the total remuneration paid by the Company and all the companies in the consolidated financial statements to the Company's directors, general manager and deputy general manager as a percentage of net profit after tax in the most recent two years:

Job title	2024		2023	
	The Company	Consolidated	The Company	Consolidated
Director	18.32%	18.32%	48.59%	48.59%
General Manager and Deputy General Manager	10.91%	29.16%	33.72%	78.24%

2. The Company's remuneration policy is as follows:
   (1) Directors' remuneration: Pursuant to Article 18 of the Company's Articles of Incorporation, the remuneration of directors is authorized to be determined by the Board of Directors based on the value of their participation in the Company's operations and their contributions, and in consideration of the normal level of the industry.
   (2) Directors' remuneration: According to Article 30 of the Company's Articles of Incorporation, if the Company makes a profit in the year, no less than 3% of the profit shall be allocated as employee's remuneration, and no more than 3% shall be allocated as director's remuneration. Employees' remuneration may be distributed in cash or shares upon resolution of the Board of Directors. However, if the Company still has accumulated losses, the Company shall reserve an amount to make up for it, and then provide employees' remuneration and directors' remuneration in accordance with the aforementioned percentages.
   (3) Remuneration to the general managers and deputy general managers: In accordance with the resolutions of the Board of Directors and the internal salary management regulations.
   (4) The procedure for setting remuneration is to provide reasonable compensation based on the Company's overall operating performance and development trends, and to review the salary management system in a timely manner based on actual operating conditions and laws to minimize the probability of future risks.

III. Status of corporate governance

(I) Operation of the Board of Directors:

The Board of Directors met 7 times (A) in the most recent year. The attendance of directors was as follows:

Job title	Name	Actual attendance rate B	Number of attendance by proxy	Attendance rate in person (%) (B/A)	Note
Chairman	Lin Yi-Lun	7	0	100	
Director	Li Ching-Yi	7	0	100	
Director	Li Yao-Ming	6	1	86	
Director	Representative of Aker Electronic Co., Ltd.: Chen Shuo-Tsan	1	0	100	
Independent director	Wang Kai-Li	7	0	100	
Independent director	Chang Kuo-Hsiung	7	0	100	
Independent director	Yang Ching-Chung	7	0	100	
Independent director	Yeh Lily-Ying	6	0	100	

Other matters to be recorded:

I. If the operation of the board of directors has any of the following circumstances, the date, period, content of the proposals, opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated:

I. Conditions described in Article 14-3 of the Securities and Exchange Act:

Board of Directors	Proposal content and follow-up treatment	Matters listed in Article 14-3 of the Securities and Exchange Act	Opinions of independent directors		
			Agree	Oppose	Qualified opinion
17th meeting of the 13th term May 14, 2024	1. Approved the discussion of the Company's 2024 distribution of directors' remuneration.	V	V		
	2. Approved the discussion of the Company's 2024 distribution of managerial officers' remuneration.	V	V		
	3. Approved the review of the Company's 2024 Mid-Autumn Festival bonus distribution plan and the Mid-Autumn Festival bonus distribution amount for managers.	V	V		
	4. Approved the payment of quarterly bonus to managers.	V	V		
	5. Approved the proposal for amending some provisions of the Company's "Procedures for the Distribution of Employees' Remuneration".	V	V		
	6. Approved the Company's 2024 Q2 consolidated financial statements.	V	V		
	7. Approved the replacement of the CPA of the Company due to the internal adjustment of the CPA firm.	V	V		
	8. Approved the proposal to apply for a credit line at a bank and a hedging derivative transaction line of the Company due to operational needs.	V	V		
	Company's handling of independent directors' opinions: None				
	Resolution: Approved by all attending directors				
4th meeting of the 14th term Nov 13, 2024	1. Approved the Company's 2024 Q3 consolidated financial statements.	V	V		
	2. Approved the proposal to amend the Company's "Internal Control System" and "Implementation Rules of the Internal Audit System".	V	V		
	3. Approved to report the Company's 2025 internal audit plan.	V	V		
	4. Approved the appointment of a dedicated information security officer and dedicated information security personnel.	V	V		
	Company's handling of independent directors' opinions: None				
	Resolution: Approved by all attending directors				
5th meeting of the 14th term January 17, 2025	1. Approved the proposal to review the Company's "Remuneration Committee Charter".	V	V		
	2. Approved the proposal to establish and regularly review the policies, systems, standards and structures of the Company's performance evaluation of directors and directors and managers' remuneration.	V	V		
	3. Approved the proposal to increase the meal allowance for the fixed monthly salaries of the Company's managerial officers	V	V		
	4. Approved the review and assessment of the Company's managers achievement of performance targets and the content and amount of their salaries and remunerations.	V	V		
	5. Approved the Company's 2024 year-end bonus distribution plan and year-end bonus distribution for managerial officers.	V	V		
	6. Approved the 2025 budget plan.	V	V		
	7. Approved the proposal for the Company's directors to continue to purchase liability insurance	V	V		
	Company's handling of independent directors' opinions: None				
	Resolution: Approved by all attending directors				
6th meeting of the 14th term March 5, 2025	1. Approved the proposal to establish and regularly review the performance evaluation of the Company's managers.	V	V		
	2. Approved the review and evaluation of the achievement of the Company's directors' performance targets, and the content and amount of their remuneration.	V	V		
	3. Approved the 2024 proposal of remuneration and distributions to	V	V		

	employees and directors.				
	4. Approved regular review and recommended performance evaluation indicators for the Company's board of directors.	V	V		
	5. Approved the Company's 2024 financial statements and consolidated financial statements and business report.	V	V		
	6. Approved the Company's 2024 earnings distribution proposal.	V	V		
	7. Approved the plan for the acceptance of shareholders' nomination and proposal rights.	V	V		
	8. Approved the election of the Company's directors.				
	9. Approved the removal of the non-compete restriction on the new directors and their representatives.	V	V		
	10. Approved the nomination of director candidates and independent director candidates.	V	V		
	11. Approved to amend some provisions of the Company's "Rules of Procedure for Board of Directors Meetings".	V	V		
	12. Approved to amend some provisions of the Company's "Audit Committee Charter".	V	V		
	13. Approved to amend some provisions of the Company's "Internal Control System Principles".	V	V		
	14. Approved the matters related to the 2025 general shareholders' meeting.	V	V		
	15. Approved the review and improvement proposal for the performance evaluation report of the Board of Directors.	V	V		
	16. Approved the proposal of reviewing candidates for directors and independent directors.	V	V		
	17. Approved the statement of internal control system self assessment by the Company from January 1, 2024 to December 31, 2024.	V	V		
	18. Approved the evaluation report on the independence and competence of CPAs.	V	V		
	19. Overseas subsidiaries invested by the Company are not for the purpose of short-term investment profit and are not intended to be sold in the next five years, nor will their after-tax earnings be repatriated within one year.	V	V		
	Company's handling of independent directors' opinions: None				
	Resolution: Approved by all attending directors				

II. Other than the aforementioned matters, any other objection or qualified opinion from independent directors that is recorded or stated in a written statement: No such situation.

II. Implementation of a director's recusal for being an interested party in a proposal, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting:

1. The circumstance of recusal of directors from proposals involving conflicts of interest from the 3th meeting of the 14th Board of Directors is as follows:
   Names of directors: Lin Yi-Lun, Li Ching-Yi, Li Yao-Ming, Chen Shuo-Tsan, Chang Kuo-Hsiung, Yang Ching-Chung. Yeh Lily-Ying
   Proposal content: Proposal for the remuneration and payment to the directors and supervisors of the Company.
   Reason for recusal: The directors of the Company recused themselves in accordance with the law when they deliberated the distribution of remuneration to directors and supervisors.
   Participation in voting: Did not participate in the discussion and voting of motions as required by law.
   Names of directors: Lin Yi-Lun, Li Ching-Yi.
   Proposal content: Allocation of employee remuneration for the Company's managerial officers.
   Reason for recusal: Lin Yi-Lun and Li Ching-Yi are directors of the Company, so when they reviewed the distribution of managers remuneration, they avoided conflicts of interest in accordance with the law.
   Participation in voting: Did not participate in the discussion and voting of motions as required by law.
2. The resolution of the 6th meeting of the 14th Board of Directors regarding the directors' recusal from the resolutions related to their interests was as follows:
   Name of director: Li Ching-Yi.
   Proposal content: Review and evaluate the achievement of the Company's managers' performance targets, as well as the content and amount of their remuneration.
   Reasons for recusal: General Manager Li Ching-Yi is a director of the Company, so when he reviewed the content and amount of managers remuneration, he avoided conflicts of interest in accordance with the law.
   Participation in voting: Did not participate in the discussion and voting of motions as required by law.
3. The resolution of the 6th meeting of the 14th Board of Directors regarding the directors' recusal from the resolutions related to their interests was as follows:
   Names of directors: Lin Yi-Lun, Wang Kai-Li, Chang Kuo-Hsiung, Yang Ching-Chung.
   Proposal content: Review and evaluate the achievement of the Company's directors' performance targets, as well as the content and amount of their remuneration.
   Reasons for recusal: When the directors of the Company review their own remuneration, they shall each recuse themselves in accordance with the law.
   Participation in voting: Did not participate in the discussion and voting of motions as required by law.

III. Listed companies shall disclose information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self-evaluation (or peer evaluation), and shall fill in the implementation of the Board of Directors' evaluation:

Implementation of the evaluation of the Board of Directors

Assessment cycle	Assessment period	Scope of Assessment	Method of evaluation	Evaluation content
Annually	For the period from January 1, 2024 to December 31, 2024	Board of Directors, individual directors, and functional committees	Evaluation of the Board of Directors and functional committees, and self-evaluation of the Board of Directors	The performance evaluation of the Board of Directors includes the following: Participation in the operation of the Company, the quality of the board of directors' decision-making, the composition and structure of the board of directors, the election of directors and continuing education, internal control, etc. The performance evaluation of individual directors includes: understanding of the Company's goals and tasks, awareness of director responsibilities, degree of participation in company operations, internal relationship management and communication, professional and continuing education of directors, internal control, etc. The contents of the performance evaluation of the functional committees include: the level of participation in the Company's operations, awareness of the duties of the functional committees, the quality of the decisions

					made by the functional committees, the composition of the functional committees and selection of members, and internal control.	

IV. The goals of strengthening the functions of the board of directors in the current year and the most recent year (such as establishing an audit committee, improving information transparency, etc.) and the evaluation of the implementation status: signing a "Director and Supervisor Confidentiality Agreement" and purchasing liability insurance for the Company's directors/supervisors to reduce the risk of directors and supervisors causing significant damage to the Company and shareholders due to illegal acts.

(II) Operation of the Audit Committee:

1. Professional qualifications and experience of members of the Audit Committee:

Job title	Name	Professional qualifications and experience
Independent Director/Convener of the Audit Committee	Wang Kai-Li	• PhD, Economics, University of Utah, USA • At present, he is a professor of the Department of Finance of Tunghai University, a member of the Audit Committee and Convener of Aker Technology Co., Ltd., a member of the Compensation Committee of Aker Technology Co., Ltd., Independent Director and Member of Audit Committee and Compensation Committee of Dayu International Co., Ltd., Independent director, member of Audit Committee and member of Remuneration Committee of KY Paiho Industrial Co., Ltd., and Independent director and member of the Audit Committee and Remuneration Committee of Shikai Precision Co., Ltd. • Possessed at least five years of experience as professors at public or private colleges or universities in commerce, finance, or relevant departments required by the Company's operations. • None of the conditions described in Article 30 of the Company Act.
Independent director	Chang Kuo-Hsiung	• PhD, Graduate Institute of Business Administration, National Taiwan University • At present, he is a professor of the Department of International Business and Trade of Tunghai University, a member of the Compensation Committee and Convener of Aker Technology Co., Ltd., a member of the Audit Committee of Aker Technology Co., Ltd., an independent director and a member of the Compensation Committee of Shande Biochemical Co., Ltd., Independent Director, Audit Committee Member, and Compensation Committee Member of Kaoming Iron Enterprise Co., Ltd., and Independent Director and member of the Audit Committee and Remuneration Committee of FULL WANG INTERNATIONAL DEVELOPMENT CO.,LTD. • Possessed at least five years of experience as professors at public or private colleges or universities in commerce, finance, or relevant departments required by the Company's operations. • None of the conditions described in Article 30 of the Company Act.
Independent director	Yang Ching-Chung	• Changhua High School • Retired manager of First Commercial Bank and currently a member of the Audit Committee of Aker Technology Co., Ltd. • More than 5 years of work experience in business, finance, and work required for the Company's business. • None of the conditions described in Article 30 of the Company Act.
Independent director	Yeh Lily-Ying	• aster's Degree, Drexel University, USA • Member of Audit Committee of Aker Technology Corp. • Independent Director of Faraday Technology Corporation • CEO & Director of Trust Capital Alternative Pte. Ltd. • Director of Meng & Yume Innovate Pte. Ltd. • Chairman of Transtar Logistics Co., Ltd. • More than 5 years of work experience in business, finance, and work required for the Company's business. • None of the conditions described in Article 30 of the Company Act.

2. The Company's Audit Committee is composed of four independent directors. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities of supervising the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls.
The key matters reviewed in 2024 were as follows:
(1) Review of quarterly financial statements: The Company's quarterly financial statements throughout 2023 were approved by the Audit Committee.
(2) Review the assessment of the effectiveness of the internal control system.
(3) Audit plan.
(4) Significant transactions of assets, derivatives, loaning of funds, endorsements or guarantees.
(5) Proposals involving directors' personal interests.
(6) Appointment or remuneration of CPAs and evaluation of independence.
(7) Amendment to the procedures for the acquisition or disposal of assets.
(8) Amendment to the internal control system.

3. The Audit Committee met three times (A) in the most recent year, and the attendance of independent directors was as follows:

Job title	Name	Number of actual attendance (B)	Actual attendance rate (%) (B/A)	Note
Independent director	Wang Kai-Li	3	100	
Independent director	Chang Kuo-Hsiung	3	100	
Independent director	Yang Ching-Chung	3	100	
Independent director	Yeh Lily-Ying	3	100	

Other matters to be recorded:

I. If the operation of the Audit Committee involves any of the following circumstances, the date and period of the Audit Committee meeting, the content of the proposals, the objections, reservations or major suggestions of the independent directors, the resolution of the Audit Committee and the company's handling of the Audit Committee's opinions shall be stated.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act:

Meeting date/session	Attendees	Proposal content	Audit Committee's resolutions and the Company's directors' handling of the Audit Committee's opinions
August 9, 2024 1th meeting of the 1st term of the Committee	Independent director Wang Kai-Li Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	Approved the Company's 2024 Q2 consolidated financial statements. Approved the replacement of the CPA of the Company due to the internal adjustment of the CPA firm. Approved the proposal to apply for a credit line at a bank and a hedging derivative transaction line of the Company due to operational needs.	Passed as proposed without objection raised by all attending members
November 13, 2024 2th meeting of the 1st term of the Committee	Independent director Wang Kai-Li Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	Approved the Company's 2024 Q3 consolidated financial statements. Approved the proposal to amend the Company's "Internal Control System" and "Implementation Rules of the Internal Audit System". Approved to report the Company's 2025 internal audit plan.	Passed as proposed without objection raised by all attending members
March 5, 2025 3th meeting of the 2st term of the Committee	Independent director Wang Kai-Li Chang Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	Approved the 2024 proposal of remuneration and distributions to employees and directors. Approved regular review and recommended performance evaluation indicators for the Company's board of directors. Approved the Company's 2024 financial statements and consolidated financial statements and business report. Approved the Company's 2024 earnings distribution proposal. Approved to amend some provisions of the Company's "Internal Control System Principles". Approved the review and improvement proposal for the performance evaluation report of the Board of Directors. Approved the statement of internal control system self assessment by the Company from January 1, 2024 to December 31, 2024. Approved the evaluation report on the independence and competence of CPAs. Overseas subsidiaries invested by the Company are not for the purpose of short-term investment profit and are not intended to be sold in the next five years, nor will their after-tax earnings be repatriated within one year.	Passed as proposed without objection raised by all attending members

(II) Other than the aforesaid matters, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. For the recusal of independent directors from motions with personal interests, the name of the independent director, the content of the motions, the reasons for recusal, and the participation of voting rights should be stated: None.

III. Communication between independent directors and the internal audit officer and CPAs (should include the material matters, methods and results of communication on the Company's financial and business status, etc.):

(I) After the establishment of the Audit Committee of the Company, the independent directors have direct communication channels with internal auditors and CPAs, and the communication situation is good. The Internal Audit Director reports to the Audit Committee and interacts with the Independent Directors at the quarterly Audit Committee meetings based on the annual audit plan and actual implementation status. The Internal Audit Director also reports to each independent director in a written monthly report and communicates as necessary. The CPA also communicates and interacts with the independent party on the review or audit status of the financial statements, or finance, taxation, or internal control related issues. Important contents of the communication and interaction between the independent directors and the financial officer, accounting officer, internal audit officer and CPAs during the Audit Committee meeting shall be recorded in the meeting minutes of the Audit Committee.

(II) Major communications in 2024:

Communication between independent directors and CPAs is as follows:

Independent director	CPA	Communication focus	Communication results
Wang Kai-Li Chang	Liu Mei-Lan Lai Chih-Wei	2023 audit conclusion and legal update report	Upon review by the Audit Committee, all independent

	Kuo-Hsiung Yang Ching-Chung Yeh Lily-Ying	Wang Yu-Chuan	Key audit matters and regulatory update report for 2024	directors posed no objection.	

(III) Status of corporate governance and deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons

Assessment items	Operation Status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?		V	The Company has not yet formulated the Corporate Governance Best Practice Principles, but the management measures and internal control systems formulated by the Company contain the spirit of corporate governance.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
II. Shareholding structure and shareholders' equity				
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes, and litigation matters, and has it implemented such procedures?	V		(I) In order to protect the rights and interests of shareholders, the Company has a spokesperson to handle shareholders' suggestions, questions and disputes, and has established a social responsibility handbook to regulate external communication matters.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Does the Company have a list of the major shareholders and the ultimate controllers of such major shareholders?	V		(II) The majority of the Company's current major shareholders are owned by the management team. The Company can keep track of the list of major shareholders who actually control the Company at any time and report changes in the equity of shareholders holding more than 10% of the shares on a monthly basis to ensure the stability of management rights.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	V		(III) The personnel, asset, and financial management responsibilities of the Company and its affiliates are clearly separated. In addition to the supervision of subsidiaries, the auditors regularly supervise the implementation.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(IV) Has the Company established internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	V		(IV) The Company has established the "Ethical Corporate Management Best Practice Principles and Guidelines for Prevention of Misconduct" that explicitly requires insiders to abide by the Securities and Exchange Act and may not engage in insider trading using what they know.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Assessment items	Operation Status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
III. The composition and duties of the Board of Directors (I) Does the Board of Directors establish and implement a diversified policy for the composition of its members? (II) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, has the Company established other functional committees voluntarily? (III) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination? (IV) Does the Company regularly assess the independence of the CPAs?	V V V	 V	(I) The Company's board of directors currently consists of four seats of directors and three seats of independent directors, in order to implement the diversity policy of the board of directors. (II) In addition to establishing the Remuneration Committee in accordance with the law, the Company has passed the resolution of the board of directors to establish the Audit Committee in March 2021. Other functional committees will be established depending on the size of the Company. (III) The Company has formulated the Board of Directors' performance evaluation method and its evaluation method, and regularly evaluates the directors' achievement of performance targets. (IV) To strengthen the independence of the certifying CPA, the Company conducts an annual assessment of the CPA's independence, suitability, and performance. The evaluation criteria include: (1) Reference to the Audit Quality Indicators (AQIs) provided by the CPA and the CPA's declaration of independence. The assessment focuses on professionalism, independence, quality control, and supervision. Specific indicators of independence include: No direct or significant indirect financial interests between the CPA and the Company; neither the CPA nor any member of the audit engagement team may hold shares of the Company; and the CPAs must not be involved in any lending arrangements with the Company or have any other improper conflicts of interest. Following the evaluation, all relevant indicators were found to be in compliance with the Company's standards for assessing auditor independence. (2) Performance indicators: the date of completion of the financial report, the interaction between the accountants and the Company, and whether the accountants made positive suggestions on the Company's system and internal control audit. The 2023 CPAs' performance evaluation of the Company has been completed, which was reviewed and approved by the Audit Committee and the Board of Directors, in order to implement corporate governance and enhance the functions of the Board of Directors.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
IV. Does the listed company have an appropriate number of qualified corporate governance personnel and designate a corporate governance supervisor to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with information required to perform their duties, assisting directors and supervisors in complying with laws and regulations, handling matters related to board and shareholders meetings in accordance with the law, and preparing minutes of board and shareholders meetings, etc.)?	V		The Company has established a corporate governance officer.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
V. Does the Company create a communication channel with stakeholders, set up a stakeholder section on the Company's website, and respond appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		The Company has set up a stakeholder section on the Company's website. Website: www.aker.com.tw/investors_6.html, Stakeholder Section.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company has entrusted Uni-President Securities Co., Ltd. to handle its stock affairs.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VII. Information disclosure (I) Has the Company set up a website to disclose financial, business and corporate governance information?	V		(I) The Company has established a website that is maintained and updated by dedicated personnel, and provides information related to the Company's financial operations for the	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Assessment items	Operation Status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(II) Has the Company adopted other means of information disclosure (e.g. setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the process of investor conference on the Company's website, etc.)?	V		reference of shareholders and the general public. (II) The Company website has both Chinese and English versions. We have assigned a dedicated person to collect and disclose company information. In addition, we have implemented a spokesperson system to ensure that information that may affect the decision making of shareholders and stakeholders is disclosed in a timely and appropriate manner.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?		V	(III) The Company does not announce and report the annual financial report within two months after the end of the fiscal year, but does announce and report the financial report for the first, second, and third quarters and the monthly revenue status before the prescribed deadline.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Assessment items	Operation Status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
VIII. Does the Company have other important information that is helpful in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		(I) Employee rights: The Company treats employees in good faith and protects the rights and interests of employees in accordance with the Labor Standards Act.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(II) Employee care: Establish the relationship of mutual trust and reliance with employees through good employee benefits and education and training systems. Such as: providing employees with recreation and entertainment, health check, etc.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(III) Investor relations: An investor mailbox and contact number are set up on the website to handle related opinions.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(IV) Relationship with suppliers: The Company has always maintained good relationship with its suppliers.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(V) Stakeholders' rights: Stakeholders may communicate and make suggestions with the Company to maintain their legitimate rights and interests.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(VI) Continuing education of directors: The Company holds board meetings at least once every three months in accordance with the Best Practice Principles, and provides directors with information on various continuing educations.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(VII) Implementation of risk management policies and risk measurement standards: Establishment and management of various internal control regulations.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(VIII) Implementation of customer policy: The Company maintains a stable relationship with its customers to create company profits.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(IX) Liability insurance for directors and supervisors: The Company has purchased liability insurance for directors/supervisors to reduce the risk of directors and supervisors causing significant damage to the Company and shareholders due to illegal acts.	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
			(X) The general manager, deputy general manager, financial and accounting officer, and chief audit officer's participation in the training and studies related to corporate governance:	Compliance with relevant provisions of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Job title	Name	Duration of advanced studies	Date of continuing education		Organizer	Course Name
			From	Up to		
General Manager	Li Ching-Yi	3hr	July 20, 2024	July 20, 2024	Business Development Institute	Corporate Governance and Corporate Sustainability Workshop
		3hr	August 8, 2024	August 8, 2024	Taiwan Corporate Governance Association	Legal liability for common violations of the Securities and Exchange Act
Financial supervisor	Chen Meng-Cheng	12hr	November 21, 2024	November 22, 2024	ROC Accounting Research and Development Foundation	Continuing Education Course for Issuers, Securities Firms, and Stock Exchanges
Audit officer	Chang Wan-Chang	6hr	October 16, 2024	October 16, 2024	al Audit Association	Internal audit and internal control, personal information law practical work
		6hr	November 29, 2024	November 29, 2024	al Audit Association	Practice of self-assessment

Assessment items	Operation Status			Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
IX. Please explain the improvements that have been made based on the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority improvement items and measures for those that have not yet been improved. (Not required for companies not included in the evaluation list) The Company has prioritized enhancements based on the results of the Corporate Governance Evaluation of the Taiwan Stock Exchange Corporation's Corporate Governance Center in the most recent year.				

Note 1: Regarding the continuing education of directors and supervisors, please refer to the "Sample Template for the Implementation Points of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" published by Taiwan Stock Exchange Corporation.
Note 2: In the case of a securities dealer, securities investment trust enterprise, securities investment consulting enterprise, or futures merchant, risk management policies, risk assessment standards, and implementation of consumer or customer protection policies shall be described.
Note 3: The corporate governance self-assessment report refers to the report in which the company assesses and explains the self-assessment of corporate governance according to the corporate governance self-assessment items, and the current operation and implementation of the respective assessment items.

(IV) If the Company has a Remuneration Committee or Nomination Committee, disclose its composition, responsibilities and operation:

1. Membership of the Remuneration Committee

Type of entity	Conditions / Name	More than five years of work experience and the following professional qualifications			Compliance with independence (Note 1)										Number of other public companies concurrently serving as Remuneration Committee member	Note
		Lecturer or above in commerce, law, finance, accounting, or other materials required by the Company's business in public and private colleges and universities	Judge, prosecutor, lawyer, accountant, or other professional and technical personnel who have passed national exams and been certified by the Company's business needs	Work experience required for business, legal affairs, finance, accounting, or corporate operations	1	2	3	4	5	6	7	8	9	10		
Independent director	Chang Kuo-Hsiung	Yes	None	Yes	✓		✓	✓	✓	✓	✓	✓	✓	✓	3	Convener of the Remuneration Committee of the Company.
Independent director	Wang Kai-Li	Yes	None	Yes	✓		✓	✓	✓	✓	✓	✓	✓	✓	3	
None	Yu-Ching Tsai	None	Yes	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

Note 1: If the member meets the following conditions during the two years prior to election and during the term of office, please tick "1" in the box below the code of each condition "✓".
(1) Not an employee of the Company or any of its affiliated companies.
(2) Not a director or supervisor of the Company or any of its affiliated companies. (However, this does not apply to independent directors appointed by the Company or its parent company or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country.)
(3) Not a natural-person shareholder who holds 1% or more of the Company's issued shares or a top 10 natural-person shareholder by shareholding in the name of spouse, minor children, or someone else in the name of the shares issued by the Company.

(4) Not the spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of a manager listed in (1) or any of the personnel listed in (2) or (3).
(5) A person who is not a direct shareholder of 5% or more of the total issued shares of the Company, or a director, supervisor or employee of the top five shareholders or a corporate shareholder who has appointed a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act (but this does not apply to persons who concurrently hold the position of independent director of the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this Act or the laws of the country where the company is located).
(6) A director, supervisor or employee of another company whose directorship or more than half of the voting shares are controlled by the same person (but this does not apply to independent directors of the Company or its parent company, subsidiary company or subsidiary company of the same parent company who are appointed in accordance with this Act or the laws of the country where they are located).
(7) A director (council member), supervisor (auditor) or employee of another company or institution who is not the same person or spouse of the Company's chairman, general manager or person of equivalent position (however, this does not apply to independent directors appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or local laws and regulations).
(8) Not a director (council member), supervisor (auditor), manager or shareholder holding 5% or more of the shares of a specific company or institution that has financial or business dealings with the Company (however, if a specific company or institution holds more than 20% but less than 50% of the total issued shares of the Company, and is an independent director appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or the laws of the local country, this restriction does not apply).
(9) Professionals, sole proprietors, partnerships, owners, partners, directors, supervisors, managers and their spouses of companies or institutions that do not provide audit services to the Company or its affiliated companies, or have received remuneration for business, legal, financial, accounting or other related services totaling no more than NT$500,000 in the past two years. Except for members of the remuneration committee, public acquisition review committee, or special committee for mergers and acquisitions performing their functions and powers in accordance with the Securities and Exchange Act or the Business Mergers And Acquisitions Act.
(10) None of the conditions described in Article 30 of the Company Act.

2. Information on the operation of the Remuneration Committee
   (1) The Company's Remuneration Committee consists of 3 members.
   (2) Current term of office: August 9, 2024 to Jun 25, 2027
   (3) The Remuneration Committee held 3 meetings (A) in the most recent year. Members' qualifications and attendance are as follows:

Job title	Name	Number of actual attendances (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Note
Convenor	Chang Kuo-Hsiung	3	0	100	
Committee member	Wang Kai-Li	3	0	100	
Committee member	Yu-Ching Tsai	3	0	100	

Note 1: This is in accordance with the Financial Supervisory Commission's Order No. 10701214691 issued on December 25, 2018 and Article 12, Paragraph 1 of the "Directions for Compliance with the Establishment of Board of Directors by TPEx Listed Companies and the Board's Exercise of Powers".

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the Remuneration Committee's recommendation, it shall state the date, period, content of the proposal, the result of the Board of Directors' resolution, and the Company's handling of the Remuneration Committee's opinion (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's recommendation, the difference and reasons shall be stated): None.

II. If a member has a dissenting or qualified opinion on a resolution on the resolution of the Remuneration Committee and it is on record or stated in a written statement, specify the Remuneration Committee date, session, content of the motion, all members' opinions, and how they were handled: None.

(V) The status of implementation of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Assessment items	Operation Status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the Board of Directors to handle it, and whether it is supervised by the Board of Directors?	V		At this stage, the Company's sustainable development promotion team implements and discusses ESG-related issues. The six project teams are customer care, environmental sustainability, corporate governance, supply chain management, social engagement, and employee care. The project team meets from time to time. The members of the team are employees from the relevant responsible units, and a specific department head is the team leader. The content of the discussion will be reported to the agenda of the sustainable development promotion team that is held once a quarter.	No significant difference
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	V		The Company refers to ISO31000 to identify potential risks in governance, environment, and society. The boundary scope is the Company and its subsidiaries, and preliminary information security recovery and emergency response standards are established. For each risk, routine drills, inspections, or planning are carried out to ensure that in an emergency, the impact and duration of the impact are minimized. For detailed risks and countermeasures, please refer to the Sustainability Report on the Company's website.	No significant difference

Assessment items	Operation Status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
III. Environmental issues				
(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		(I) According to the characteristics of each industry, the Company has introduced the environmental management system (ISO 14001:2015) and the energy management system (ISO 50001:2018) to verify that the above All systems continue to maintain their effectiveness. Adhering to the spirit of continuous improvement, we actively strengthen our response to climate change, pollution prevention and control, energy and resource conservation, waste reduction and recycling, safety and health management, fire and explosion prevention, chemical management, and contractor management to reduce environmental, safety, and health risks, strive to build a safe working environment, actively prevent occupational injuries and diseases, maintain the physical and mental health of employees, and deepen the awareness and responsibility of all employees for environmental, safety, and health, while shaping the Company's environmental and health culture. We are also actively conducting greenhouse gas inspections, and plan to implement third-party inspections in 2024.	No significant difference
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		(II) The Company has adopted the ISO50001 energy management system, followed the PDCA principles, and established a clear energy policy to continuously improve energy management in the plants. In addition, the Company will replace the chiller equipment in 2023 to improve the Company's energy performance. For the use of recycled materials, packaging materials with environmental labels are purchased and the optimal size is selected to reduce the use of cartons. In-factory foamed cotton is also reused to reduce waste.	No significant difference

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Operation Status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(III) Has the Company assessed the potential risks and opportunities posed by climate change to the present and future of the Company, and taken countermeasures to deal with climate-related issues?</td><td>V</td><td></td><td>(III) In response to the 2050 net zero emissions at home and abroad, the Company conducts greenhouse gas inventory and reduction. At present, we have completed the greenhouse gas inventory guidance and self-examination, and conducted a third-party verification in 2024. In addition, due to the continuous rise in global temperature, the Company has also identified the increase in the risk of infectious diseases and formulated corresponding management measures. In the future, the Company will also use the TCFD (Climate Change Related Financial Disclosure) framework to analyze other climate-related risks and opportunities.</td><td>No significant difference</td></tr>
<tr><td>(IV) Has the Company kept statistics on its greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and established policies for energy conservation, carbon reduction, greenhouse gas reduction, reduction of water consumption, or management of other wastes?</td><td>V</td><td></td><td>(IV) The Company conducts greenhouse gas inspections in accordance with ISO14064-1:2018. The greenhouse gas emissions in the past two years are listed below, including water consumption and total waste.

Since the plant is the Company's headquarters, the scope of activity data inventory is the Company's headquarters.

1. Greenhouse gas emissions
<table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Scope 1 (tCO2e)</td><td>156.4095</td><td>197.8154</td></tr><tr><td>Scope 2 (tCO2e)</td><td>2,418.4063</td><td>2,423.2150</td></tr><tr><td>Carbon emission intensity (tCO2e/revenue in millions)</td><td>5.5335</td><td>5.613</td></tr></table>Our company completed the ISO-14064-1 verification for 2023 in 2024 and will use 2023 as the base year to reduce emissions according to the ISO-50001 management plan..
2. Water consumption and total waste
<table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Water consumption (t)</td><td>20,841</td><td>18,748</td></tr><tr><td>Water intensity (t/million revenue)</td><td>44.789</td><td>40.149</td></tr></table>The Company constructed a water recycling system in 2024 to reduce water waste through recycling. Using 2023 as the base year, the Company has set a target to reduce water consumption by 7% in 2026.
3. Total amount of waste
<table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Hazardous waste (t)</td><td>4.5845</td><td>6.3940</td></tr><tr><td>Non-hazardous waste (t)</td><td>14.938</td><td>14.554</td></tr><tr><td>Total waste (t)</td><td>19.5225</td><td>20.9480</td></tr></table>The Company has advocated the importance of waste reduction through garbage sorting for many years, and with 2023 as the base year, the Company has set a 1% reduction in total waste in 2024.</td><td>No significant difference</td></tr>
</table>

Assessment items	Operation Status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
IV. Social issues				
(I) Has the Company established management policies and procedures in accordance with applicable laws and International Bill of Human Rights?	V		(I) The Company complies with relevant human rights laws and regulations and protects the legitimate rights and interests of employees and employment policies. It follows the principles of the Responsible Business Alliance (RBA) to formulate ethical standards and labor rights-related standards. For details, please refer to the Company's website. www.aker.com.tw/Corporate Governance and Environmental Safety and Health Management/ Corporate Governance Policy.	No significant difference
(II) Does the Company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflect operating performance or results in employee remuneration?	V		(II) In line with the Company's operational development strategy, the Company has established a job classification table and salary range table based on the relative contribution of the job. The salary adjustment and bonus distribution are based on the employee's personal performance, future development potential and the Company's operating conditions, in order to motivate employees to work hard and achieve excellent performance. In order to encourage employees to work hard to create operating results, a certain percentage of the profit surplus is set aside as the basis for employee dividends, and the surplus results are shared with employees. The "Remuneration Committee" reviews the reasonableness of various salaries on a regular basis to maintain the high standard of the Company's employees and to attract outstanding talents.	No significant difference
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees on a regular basis?	V		(III) When promoting the environment, safety, and health business, the Company must not only comply with relevant laws and regulations, but also with national policies and internationally recognized standards. The Company's environmental safety and health policy aims to achieve "safety and zero disasters" and environmental sustainable development. It focuses on the concept of "safety and health care" and the direction of "superiority to regulations, risk management, training and exercises, and continuous improvement". With the participation of the top leadership and all workers, it is managed according to the PDCA management cycle principle and attaches importance to the company's safety culture and labor safety conditions. We have defined occupational safety and health policies, established an occupational safety and health system (ISO 45001), promoted occupational safety and health programs, set up an occupational safety committee (meetings are held every three months), and continuously pursued improvements to implement safety management and create a safe and healthy workplace. <u>Industrial safety inspection</u> The Company revises the occupational safety and health management plan every year and implements it after approval by senior managers. The on-site inspection of the Industrial Safety Office is conducted without warning, and unsafe actions are recorded and reported to relevant supervisors. If necessary, an environmental safety and health abnormality form is opened. Improvements are tracked at quarterly occupational safety committee meetings. Frequency of inspections by the Labor Safety Office:	No significant difference

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><th>Name</th><th>Responsible unit and personnel</th><th>Frequency</th></tr>
<tr><td>On-site inspections within the Company</td><td>Safety and Health Office</td><td>1-3 times a week</td></tr>
<tr><td>Contractor's on-site inspection</td><td>Property management unit or the person in charge of the project</td><td>Irregular (every time when construction is carried out in the plant)</td></tr>
<tr><td>Contractor's random inspection on site construction</td><td>Safety and Health Office</td><td>Periodically</td></tr>
</table>
The Company had no fire accident in 2023.</td><td></td></tr>
<tr><td>(IV) Has the Company established an effective career development training program for its employees?</td><td>V</td><td></td><td>(IV) The Company provides internal and external professional training to enrich the career skills of employees. Employees evaluate their interests, skills, values and goals, and communicate their career intentions with managers to plan future career plans.</td><td>No significant difference</td></tr>
<tr><td>(V) Regarding customer health and safety, customer privacy, marketing, and labeling of products and services, has the Company complied with relevant laws and regulations and international standards, and established relevant policies and complaint procedures for the protection of consumer rights?</td><td>V</td><td></td><td>(V) In order to ensure that the products manufactured by the Company comply with international standards, and at the same time protect the rights of consumers. Since 2012, the Company has purchased insurance with Zurich Insurance Co., Ltd. through the MARSH insurance broker, and purchased sufficient product liability insurance for all of the Company's products. Therefore, the Company's long-term goal in purchasing product liability insurance is to demand itself with the highest ethical standards and to improve after-sales service and guarantee. In the event of product application and quality related issues, corresponding sales representatives are assigned to handle related issues and activate internal response, improvement and tracking platform.</td><td>No significant difference</td></tr>
<tr><td>(VI) Has the Company established a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is the implementation status?</td><td>V</td><td></td><td>(VI) Suppliers are important partners of the Company. To achieve sustainable development together with the supply chain, we need to ensure that the supply chain has a safe working environment and operates in compliance with ethical standards to reduce the risk of operational interruptions; dignified labor relations to protect the human rights of all mankind; and attention to environmental protection to ensure harmony with the earth. The following is our procurement policy: Policies and standards that take ESG factors into consideration during supply chain management and procurement, and select suppliers and sustainable products with good ESG performance to achieve sustainable development and social responsibility.

Procurement policy requirements are as follows:
I. Environment:
1. Suppliers are required to provide product environmental impact assessment reports, including (determining) the product's carbon footprint, energy efficiency, waste management and other relevant indicators.
2. Encourage the selection of products that meet green certifications or standards, such as energy-saving labels and environmental certifications.
3. 3. Require suppliers to formulate and implement sustainable development plans, including reducing greenhouse gas emissions, saving resources, and promoting a circular economy.</td><td>No significant difference</td></tr>
</table>

Assessment items	Operation Status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			II. Social: 1. Suppliers are required to comply with labor laws and regulations and provide a fair and safe working environment, including reasonable wages, legal working hours, and labor safety guarantee. 2. Ensure that suppliers prohibit child labor and forced labor, and encourage the promotion of human and labor rights in the supply chain. 3. Encourage collaboration with communities and support social contributions such as local social development programs, education, and training. III. Governance: 1. Require suppliers to establish a transparent governance mechanism, including corporate structure, corporate governance principles and codes of ethics. 2. Ensuring suppliers' compliance with laws and regulations, including anti-corruption and anti-competitive practices. 3. Suppliers are required to provide risk management and sustainability reports to assess the impact of their business activities on the Company and society. Four main pillars of supplier management I. Compliance with the Code: Suppliers must comply with Aker Technology's third-party management procedures and manage their upstream suppliers accordingly. Suppliers must sign a social responsibility and code of conduct compliance commitment, a supplier integrity commitment, and a certificate of non-use of environmentally hazardous substances. They must hold an ISO 9001 certificate and be audited and evaluated before they can be included in the qualified supplier list and given priority in procurement considerations.	

Document signing	No. of suppliers	No. of eligible suppliers	Compliance ratio
Social Responsibility and Code of Conduct Compliance Commitment	45	40	83%
Vendor Integrity Commitment	45	40	83%
Environmental Hazardous Substance Non-use Certificate	45	47	98%

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Operation Status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>

System verification	No. of suppliers	No. of eligible suppliers	Compliance ratio
ISO 9001 Quality Management System	45	45	100%
ISO 14001 Environmental Management System	45	30	67%
ISO 45001 Occupational Safety and Health Management System	45	16	36%
IECQ/QC080000 Hazardous Substance Process Management System	45	8	17.78%
IATF 16949 Automotive Quality Management System	45	28	62.22%

II. Risk assessment: The (supplier) ESG questionnaire is used to assess the compliance level of the supplier, and Aker Technology then evaluates the sustainability risks.

Sustainability risk	No. of suppliers	No. of eligible suppliers	Compliance ratio
ESG Survey	45	24	53%

III. Participation in audit: Based on the vendor evaluation form or supplier management system audit report, track the progress of improvement for deficiencies, and jointly improve quality and technology.
IV. Continuous improvement: Suppliers make improvements based on the audit results and receive relevant counseling or re-audits. Aker Technology will organize education and training from time to time, and work with suppliers to formulate sustainable development plans, set goals and monitor progress, in order to promote sustainable development and social responsibility, and create good operating performance together.</td><td></td></tr>
<tr><td>V. Does the Company prepare the report disclosing the Company's non-financial information, such as the CSR report, by referring to the international reporting standards or guidelines? Has the said reports been certified or guaranteed by a third-party verification unit?</td><td>V</td><td></td><td>1. The Company independently released the first edition of its Corporate Social Responsibility Report in 2015. In 2022, it disclosed the Company's non-financial information on the environment, corporate governance, and society in accordance with the GRI Standard issued by the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs). A comparison table of the GRI Standard is also provided in the appendix of the report for indexing the contents of each chapter.
2. No assurance or guarantee has been made yet, and implementation will be planned in the future.</td><td>No significant difference</td></tr>
<tr><td colspan="5">VI. If the Company has established its own corporate social responsibility best practice principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations from the Principles:
The content of the Corporate Social Responsibility Report prepared by the Company has no material deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. Please refer to the Company's website for the links.
<u>www.aker.com.tw/Corporate Governance and Environmental Safety and Health Management/</u> Corporate Governance.</td></tr>
</table>

Assessment items	Operation Status			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	

VII. Other important information that helps to understand the operation of corporate social responsibility (such as the Company's systems and measures and implementation of environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, safety and health, and other social responsibility activities):

(I) Environmental protection: 1. The Company distributes employee cutlery to encourage employees not to use disposable cutlery.
2. The factory promotes resource recycling and reuse, such as waste cardboard box recycling.
3. Qualified recyclers are required to dispose of toxic substances.

(II) Social contribution, social service, social welfare: 1. Donation to improve the equipment of the activity center at Tanzi National High School, Taichung City.
2. Donation to Eden Social Welfare Foundation in cash to purchase service equipment.
3. Donated funds for the Taiwan Reading Culture Foundation's Love Bookshelf.
4. Donated to the Mustard Seed Christian Foundation for the Hualien Earthquake Disaster Relief.

(III) Consumer rights: The Company conducts customer satisfaction surveys every year and uses the survey results as the basis for improvement. The Company has also fully fulfilled its contracts with customers and won the trust of customers.

(IV) For other information related to corporate social responsibility of the Company, please refer to the Company's website.

(VI) Climate-related information of listed companies:

Item	Status of implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	Aker's Sustainability Promotion Team is the management unit of Aker's sustainability affairs. It is chaired by the general manager and promotes action plans related to sustainable development and management of climate-related risks. Among them, the organization of greenhouse gas inventory and third-party verification has been approved by the Board of Directors and the progress has been reported to the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short, medium, and long-term).	Based on the TCFD and the Conclusion Report on the Climate-related Financial Disclosures (TCFD) recommendations, Aker identified its various risks and opportunities based on physical risks and transition risks. Strategies for responding to climate risks and opportunities are still under discussion. Physical risks can be divided into: 1. Immediate risks, for example, a typhoon tends to be severe in intensity, and its heavy rains and windstorms may affect employees' commuting to work. 2. Long-term risks, due to the geographical location of the plant, there is no direct impact from sea level rise or heat waves for the time being. Transition risks can be divided into: 1. Regulatory risks: (1) In response to the promotion of domestic policies, Aker Group has completed the scope of greenhouse gas inventory at the third stage. The greenhouse gas inventory and third-party inspection have been completed in 2024 ahead of schedule. (2) Since Aker uses Tanzi, Taichung as its headquarters and production base, it follows the provisions of Article 22 of the "Taichung City Low-Carbon City Development Autonomy Regulations" to evaluate the construction status and corresponding budget of future renewable energy equipment. 2. Technical: Under discussion 3. Market risk: The foreign sales market may result in exchange rate risk. Currently, the Finance Department performs exchange rate hedging for the Company as a whole. 4. Reputation risk: With the possibility of stricter and more extensive climate-related regulations in the future, failure to pay attention and comply may result in breaking the law, which in turn affects the corporate image. Therefore, it is important to ensure compliance by paying attention to regulations.
3. Describe the financial impact of extreme climate events and transformation actions.	Possible financial impacts of extreme climate events: (1) The rise of global average temperature will increase the demand for electricity consumption, which in turn will increase the electricity bill (production cost).

	(2) Typhoons and torrential rains hinder employee commuting or increase typhoon leave, which in turn affects production. (3) Severe droughts may affect the cleaning costs of raw materials, which in turn may increase production costs. Possible financial impacts from the transformation: (1) The National Determined Contribution (NDC) is reviewed and strengthened every five years. This may result in stricter and broader climate-related laws and regulations, which may require adjustment and response, and increase operating costs (risks). (2) When a new factory is built or an existing factory is maintained, the overall cost will increase in response to the green building requirements (risk); however, it will also reduce the amount of energy consumption (opportunity) due to good design. (3) In response to the increase in consumers' awareness of environmental protection, how to provide low-carbon products and increase the use of recycled materials may increase the cost of research and development, but if the research and development is successful, it will bring business opportunities (opportunities).
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The sustainability promotion team coordinates with various departments to identify and evaluate the risks and opportunities mentioned by TCFD, with reference to domestic and foreign laws and regulations, and the Company's current status. After the corresponding policies are proposed, the results are tracked.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	Not yet adopted.
6. If there is a transformation plan in response to the management of climate-related risks, specify the content of the plan, that is, the indicators and targets used to identify and manage physical risks and transformation risks.	still under planning.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Not planned yet.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or the number of renewable energy certificates used should be explained.	still under planning.

(VII) Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies:

Assessment items	Operation Status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	s		Summary description	
I. Formulation of the ethical corporate management policy and proposal (I) Has the Company established an ethical corporate management policy approved by the Board of Directors and stated in its Articles of Incorporation or external correspondence about the ethical management policies and practices, as well as the commitment of the Board of Directors and senior management to actively implement the operating policies? (II) Has the Company established a dishonest behavior risk assessment mechanism to regularly analyze and assess business activities within its business scope that carry a higher risk of dishonest behavior, and has it formulated a plan to prevent dishonest behavior based on the risk, and has it at least covered the preventive measures for each of the behaviors in Article 7, Paragraph 2 of the "Code of Conduct for Listed and OTC Companies"? (III) Has the Company established the program to prevent unethical conduct, including operational procedures, guidelines, penalties for violations, and a complaint system, and implemented the program, and regularly review and amend the aforementioned programs?			(I) The Company has established rules related to honest management approved by the Board of Directors, and requires that directors, supervisors, managers and all employees shall not directly or indirectly accept any improper benefits or make improper promises in the course of engaging in business activities, and shall report the implementation of honest management to the Board of Directors. (II) The Company has formulated the Operational Procedures for the Prevention of Unethical Conduct, which clearly outline the operating procedures, behavior guidelines, punishment for violations, and a complaint system. (III) The Company has ethical management procedures and whistle-blowing systems in place. To report unethical and dishonest behaviors, please visit the Company's website. www.aker.com.tw/Corporate Governance and Environmental Safety and Health Management/ Corporate Governance Policy .	No significant difference No significant difference No significant difference

Assessment items	Operation Status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
			Summary description	
II. Practice Ethical Corporate Management (I) Has the Company assessed the ethical records of its trading counterparties, and specified the ethical conduct clauses in the contracts signed with its trading counterparties? (II) Has the Company established a full-time (or part-time) unit under the board of directors to promote ethical corporate management and report to the board of directors on its ethical management policies and programs to prevent unethical behavior, and the supervision of the implementation? (III) Has the Company established policies to prevent conflicts of interest, provide appropriate channels of communication, and implement such policies? (IV) Has the Company established an effective accounting system and internal control system to implement honest business operations? Has the internal audit unit formulated relevant audit plans based on the results of the assessment of dishonest behavior risks and used them to verify compliance with the plan to prevent dishonest behavior, or has it entrusted a certified public accountant to perform the audit?			(I) In all business activities, the Company has contracts signed to protect the rights and interests of both parties, and the ethical clauses are also included. (II) The Business Planning Office is assigned part-time by the Company's ethical management, which reports the implementation of ethical management to the Board of Directors. (III) The Company has a suggestion box and a dedicated e-mail account to provide channels for presentation, and there is a designated person for management and normal operation. (IV) The company has established an "internal control system" and set up an audit office and an external accountant audit mechanism. The audit office regularly assesses risks and formulates audit plans, and performs relevant audits according to its plans to ensure that the internal control system can be continuously and effectively implemented. The audit results are regularly reported to the board of directors. There has been no occurrence of corruption in the Company over the years.	No significant difference No significant difference No significant difference No significant difference
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?			(V) The Company promotes and makes employees clearly understand the Company's philosophy of ethical management through officer meetings and monthly meetings. The Company's management philosophy is integrity, service, and quality.	No significant difference
III. The operation of the Company's whistle-blowing system (I) Has the Company established a specific whistle-blowing and reward system, established a channel to facilitate reporting, and assigned appropriate dedicated personnel to handle the reported cases? (II) Has the Company established standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism? (III) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistle-blowing?			(I) The Company has established a whistle-blowing system and set up a suggestion box to provide a reporting channel. If there are specific facts to be found, they will be warned or punished in accordance with the provisions of the work rules, and the whistleblower will be rewarded. (II) The Company's whistle-blowing system includes the establishment of reporting procedures and confidentiality regulations. (III) The Company has the duty of confidentiality to the whistleblower, and has not taken any improper action against the whistleblower.	No significant difference No significant difference No significant difference
IV. Enhance information disclosure				

Assessment items	Operation Status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	s		Summary description	
(I) Does the Company disclose the content of the ethical corporate management principles established by the Company on its website and the Market Observation Post System, and the effectiveness of its implementation?		V	(I) The information related to ethical corporate management is disclosed on the Company's website, www.aker.com.tw/Corporate Governance and Environmental Safety and Health Management/ Corporate Ethical Management.	No significant difference
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations from the Best Practice Principles: The Company has established the Ethical Corporate Management Best Practice Principles, which has no significant difference from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.				
VI. Other important information that helps to understand the Company's integrity management operations (such as the Company's promotion of its integrity management determination and policies to commercial partners and its invitation to participate in education and training, review and revision of the Company's established integrity management code, etc.): The business cooperation between the Company and its customers are guaranteed by signing contracts, and the contracts also regulate the integrity-related clauses. For example, the contract stipulates that both parties shall engage in business transactions based on the principle of good faith, and that employees of both parties shall be strictly restricted not to illegally collude or act to the detriment of the other party's interests. If such illegal events occur, the employee will be held responsible for civil and criminal proceedings Responsibilities, etc.				

(VIII) If the Company has established Corporate Governance Best Practice Principles and related regulations, it should disclose its access methods:

The Company has not yet formulated the Corporate Governance Best Practice Principles, but the management measures and internal control systems formulated by the Company contain the spirit of corporate governance.

(IX) Other important information that can enhance the Company's understanding of the Company's corporate governance may be disclosed together:

Please refer to the Company's website and the Market Observation Post System.

(X) Implementation of the internal control system

1. Declaration of Internal Control

Aker Technology Co., Ltd.

Declaration of Internal Control System

Date: March 5, 2025

The Company states the following with respect to its 2024 internal control system based on the results of a self-assessment:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system is the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. Its purpose is to provide reasonable assurance of the achievement of operational effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting and compliance with relevant standards and laws and regulations.

II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take corrective action.

III. The Company judges the effectiveness of the design and implementation of its internal control system in accordance with the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria for determining the internal control system adopted in the "Regulations" are based on the process of management control. The internal control system is divided into five elements: 1. Control environment; 2. Risk assessment; 3. Control operations; 4. Information and communication, and 5. Supervision operations. Each component further includes several items. Please refer to the "Regulations" for details.

IV. The Company has adopted the abovementioned criteria to assess the effectiveness of the design and execution of its internal control system.

V. Based on the evaluation results in the preceding paragraph, the Company believes that the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the effectiveness of operations and the degree to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with relevant standards and laws and regulations, are effective in designing and implementing the relevant internal control system, which can reasonably ensure the achievement of the above-mentioned objectives.

VI. This statement shall form an integral part of the Company's annual report and prospectus, and shall be disclosed to the public. Any unlawful act of falsehood or non-disclosure in the above-mentioned disclosure may result in legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Board of Directors in their meeting held on March 5, 2025. Among the seven directors present, none of them held any dissenting opinion, and all of them agreed with the content of this statement and made this statement.

Aker Technology Co., Ltd.

Chairman: Lin Yi-Lun

General manager: Li Ching-Yi

2. If the Company was required by the Securities and Futures Commission to appoint an accountant to review the internal control system, the accountant's review report should be disclosed: None.

(XI) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:

Shareholders' Meeting/Board of Directors	Date	Major resolutions	Status of implementation
Shareholders' meeting	Jun 26, 2024	1. Acknowledged the Company's 2022 business report and financial statements. 2. Recognition of the proposal for the Company's 2022 earnings distribution.	1. The motion was unanimously approved by all shareholders present. 2. The motion was unanimously approved by all shareholders present.
Board of Directors	May 14, 2024	1. Approved the Company's 2023 Q1 consolidated financial statements. 2. Approved the appointment of the Corporate Governance Officer.	1. The motion was unanimously approved by all directors present. 2. The motion was unanimously approved by all directors present.
Board of Directors	Jun 26, 2024	1. Approved the discussion of the Company's 2022 distribution of directors and supervisors' remuneration. 2. Approved the discussion of the Company's 2022 distribution of managerial officers' remuneration. 3. Approved the review of the Company's 2023 Mid-Autumn Festival bonus distribution plan and the Mid-Autumn Festival bonus distribution amount for managers. 4. Approved the payment of quarterly bonus to managers. 5. Approved the proposal for amending some provisions of the Company's "Procedures for the Distribution of Employees' Remuneration". 6. Approved the Company's 2023 Q2 consolidated financial statements. 7. Approved the replacement of the CPA of the Company due to the internal adjustment of the CPA firm. 8. Approved the proposal to apply for a credit line at a bank and a hedging derivative transaction line of the Company due to operational needs.	1. The proposal was unanimously approved by all directors present unanimously. 2. The motion was unanimously approved by all directors present. 3. The motion was unanimously approved by all directors present. 4. The motion was unanimously approved by all directors present. 5. The motion was unanimously approved by all directors present. 6. The motion was unanimously approved by all directors present. 7. The motion was unanimously approved by all directors present. 8. The motion was unanimously approved by all directors present.
Board of Directors	Aug 9, 2024	1. Approved the Company's 2023 Q3 consolidated financial statements. 2. Approved the motion to amend the Company's "Internal Control System and Implementation Rules of the Internal Audit System". 3. Approved to report the Company's 2024 internal audit plan. 4. Approved the appointment of a dedicated information security officer and dedicated information security personnel.	1. The motion was unanimously approved by all directors present. 2. The motion was unanimously approved by all directors present. 3. The motion was unanimously approved by all directors present. 4. The motion was unanimously approved by all directors present.
Board of Directors	Sep 5, 2024	1. Approved the proposal to review the Company's "Remuneration Committee Charter". 2. Approved the proposal to establish and regularly review the policies, systems, standards and structures of the Company's performance evaluation of directors and directors and managers' remuneration. 3. Approved the motion to increase the food allowance for the fixed monthly salaries of the Company's managerial officers. 4. Approved the review and assessment of the Company's managers' achievement of performance targets and the content and amount of their salaries and remunerations. 5. Approved the Company's 2023 year-end bonus distribution plan and year-end bonus distribution for managerial officers. 6. Approved the 2024 budget plan. 7. Approved the motion to continue purchasing liability insurance for the Company's directors.	1. The motion was unanimously approved by all directors present. 2. The motion was unanimously approved by all directors present. 3. The motion was unanimously approved by all directors present. 4. The motion was unanimously approved by all directors present. 5. The motion was unanimously approved by all directors present. 6. The motion was unanimously approved by all directors present. 7. The motion was unanimously approved by all directors present.
Board of Directors	Nov 13, 2024	1. Approved the proposal to establish and regularly review the performance evaluation of the Company's managers. 2. Approved the review and evaluation of the achievement of the Company's directors' performance targets, and the content and amount of their remuneration. 3. Approved the 2023 proposal of remuneration and distributions to employees and directors. 4. Approved regular review and recommended performance evaluation indicators for the Company's board of	1. The motion was unanimously approved by all directors present. 2. The motion was unanimously approved by all directors present. 3. The motion was unanimously approved by all directors present. 4. The motion was unanimously approved by all directors present. 5. The motion was unanimously approved by all

		directors. 5. Approved the Company's 2023 financial statements and consolidated financial statements and business report. 6. Approved the motion for the Company's 2023 earnings appropriation. 7. Approved the procedure for accepting shareholder proposals. 8. Approved the election of the Company's directors. 9. Approved the removal of the non-compete restriction on the new directors and their representatives. 10. Approved the nomination of director candidates and independent director candidates. 11. Approved to amend some provisions of the Company's "Rules of Procedure for Board of Directors Meetings". 12. Approved to amend some provisions of the Company's "Audit Committee Charter". 13. Approved to amend some provisions of the Company's “Internal Control System Principles”. 14. Approved matters related to the convening of the 2024 annual general meeting of shareholders. 15. Approved the review and improvement proposal for the performance evaluation report of the Board of Directors. 16. Approved the proposal of reviewing candidates for directors and independent directors. 17. Approved the statement of internal control system self assessment by the Company from January 1, 2023 to December 31, 2023. 18. Approved the evaluation report on the independence and competence of CPAs. 19. Overseas subsidiaries invested by the Company are not for the purpose of short-term investment profit and are not intended to be sold in the next five years, nor will their after-tax earnings be repatriated within one year.	directors present, and the motion was reported and announced in accordance with the regulations of the competent authority. 6. The motion was unanimously approved by all directors present, and the motion was reported and announced in accordance with the regulations of the competent authority. 7. The motion was unanimously approved by all directors present, and the motion was reported and announced in accordance with the regulations of the competent authority. 8. The motion was unanimously approved by all directors present. 9. The motion was unanimously approved by all directors present. 10. The motion was unanimously approved by all directors present. 11. The motion was unanimously approved by all directors present. 12. The motion was unanimously approved by all directors present. 13. The motion was unanimously approved by all directors present. 14. The motion was unanimously approved by all directors present. 15. The motion was unanimously approved by all directors present, and the motion was reported and announced in accordance with the regulations of the competent authority. 16. The motion was unanimously approved by all directors present. 17. The motion was unanimously approved by all directors present. 18. The motion was unanimously approved by all directors present. 19. The motion was unanimously approved by all directors present. 20. The motion was unanimously approved by all directors present.
Board of Directors	Jan 17, 2025	1. Approved the Company's 2024 Q1 consolidated financial statements. 2. Approved the removal of directors from non-compete restrictions. 3. Approved to amend some provisions of the Company's "Articles of Incorporation". 4. Approved to amend some provisions of the Company's "Procedures for Handling Internal Material Information". 5. Approved to amend some provisions of the Company's "Regulations Governing the Performance Evaluation of the Board of Directors". 6. Approved the addition of matters to be discussed in the agenda of the 2024 shareholders' meeting.	1. The motion was unanimously approved by all directors present, and the motion was reported and announced in accordance with the regulations of the competent authority. 2. The motion was unanimously approved by all directors present. 3. The motion was unanimously approved by all directors present. 4. The motion was unanimously approved by all directors present. 5. The motion was unanimously approved by all directors present. 6. The motion was unanimously approved by all directors present, and the motion was reported and announced in accordance with the regulations of the competent authority.

(XII) In the most recent year and up to the date of publication of the annual report, the directors or supervisors had different opinions on important resolutions passed by the board of directors and there were records or written statements: There were no such cases in 2023 and up to the date of publication of the annual report.

(XIII) Summary of the resignations and dismissals of the Company's chairman, general manager, accounting director, financial director, internal audit director, corporate governance director and R&D director in the most recent year and up to the publication date of the annual report: None.

IV. Information on CPA professional fees

Unit: NTD Thousands

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees (Note 2)	Total	Note
PwC Taiwan	Lai Chih-Wei Wang Yu-Chuan	From January 1, 2024 to December 31, 2024	1,555	270	1,825	

Note 1: If the Company has changed its CPA or CPA firm this year, please list the audit period separately and explain the reason for the change in the remark column, and disclose the audit and non-audit public fees paid in order. Non-audit fees and service contents should be explained in notes.

Note 2: The non-audit fees are for the income tax audit of the profit-making enterprise.

(I) Change of CPA firm and the audit fees paid during the year of the change are lower than the audit fees paid in the previous year, disclose the amount, percentage, and reason for the reduction: None.

(II) When audit remuneration is reduced by more than 10% from the previous year, the amount, percentage, and reason for the reduction must be disclosed: None Such situation.

(III) Replacement of CPA: None Such situation.

V. If the chairman, general manager, or manager in charge of finance or accounting affairs has worked for the CPA firm or its affiliated enterprises within the past year, he/she shall disclose his/her name, job title, and the period of service at the CPA firm or its affiliated enterprises. The so-called affiliated companies of the accounting firm to which the certified public accountant belongs refer to companies or institutions in which the certified public accountant's firm holds more than 50% of the shares or obtains more than half of the board seats, or companies or institutions listed as affiliated companies in the materials released or published by the certified public accountant's firm: No such situation.

VI. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent in the most recent year or during the current year up to the date of publication of the annual report

i. Changes in shareholdings of directors, managers and major shareholders

Job title	Name	2024		As of Apr 30 of the current year	
		Shareholding increase (decrease)	Increase (decrease) in shares pledged	Shareholding increase (decrease)	Increase (decrease) in shares pledged
Chairman	Lin Yi-Lun	0	0	0	0

Director and General Manager	Li Ching-Yi	0	0	0	0
Institutional director	Aker Electronic Co., Ltd.	0	0	0	0
Representative of corporate director	Li Yao-Ming	0	0	0	0
Institutional director	Aker Electronic Co., Ltd.	0	0	0	0
Representative of corporate director	Chen Shuo-Tsan	0	0	0	0
Independent director	Wang Kai-Li	0	0	0	0
Independent director	Chang Kuo-Hsiung	0	0	0	0
Independent director	Yang Ching-Chung	0	0	0	0
Deputy General Manager, Business Planning Office, Administration Department and Domestic Sales Department	Tseng Chin-Hung	0	0	0	0
Assistant Manager of Manufacturing Department	Yu-Chang Wang	0	0	0	0
Senior Manager, Quality Control Department	Yang Ching-Fa	0	0	0	0
Deputy Assistant General Manager of Sales and Export Business Division	Hsueh-Ling Hsieh	0	0	0	0
Assistant Vice President of R&D Technology Department	Yong-Nan Kuo	0	0	0	0
Manager of Finance Department	Chen Meng-Cheng	0	0	0	0

ii. Circumstances where the counterparty of equity transfer by a director, managerial officer or shareholder with a stake of more than 10% is a related party: No such situation.

iii. If a director, managerial officer, or shareholder with a stake of more than 10% has the counterparty pledged as a related party: No such situation.
Circumstances.

VII. Relationship information, if among the top ten shareholders any one is a related party or a relative within the second degree of kinship of another

Mar 24, 2025 Unit: Shares, %

NAME	SHARES HELD BY THE OWNER		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHERS		THE NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED, SPOUSE, OR RELATIVES WITHIN SECOND DEGREE OF KINSHIP TO EACH OTHER.		NOTE
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Name (or name)	Relationship	
Representative of Aker Electronic Co., Ltd.: Lin Yi-Lun	12,637,808	25.27	0	0	0	0	1. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 2. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 3. Li Ching-Yi 4. Lin Yi-Lun 5. Lin Ching-Kai	1. Relatives by marriage 2. Spouse 3. Spouse 4. In person 5. First degree of kinship	None
Li Ching-Yi	3,244,747	6.48	2,106,602	4.21	0	0	1. Representative of Aker Electronic Co., Ltd.: Lin Yi-Lun 2. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 3. Lin Yi-Lun 4. Li Ruei-Ting 5. Li Ruei-Hsun 6. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 7. Lin Ching-Kai	1. Spouse 2. First degree of kinship 3. Spouse 4. Second degree kinship 5. Second degree kinship 6. In person 7. First degree of kinship	None
Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi	3,000,726	6.00	0	0	0	0	1. Representative of Aker Electronic Co., Ltd.: Lin Yi-Lun 2. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 3. Lin Yi-Lun 4. Li Ruei-Ting 5. Li Ruei-Hsun 6. Li Ching-Yi 7. Lin Ching-Kai	1. Spouse 2. First degree of kinship 3. Spouse 4. Second degree kinship 5. Second degree kinship 6. In person 7. First degree of kinship	None
Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming	2,193,396	4.39	0	0	0	0	1. Representative of Aker Electronic Co., Ltd.: Lin Yi-Lun 2. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 3. Li Ching-Yi 4. Lin Yi-Lun 5. Li Ruei-Ting 6. Li Ruei-Hsun 7. Lin Ching-Kai	1. Relatives by marriage 2. First degree of kinship 3. First degree of kinship 4. Relatives by marriage 5. First degree of kinship 6. First degree of kinship 7. Second degree kinship	None

Lin Yi-Lun	2,106,602	4.21	3,244,747	6.48	0	0	1. Representative of Aker Electronic Co., Ltd.: Lin Yi-Lun 2. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 3. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 4. Li Ching-Yi 5. Lin Ching-Kai	1. In person 2. Relatives by marriage 3. Spouse 4. Spouse 5. First degree of kinship	None
Ching-Kai Lin	2,097,055	4.19	0	0	0	0	1. Representative of Aker Electronic Co., Ltd.: Lin Yi-Lun 2. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 3. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 4. Lin Yi-Lun 5. Li Ching-Yi	1. First degree of kinship 2. Second degree kinship 3. First degree of kinship 4. First degree of kinship 5. First degree of kinship	None
Li Ruei-Ting	1,723,642	3.45	0	0	0	0	1. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 2. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 3. Li Ching-Yi 4. Li Ruei-Hsun	1. First degree of kinship 2. Second degree kinship 3. Second degree kinship 4. Second degree kinship	None
Li Ruei-Hsun	1,290,452	2.58	0	0	0	0	1. Representative of KUNG LONG BATTERIES INDUSTRIAL CO.,LTD.: Li Yao-Ming 2. Representative of Huaiyan Investment Co., Ltd.: Li Ching-Yi 3. Li Ching-Yi 4. Li Ruei-Ting	1. First degree of kinship 2. Second degree kinship 3. Second degree kinship 4. Second degree kinship	None
Chen Chin-Yu	853, 000	1.71	0	0	0	0	None	None	None
Citibank Taiwan in custody of Yuanta Securities	810,000	1.62	0	0	0	0	None	None	None

Note 1: All of the top ten shareholders should be listed. For corporate shareholders, the names of the institutional shareholders and the representative should be listed separately.
Note 2: The calculation of shareholding refers to the calculation of shareholding in own name, spouse, underage children or in the name of others.
Note 3: The shareholders listed above include both juristic persons and natural persons, and the relationship between them shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers.

VIII. The total number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same investee, and the consolidated shareholding ratio

Unit: Shares; %

Invested business (Note)	The Company's investment	Directors, supervisors, managers and those who directly or indirectly control the business investments	Comprehensive investment

	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Aker Technology USA Corporation	301,000	100	0	0	301,000	100
AKER Tech (Hong Kong) Limited	-	100	0	0	-	100
Aker Technology (Shen Zhen) Co., Ltd.	-	100	0	0	-	100

Note: Investments accounted for using the equity method.

Three. Fundraising Status

I. Capital and shares

(I) Source of share capital

Unit: Shares; NTD thousands

Year/month	Issuance price	Authorized share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for share payment	Others
1990.12	10	2,000,000	20,000	2,000,000	20,000	Cash establishment	None	None
1995.12	10	3,200,000	32,000	3,200,000	32,000	Turnover from profit	None	None
1998.12	10	4,000,000	40,000	4,000,000	40,000	Transfer of earnings to increase capital	None	None
1999.10	10	13,000,000	130,000	10,560,000	105,600	Cash increase 37,600, profit transfer 28,000	None	None
1999.12	10	14,000,000	140,000	14,000,000	140,000	Capital increase in cash	None	None
2000.03	10	18,900,000	189,000	18,900,000	189,000	Capitalization of capital reserve	None	None
2000.06	10	40,000,000	400,000	28,790,000	287,900	Transferred from cash dividend and earnings	None	Note 1
2001.02	10	40,000,000	400,000	30,790,000	307,900	Capital increase in cash	None	Note 2
2001.09	10	48,000,000	480,000	35,588,500	355,885	Turnover from profit	None	Note 3
2002.07	10	50,400,000	504,000	39,301,350	393,014	Transfer to profit and capital	None	Note 4
2003.06	10	50,400,000	504,000	42,527,855	425,279	Turnover from profit	None	Note 5
2003.06	10	135,000,000	1,350,000	66,411,855	664,119	Issuance of new shares for acquisition of shares of other companies	None	Note 6
2004.01	10	135,000,000	1,350,000	67,089,818	670,897	Conversion of convertible bonds to common stock	None	Note 7
2004.04	10	135,000,000	1,350,000	67,259,309	672,593	Conversion of convertible bonds to common stock	None	Note 8
2004.12	10	135,000,000	1,350,000	69,720,088	697,200	Conversion of convertible bonds to common stock	None	Note 9
2005.03	10	135,000,000	1,350,000	70,736,130	707,361	Conversion of convertible bonds to common stock	None	Note 10
2005.12	10	135,000,000	1,350,000	74,272,937	742,729	Capitalization of capital reserve	None	Note 11
2006.04	10	135,000,000	1,350,000	73,072,937	730,729	Capital reduction by repurchase of treasury shares	None	Note 12
2006.10	10	300,000,000	3,000,000	213,717,937	2,137,179	Capital increase in cash	None	Note 13
2007.11	10	300,000,000	3,000,000	71,687,458	716,874	Capital reduction against losses	None	Note 14
2010.10	10	300,000,000	3,000,000	50,000,000	500,000	Capital reduction against losses	None	Note 15

Note 1: Capitalization of earnings by NT$18,900 thousand and cash by NT$80,000 thousand were approved by the Securities and Futures Commission, Ministry of Finance with Letter Tai-Cai-(1) No. 43769 dated May 25, 2000.

Note 2: The proposal for cash capital increase of NT$20,000 thousand was approved by the Securities and Futures Commission of the Ministry of Finance on December 4, 1990 Tai-Cai-Zheng (I) No. 97695 and Tai-Cai-Zheng (I) No. 104052 on January 8, 2001.

Note 3: For capital increase of NT$47,985 thousand (including NT$1,800 thousand from employee bonus) from earnings was approved by Securities and Futures Commission, Ministry of Finance, on August 28, 2001 through Tai-Cai-Zheng (1) No. 154138.

Note 4: The proposal to transfer surplus and capital reserve to increase capital by NT$37,128 thousand (including employee bonuses of NT$1,540 thousand) was approved by the Securities and Futures Commission of the Ministry of Finance on July 16, 2002 Tai-Cai-Zheng (I) No. 0910139538.

Note 5: The proposal to transfer surplus to increase capital by NT$32,266 thousand (including employee bonuses of NT$1,610 thousand) was approved by the Securities and Futures Commission of the Ministry of Finance on May 22, 2003 Tai-Cai-Zheng (I) No. 0920122547.

Note 6: The case of acquiring the shares of another company and issuing new shares with a value of NT$238,840 thousand was approved by the Securities and Futures Commission of the Ministry of Finance on May 29, 2003 Tai-Cai-Zheng (I) No. 0920122548.

Note 7: The convertible bonds were converted into common shares to increase the share capital by NT$6,780 thousand, and the change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09300400210.

Note 8: The convertible bonds were converted into common shares to increase the share capital by NT$1,695 thousand. The change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09300400470.

Note 9: The convertible bonds were converted into common shares to increase the share capital by NT$2,461 thousand. The change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09300400910.

Note 10: The convertible bonds were converted into common shares to increase the share capital by NT$1,016 thousand, and the change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09400400300.

Note 11: The capital reserve was transferred to increase capital by NT$35,368,070, and the change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09400401070.

Note 12: Repurchased treasury stocks worth NT$12 million to cancel and reduce capital, and the change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09500400390.

Note 13: The Company issued 140,645,000 new shares in cash and increased its total capital to NT$3 billion. The change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09500401180.

Note 14: On June 13, 2007, the shareholders' meeting approved the reduction of capital to make up for the losses. The amount of capital reduction was NT$1,420,304,790, and 142,030,479 issued shares were cancelled. The capital reduction ratio was 66.457%. The change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs in the letter No. 0900052530.

Note 15: On June 25, 2010, the shareholders' meeting approved the reduction of capital to make up for the losses. The amount of capital reduction was NT$216,874,580, and 21,687,458 issued shares were cancelled. The capital reduction ratio was 30.25%. The change registration was approved by the Export Processing Zone Administration of the Ministry of Economic Affairs with the letter No. 09900400940.

Apr 30, 2025

Type of shares	Authorized share capital			Note
	Outstanding shares (Note)	Unissued shares	Total	
Common stock	50,000,000	30,000,000	80,000,000	Stocks listed on Taipei Exchange

(II) List of major shareholders:

April 28, 2024

Shares / Name of major shareholder	Number of shares held	Shareholding ratio (%)
Aker Electronic Co., Ltd.	12,637,808	25.27
Li Ching-Yi	3,244,747	6.48
Huaiyan Investment Co., Ltd.	3,000,726	6.00
KUNG LONG BATTERIES INDUSTRIAL CO.,LTD	2,193,396	4.39
Lin Yi-Lun	2,106,602	4.21
Ching-Kai Lin	2,097,055	4.19
Li Ruei-Ting	1,723,642	3.45
Li Ruei-Hsun	1,290,452	2.58
Chen Chin-Yu	853,000	1.71
Citibank Taiwan in custody of Yuanta Securities	810,000	1.62

(III) Company's dividend policy and implementation

1. Dividend policy

Pursuant to Article 31 of the Company's Articles of Incorporation, if the Company's annual final accounts have a surplus, it shall first pay taxes to make up for past losses, and then set aside 10% as statutory surplus reserves. After setting aside or reversing special surplus reserves in accordance with Article 41 of the Securities and Exchange Act, the balance may be added to the beginning undistributed surplus as distributable surplus, and may be retained at its discretion. The Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution to distribute dividends to shareholders. The Company's dividend policy is subject to the Company's capital expenditure and operating turnover, while taking into account the interests of shareholders. The distribution of shareholders' dividends may be paid in cash or in stock, of which cash dividends shall not be less than 10% of shareholders' dividends.

2. Dividend distribution proposed at the shareholders' meeting: The Company's 2024 earnings distribution proposal has been approved by the Board of Directors on March 5, 2025. The proposed earnings distribution is as follows

Aker Technology Co., Ltd.
Earnings distribution table
2024

Unit: NTD

Item	Amount	Description
Undistributed earnings at the beginning of the period	$ 20,097,752	
Add: 2024 net income after tax	37,261,111	
Add: Adjustment for 2024 retained earnings	1,293,866	
Less: Provision for legal reserve	(3,855,498)	
Balance available for distribution	$ 54,797,231	10% according to law
Distribution items		
Distribution of dividends to shareholders	(20,000,000)	
Undistributed earnings at the end of the period	$ 34,797,231	

Note: I. In accordance with the Financial Supervisory Commission's Order No. 1010012865 issued on April 6, 2012, a provision is made for the net reduction in other shareholders' equity.

2. Description of the earnings distribution proposal:
   (1) Cash dividends are distributed using the "unconditional rounding down method".
   (2) After the cash dividend distribution proposal is approved at the shareholders' meeting, the chairman is authorized to set another record date for the distribution of cash dividends and other related matters.
   (3) If there is a change in the Company's share capital that affects the number of outstanding shares, resulting in a change in the dividend rate to shareholders, it is proposed that the shareholders' meeting will authorize the chairman to handle such matter.
   (4) The cash dividends shall be calculated according to the distribution percentage until the nearest dollar. The fraction less than a dollar shall be rounded down. The chairman is authorized to consult with specific person with full discretion to handle the cash dividends.

(IV) The impact of the bonus share issuance proposed in the current shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(V) Employee bonus and remuneration to directors

1. According to Article 30 of the Company's Articles of Incorporation, if the Company makes a profit in the year, it shall allocate no less than 3% as the remuneration to employees, and no more than 3% as the remuneration to directors. Employees' remuneration may be distributed in cash or shares upon resolution of the Board of Directors. However, if the Company still has accumulated losses, the Company shall reserve an amount to make up for it, and then provide employees' remuneration and directors' remuneration in accordance with the aforementioned percentages.
2. The basis for estimating the amount of employee bonus and remuneration to directors, the basis for calculating the number of shares to be distributed, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount:
   (1) The Company estimates employee bonuses and directors' remuneration in accordance with the Articles of Incorporation. The basis for calculating the number of employee stock bonuses is the closing price on the day before the resolution of the shareholders' meeting and taking into account the effect of ex-rights and ex-dividends.
   (2) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:
   If there is a significant change between the amount of the distribution resolved by the board of directors and the amount originally estimated in the financial report, that is, the amount of the change reaches the standard for restatement of financial reports as stipulated in Article 6 of the Rules for Enforcement of the Securities and Exchange Act (the amount is NT$10 million or more and reaches 1% of the original net operating income or 5% of the paid-in capital), the financial report shall be restated; if the amount of the change does not reach the standard for restatement of financial reports, it may be handled as a change in accounting estimate. If there is a change in the amount of employee bonus from the earnings appropriation resolved by the shareholders' meeting, the difference should be treated as a change in accounting estimate and recognized as profit or loss in the following year, without affecting the originally recognized proposal in the financial statements.
3. The 2024 earnings distribution proposal of the Board of Directors : The 2024 earnings distribution proposal of the Company has been approved by the Board of Directors on March 5, 2025. The proposed earnings distribution is as follows:
   (1) The proposed distribution of cash dividends to employees amounted to $1,866,950 and director remuneration amounted to $1,037,194. There was no difference between the amounts presented in the 2024 financial statements and the amount proposed by the board of directors, so no profit or loss adjustment was required.
   (2) Proposed employee stock bonus as a percentage of the total amount of after-tax profit in the parent company only financial statement or individual financial reports and total bonus to employees: None.
   (3) Earnings per share after distribution of bonus to employees and remuneration to directors: NT$0.75 .
4. The Company's 2023 earnings actually distributed as bonus to employees and remuneration to directors and supervisors are as follows:

Item	2023 distribution of earnings		Discrepancy	Reasons
	Approved by the shareholders' meeting on June 26 , 2024	Approved by the resolution of the Board of Directors on March 14 , 2024		
Employee bonus (NTD thousands)	722	722	None	None
Remuneration to directors (NTD thousands)	361	361	None	None

(VI) Shares repurchased by the Company: None.

II. Status of corporate bonds (including overseas corporate bonds): None.

III. Disclosure of preferred shares: None.

IV. Overseas depository receipts: None.

V. Issuance of employee stock option and restricted employee shares: None.

VI. Issuance of new shares for acquisition or transfer of shares of other companies: None.

VII. Utilization of capital: None.

Four. Operational overview

I. Content of business

(I) Scope of business

1. Principal business activities

(1) Manufacturing, processing and sales of semi-finished products such as quartz crystals and quartz oscillators.

(2) The processing of raw materials and parts for the above-mentioned products, and the domestic and foreign sales.

(3) F119010 Wholesale of Electronic Materials. (Limited to the Company's own products and it is not allowed to operate the business similar to that of a hypermarket in the area)

(4) F219010 Retail Sale of Electronic Materials. (Limited to the Company's own products and it is not allowed to operate the business similar to that of a hypermarket in the area)

2. Business proportion

Unit: NTD Thousands

Product name	Turnover in 2024	Proportion (%)
SMD quartz components	433,628	92.86
Others	33,790	7.24
Less: Sales returns and discounts	(457)	(0.10)
Total	466,961	100.00

3. The Company's current products (services)

Product item	Description of main purpose
Quartz crystal Quartz oscillator Surface mount quartz crystal and quartz oscillator	I. Internet of Things (IoT) product applications: Smart home (access control, electric curtain control, lighting control, home security control, smart home appliances), smart city (smart parking system, smart traffic monitoring, shared bicycles, smart traffic lanes), smart driving (smart transportation and smart cars), smart healthcare (wearable devices, smart clothes, blood sugar monitoring patches and gastrointestinal capsules), etc. II. Automotive electronics applications: Car multimedia, ADAS system, body control system, jet engine controller, headlight controller, tire pressure monitoring system, car high-speed network system, anti-theft system, rearview mirror display, reversing camera, reversing radar, driving recorder, airbag controller, window controller, smart key and surround view system, etc. III. Information electronic product application: Computers, tablet computers, photocopiers, fax machines, OA, etc. IV. Consumer electronics applications: Smart speakers, smart watches, smart bracelets, smart glasses, TWS true wireless Bluetooth headsets,

	LED/LCD smart TVs, 3D TVs, DVD & Blu-ray players, AVs, digital cameras, e-books, projectors, etc. V. Network communication electronic product applications: Network cards, video converters such as VGA, LAN, STB, W-LAN, ADSL, LCDM and other network equipment.

4. New products (services) planned to be developed
   (1) Development of 1.2*1.0mm miniaturized products.
   (2) Development of TCXO products to enhance the wide application of products.

(II) Industry overview

1. Current status and development of the industry

Quartz has the characteristics of Piezoelectric effect, small temperature coefficient, and low loss. The so-called "piezoelectric effect" means that an external voltage can be applied to both sides of the crystal to generate an electric field, causing the crystal itself to deform. As the cut surface of the crystal is subjected to mechanical stress, a potential difference is generated on both sides of the crystal, forming a piezoelectric effect. Therefore, when we apply an AC voltage to the crystal, the piezoelectric effect of quartz is used to generate cyclical chip oscillations. Therefore, to grasp this kind of Piezoelectric effect, to make use of its resonant frequency characteristics, and to exert its precision as a reference for various types of frequency signals, that is, the design and application of quartz components. Because quartz crystal has a high material Q value, most of the frequency control components are based on quartz materials. It is widely used in information and communication products and consumer electronic products, and has become an indispensable passive component of information and communication products. Especially for highly mobile personal portable communication products, such as mobile phones and satellite positioning receivers, the requirements for relatively stable operating temperature and compensation functions are more stringent, thus highlighting the importance of quartz components.

Quartz component products mainly include three types of products: quartz crystal (Crystal Unit, referred to as X’TAL), quartz filter (Monolithic Crystal Filter, referred to as MCF) and quartz oscillator (Crystal Oscillator, referred to as OSC). Quartz crystals are functional components that convert electrical energy into mechanical energy or vice versa. Quartz filters primarily function to convert between high and low frequencies and to filter out noise, both are classified as passive components. In contrast, quartz oscillators are classified as active components and are composed of quartz crystals combined with ICs designed with oscillation circuits. Based on different frequency control methods, quartz oscillators can be categorized into Standard Quartz Oscillators (SPXO), Temperature-Compensated Crystal Oscillators (TCXO), Voltage-Controlled Crystal Oscillators (VCXO), Oven-Controlled Crystal Oscillators (OCXO), and Temperature-Compensated Voltage-Controlled Crystal Oscillators (VCTCXO).

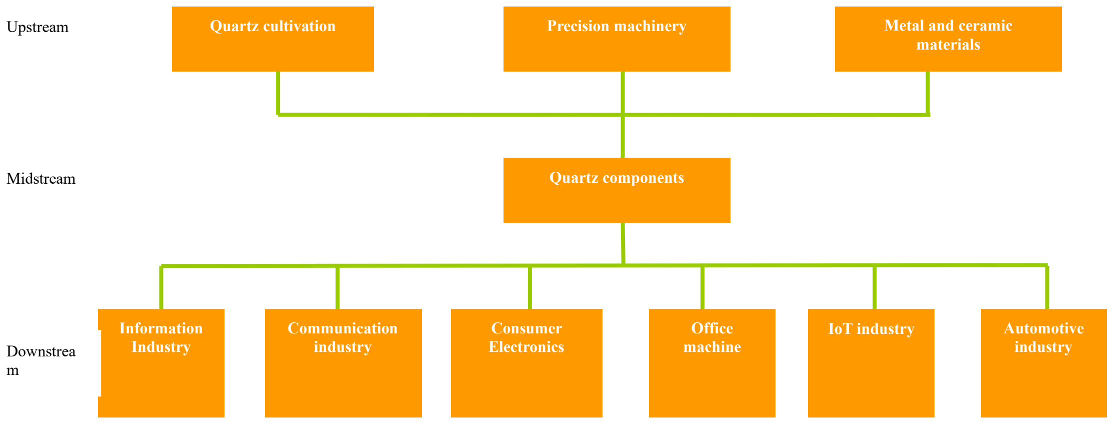
Quartz components are an indispensable component of information technology products, which are widely used in downstream industries such as information, communications, and consumer electronics. The demand for quartz components should show a steady increase trend along with the growth of information technology. Looking ahead to 2022, under the premise that the quartz component market continues to innovate in its downstream application product market, the demand for quartz components should show a steady increase trend along with the growth of information technology.

In summary, as the global 3C industry tends to integrate and new products are constantly introduced, the demand for quartz components will remain at a certain level. On the premise that demand continues to grow, technology levels are improved, and supply capabilities increase, Taiwan's quartz component manufacturers should have a promising future development.

2. Correlation between up-stream, mid-stream and down-stream of the industry

Quartz components include quartz crystals, quartz oscillators, and quartz filters. Their primary raw materials are quartz, bases, and covers. The upstream of the quartz component industry consists of quartz crystal growing, precision machinery, metal materials, and ceramic materials. After processing these raw materials, the Company manufactures electronic components that are supplied to downstream industries such as consumer electronics, communications, and information technology. As 3C (computer, communication, and consumer electronics) appliances become increasingly popular and advanced, the applications of quartz components continue to expand. The correlation between the Company's products and the overall industry is summarized as follows:

<u>Interrelations between up-stream, mid-stream and down-stream</u>



3. Product development trends

Quartz component products are mainly used as spare parts for information, communication and consumer electronic products. The development trend is closely related to the production and sales of end products. The main development directions are as follows:

A. Surface adhesion

In the past, quartz component products were mostly used in desktop or platform-type information-related products, so their parts were mostly plug-in type (DIP Type) products. With the rapid growth of portable information products (notebook computers, PDAs) and communication products (mobile phones), their parts have also turned to surface mount type (SMD Type) products.

B. Miniaturization

As the trend of 3C products is to be light, thin, short and small, quartz component products have not only changed from DIP Type to SMD Type, but the size of SMD products has also developed from 7×5mm, 6×3.5mm, 5×3.2mm, 4×2.5mm, 3.2×2.5mm, 2.5×2.0mm to 2.0×1.6mm, 1.6×1.2mm and 1.2×1.0mm.

C. High frequency

The wireless communication industry will develop towards high frequency, and related components must also keep up with the pace. The frequency demand has increased from below 10MHz to high frequency transmission products above 100MHz.

D. Precision improvement

Products in the information, communication and network industries have been operating at higher frequencies as system CPUs or transmission speeds increase. As wireless communication products move toward higher frequencies, the accuracy of related components has also been continuously improved, and the frequency error has been reduced from 100, 50 or 30 PPM to 10, 5 or 2.5 PPM. In addition, under the strict requirements of operating temperature and environmental heat dissipation, the related products such as temperature compensated oscillator (TCXO), voltage controlled oscillator (VCXO) and temperature compensated voltage controlled oscillator (VC-TCXO).

4. Product competition

A. The global quartz crystal output value is relatively small compared with other industries such as IC. Japan's output value accounts for nearly 50.15% of the world's total. As for the mainland, its output value has also increased year by year due to the substantial growth of internal demand. Taiwan continues to narrow the technological gap with Japan in mid-to-high-end products and gradually expands its market share.

B. The emergence of MEMS and other alternative product applications requires close observation of subsequent market supply and demand conditions.

(III) Technology and R&D overview

1. R&D expenditure as a percentage of net operating income in 2024

Unit: NTD Thousands

Year	2024
Net operating revenue	466,961
R&D expenditure	36,943
R&D ratio	7.91%

2. Successfully developed technologies or products

(1) 2.5*2.0mm LVPECL Series(-40~125℃)

(2) 2.5*2.0mm LVDS Series(-40~125℃)

(3) 2.5*2.0mm HCSL Series(-40~125℃)

(4) 2.0*1.6mm 96MHz fundamental frequency quartz crystal

3. R&D plans in the future

Development plan	Expected investment in R&D expenses
Development of 1210 quartz crystal products	$2,500,000
1612 oscillator product development	$2,500,000
Development of High Frequency Differential OSC, LOW Phase Noise OSC and Multi output clock OSC products	$4,500,000

(IV) Long-term and short-term business development plans

1. Overview of short-term plans
   A. Develop self-brand and marketing agency channels to expand market share.
   B. Expand overseas marketing service locations, expand business scope, provide customers with timely and complete services, and establish long-term cooperative relations.
   C. Shorten the delivery time and strengthen technical support services, improve service quality to increase competitiveness, and strengthen the cooperative relationship between upstream and downstream.
   D. Reduce production costs, strengthen quality management, and improve customer satisfaction.
   E. Enhance sales capabilities and provide customers with total solution services.
   F. Attract talents and strengthen talent training to increase competitiveness.
   G. Enhance the Aker brand image and increase brand awareness.
2. Long-term plan and development direction
   A. The Company is committed to improving product research and development, manufacturing quality and marketing service capabilities to maintain stable growth.
   B. Continue to develop more products:
      Development of 1.2*1.0mm miniaturized products.
      Continue the development of high-precision products for wider application.
   C. Expand the market development scope of products, continue to develop potential and high-quality sales agents around the world, and strengthen marketing momentum in Europe and the United States to seize business opportunities from the source of design.

II. Market, Production and Sales

(I) Market analysis

1. Regions where the Company's main products (services) are sold (provided)

The application of quartz crystal industry is mainly in information industry, communication and consumer electronics products. Since the frequency and specifications of quartz crystal products are various, our company mainly designs and mass produces according to the frequency functions and specifications required by customers to reduce marketing costs and meet the needs of many indirect users. The proportion of major sales regions in the past three years is shown below. Export regions include Hong Kong, China, Europe and the United States.

Sales regions of major products in the last 3 years

Unit: NTD Thousands

Year	2022	2023	2024

Regions	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Taiwan	199,623	27.74	127,193	27.34	98,684	21.13
Asia Region	212,031	29.47	183,249	39.38	229,372	49.12
Europe and America	307,908	42.79	154,871	33.28	138,905	29.75
Total	719,562	100.00	465,313	100.00	466,961	100.00

2. Market share

   Currently, there are six major manufacturers engaged in the production of quartz crystal components in Taiwan, all of which are listed companies. The main manufacturers include Aker Technology, Siward Crystal Technology, TXC Corporation, Harmony Electronics, Taitien Electronics, and Ecliptek. Each company focuses on different product segments within the quartz component industry. The Company fulfills the different needs of customers with a variety of customized orders, and is a professional manufacturer of quartz components.

3. Future market supply, demand and growth

   (1) Demand side

   The quartz industry is the foundation of all electronic industries. Whether it is low-end or high-end electronic products, the microprocessor circuits responsible for logic operations, hardware driving, memory configuration and reading and writing, and program execution all require one or more fixed clock signals as a reference for arranging the above tasks in time sequence. All information products, mobile phones and communication equipment need to use this component in order to control the frequency and clock and filter the noise so that the product can operate normally. Generally speaking, quartz components are divided into quartz crystals (X'TAL), quartz filters (MCF) and quartz oscillators (OSC).

   Quartz crystals are primarily used in computer and information products, remote-controlled toys, video game consoles, mobile phones, network communications, consumer electronics, automotive electronics, IoT devices, and wearable technology. Quartz filters are mainly applied in pagers, cordless phones, and very high frequency (VHF) wireless receivers. Quartz oscillators are used in cordless phones, mobile phones, GPS receivers, network interface cards, LCD monitors, set-top boxes (STBs), routers, and fax machines. These are further categorized by function into TCXO, VCXO, VC-TCXO, and CXO. Surface-Mount Device (SMD) types of quartz crystals and quartz oscillators, developed in line with the trend toward compact and lightweight designs, have application ranges equivalent to those of Dual In-line Package (DIP) products. At present, it is mainly used in higher-end applications such as tablet computers, network communications, automotive electronics, Internet of Things, mobile phones, home security, digital cameras and wearable devices.

(2) Supply side

In terms of supply, as electronic products such as tablet computers, smart phones and NB are almost assembled by Taiwan's big factories, the global market share of Taiwanese quartz components has increased, and this proportion is increasing year by year. At present, the industrial structure of Taiwan's quartz crystal in the upstream, midstream and downstream is becoming more and more complete. Furthermore, Japanese quartz component suppliers have high manufacturing costs, and Japanese quartz components are not competitive except for high-end products. However, the technology and mass production capabilities of domestic quartz component manufacturers have greatly improved, allowing domestic quartz component manufacturers to gradually replace Japanese manufacturers.

(3) Growth potential

Since quartz products are widely used in downstream industries such as information, communications and consumer electronics, the industries in demand include motherboards, notebook computers, digital cameras, wireless networks, mobile phones, blue-ray multimedia, LCD TVs, artificial intelligence, automotive products, etc. According to statistics, tablet computers, smartphones, and smart TVs continue to sell well. The takeoff of the cloud market has accelerated the development of network communication products and construction. 4G network applications have matured. The Internet of Things, wearable devices, 5G products, automotive electronics, and the metaverse may bring a new wave of growth momentum to the technology industry. Quartz components are an indispensable component of these information technology products. Benefited from the growth of the above-mentioned industries, the demand for quartz components can still increase steadily.

In summary, as the global 3C industry tends to integrate and new products are constantly introduced, it is expected that the demand for quartz components will remain at a certain level. On the premise of continued growth in demand, improved technology levels and increased supply capacity, Taiwan's quartz component manufacturers will have promising future development.

4. Competitive advantage
   (1) Introduce automated production equipment to improve production efficiency and effectively control production costs
   (2) Experienced and professional management team with outstanding R&D capabilities
   (3) Specialized division of labor to achieve cost advantages
   (4) Vertical division of labor and manufacturing integration capabilities
5. Favorable and unfavorable factors of development prospects and countermeasures

Item	Favorable factors	Unfavorable factors	Response measures
I. The main contents of the	1. The stable growth of information, communication, and consumer electronic products, and the	There is a shortage of grassroots labor in Taiwan, so	1. Taiwan has increased automation equipment to produce SMD and other high-end products.

Item	Favorable factors	Unfavorable factors	Response measures
business and the development prospect	introduction of new types of electronic products will drive the demand for frequency control components, and the market prospect still has considerable room for growth. 2. Brand and quality recognized by customers.	in terms of production and operating costs Yang.	Automation can reduce labor costs. 2. Research and countermeasures for high-end products and other alternative products.
II. Position in the industry	The main management team has nearly 20 years of experience in the industry and accumulated complete production process and development technology.	The main technology source and production and sales area in the industry are Japan. It is not easy to obtain the technology to develop high-end products. The Company relies on its own research and development, which leads to a longer acquisition process.	Invest in research and development expenses, cultivate talents, and actively develop technical capabilities.
III. Supply of main raw materials	The Company has good relationships with major raw material suppliers and maintains long-term cooperation and tacit understanding. The quality of raw materials is stable.	Due to the pandemic, the market cannot fully control the supply of raw materials. The timeliness of supply and exchange rate fluctuations will affect profits.	1. Continue to explore new sources of suppliers at home and abroad. 2. Maintain good long-term relationships with raw material suppliers to minimize the risk of raw material shortages. 3. Collect information related to the Japanese yen exchange rate at any time and control exchange rate risks by pre-purchasing foreign exchange.
IV. Sales of main products	Aker's self-owned brand is the main sales model, so it can be directly close to customers and fully grasp the market pulse and changes.	Long-term and short-term factors may cause the delivery time of some products to be too long.	Diversify procurement risks and find qualified raw material suppliers for filing.
V. Financial position	Low debt ratio and high proprietary capital ratio.	Renovation of the second factory, a large amount of long-term capital will be required for the construction of the headquarters, increase in production capacity and purchase of machinery and equipment.	Obtained long-term capital from the bank.

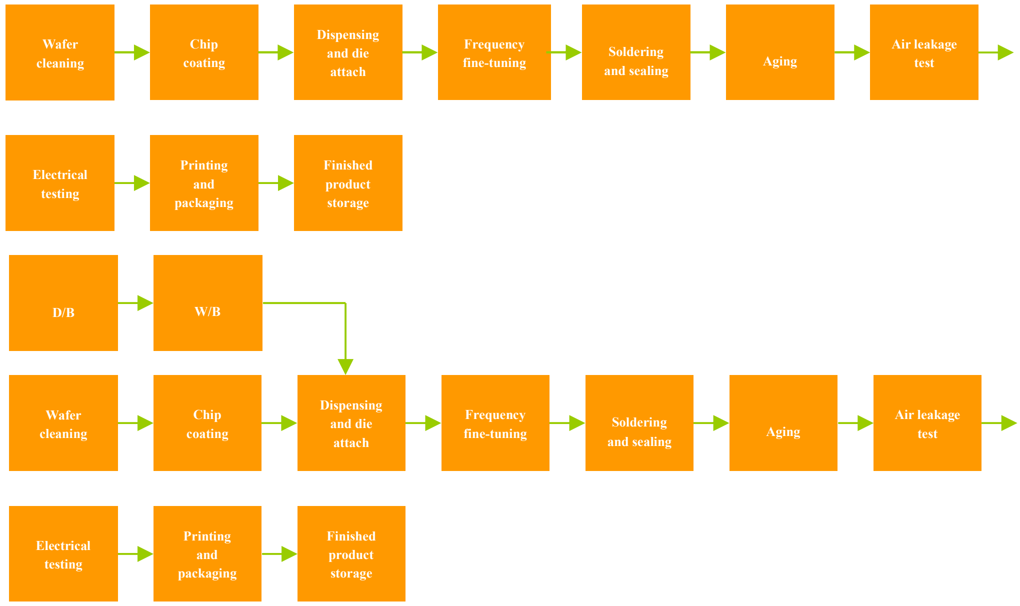
(II) Important uses and production processes of main products

1. Important uses of main products

By product	Function	Applications
Quartz crystal (X'TAL)	Frequency control and timing, the mechanical energy and electrical energy are converted by the Piezoelectric effect to generate the basic signal source.	Internet of Things: Smart home (access control, electric curtain control, lighting control, home security control, smart home appliances), smart city (smart parking system, smart traffic monitoring, shared bicycles, smart traffic lanes), smart driving (smart transportation and smart cars), smart healthcare (wearable devices, smart clothes, blood sugar monitoring patches and gastrointestinal capsules) Automotive: Car multimedia, ADAS system, body control system, jet engine controller, headlight controller, tire pressure monitoring system, automotive high-speed network system, anti-theft system, rearview mirror display, reversing camera, reversing radar, driving recorder, airbag controller, window controller, smart key and surround view system, etc. IT: computers, tablet computers, photocopiers, fax machines, OA, etc. Consumer: smart speakers , smart watches, smart bracelets, smart glasses, TWS true wireless Bluetooth earphones, LED/LCD smart TVs, 3D TVs, DVD&Blu-ray players, AV, digital cameras, e-books, projectors, etc. Network communication: Network equipment such as network card, video converter such as VGA, LAN, STB, W-LAN, ADSL, and LCDM.
Quartz oscillator (OSC)	For timing, the signal source module is completed by adding the quartz resonator and the application circuit.	

2. Production process

SMD quartz components (quartz crystal and quartz oscillator) manufacturing process



(III) Supply of main raw materials

Name of raw materials	Country	Supplier
IC	Japan	7 stores
Package	Japan, China	3 stores
LID	China, Japan	2 stores
Chip (SMD BLANK)	Taiwan, China	8 stores

(IV) Customers accounting for more than 10% of total purchases (sales) in the last two years, and the reasons for the change

1. List of major suppliers in the last two years

Unit: NTD Thousands

	2023				2024			
Item	Name	Amount	Percentage to net purchase of the whole year (%)	Relationship with the issuer	Name	Amount	Percentage to net purchase of the whole year (%)	Relationship with the issuer
1	Supplier A	25,092	20.37	None	Supplier A	39,122	22.98	None
2	Supplier B	15,613	12.67	None	Supplier B	26,843	15.77	None
	Others	82,501	66.96	None	Others	104,288	61.25	None
	Net purchase	123,206	100.00	None	Net purchase	170,253	100.00	None

Reason for changes: The Company's products are quartz crystals and oscillators. The main raw materials are bases, ICs, chips, and covers. Most of the procurements come from overseas.
There are no major changes and the risk is not high.

2. List of major customers in the last two years

Unit: NTD Thousands

	2023				2024			
Item	Name	Amount	Percentage to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Percentage to net sales of the whole year (%)	Relationship with the issuer
1	Customer A	36,756	7.90	None	Customer A	22,871	4.90	None
2	Customer B	20,503	4.41	None	Customer B	19,405	4.16	None
	Others	408,054	87.69	None	Others	424,685	90.94	None
	Net sales	465,313	100.00	None	Net sales	466,961	100.00	None

Reason for changes: The Company's products are electronic components such as quartz crystals and oscillators. The Company's customers are very dispersed, and the risk of sales concentration is not high.

Note 1: The names of customers who account for more than 10% of the total sales in the most recent two years and their sales amounts and proportions shall be listed. However, if the names of customers cannot be disclosed due to contractual agreements or the transaction partners are individuals and not related parties, code names may be used.
The names of suppliers who account for more than 10% of the total purchase amount in the most recent two years and their purchase amount and ratio shall be listed. However, if the supplier's name cannot be disclosed due to contractual provisions or the transaction partner is an individual and not a related party, a code name may be used.

Note 2: As of the publication date of annual report, if the most recent financial information of a listed company or a company with shares traded on the TPEx that has been audited or reviewed by a CPA, such information should also be disclosed.

(V) Production volume and value in the most recent two years

Unit: Thousand; NTD thousands

Year / Production Quantity / Main products (or by department)	2023			2024		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
SMD quartz components	216,000	97,092	312,826	216,000	109,503	352,813
Others	0	0	0	0	0	0
Total	216,000	97,092	312,826	216,000	109,503	352,813

(VI) Sales volume and value in the last two years

Unit: Thousand; NTD thousands

Year / Sales Quantity / Main products	2023				2024			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
SMD quartz components	27,022	118,943	68,766	315,525	32,403	101,533	72,436	334,485
Others	3,340	12,365	5,635	18,480	4,340	11,685	5,335	19,258
Total	30,362	131,308	74,401	334,005	36,743	113,218	77,771	353,743

III. Employees

<table>
<tr><td colspan="2">Year</td><td>2023</td><td>2024</td><td>For the current year up to March 31, 2025</td></tr>
<tr><td rowspan="4">Number of employees</td><td>Direct personnel</td><td>87</td><td>96</td><td>89</td></tr>
<tr><td>Indirect personnel</td><td>100</td><td>99</td><td>97</td></tr>
<tr><td>R&D personnel</td><td>36</td><td>33</td><td>35</td></tr>
<tr><td>Total</td><td>223</td><td>228</td><td>221</td></tr>
<tr><td colspan="2">Average age</td><td>38.3</td><td>38.1</td><td>38.1</td></tr>
<tr><td colspan="2">Average years of service</td><td>6.1</td><td>7.1</td><td>6.9</td></tr>
<tr><td rowspan="5">Education distribution ratio</td><td>Doctoral Degree</td><td>0%</td><td>0%</td><td>0%</td></tr>
<tr><td>Master's degree</td><td>4%</td><td>5%</td><td>5%</td></tr>
<tr><td>Junior College</td><td>60%</td><td>57%</td><td>58%</td></tr>
<tr><td>Senior High School</td><td>34%</td><td>36%</td><td>35%</td></tr>
<tr><td>Below high school</td><td>2%</td><td>2%</td><td>2%</td></tr>
</table>

IV. Information on environmental protection expenditure

(I) Losses incurred due to environmental pollution in the most recent year and up to the publication date of the annual report (including compensation and environmental protection audit results for violations of environmental protection laws and regulations, which should specify the date of the penalty, the penalty number, the provisions of the violation, the content of the violation, and the content of the penalty), and the estimated amount and corresponding measures that may occur at present and in the future: None.

(II) Future countermeasures (including improvement measures) and possible expenditure: The Company currently does not pollute the environment and expects no significant environmental protection expenditure in the coming years.

V. Labor/management relations

(I) List the Company's employee welfare measures, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures.

1. Employee benefits:
   A Staff Welfare Committee is established to allocate staff welfare funds to handle various employee welfare matters. The matters handled by the committee include weddings, funerals, weddings, celebrations, injuries, illnesses and childbirth, emergency relief, travel, raffles, birthday celebrations, sports and recreational activities, as well as welfare matters such as annual festival condolences. The benefits for employees are as follows:

Insurance/retirement	Labor insurance, health insurance, pension reserve
Remuneration	Employee bonus from earnings
Gift/cash bonus	Cash gifts for three major festivals, birthday gifts, wedding gifts, childbirth gifts, unpaid adoption gifts, performance appraisal bonuses, Mid-Autumn Festival and year-end bonuses, children's education subsidies
Medical benefits	Group insurance, health examination(including dependents)
Cultural and recreational activities	Employee outings, group recreational activities, annual lottery draws, discounts at designated stores, books, magazines, and newspapers

Facilities	Employee cafeteria, lounge bar, billiard room, multi-functional recreation hall, parking space for motorcycles, nursing room, factory nurse room
other	Emotional relief leave, contracted childcare centres

2. Continuing education and training of employees:
   (1) The Company requires employees to participate in relevant training courses based on their functions to improve their quality. The Company's 2024 education and training performance is as follows:

Training category	Courses	Number of people	Number of hours	Expenses
Professional training	159	1,119	670	302,890
Training for new recruits	6	27	33	0

   (2) Acquisition of relevant licenses by the competent authority for personnel in charge of finance:
      A. The Company's chief financial officer has passed the " Professional Certification of Accounting Officers of Issuers, Securities Firms, and Securities Firms/Alternative Certification " organized by the Accounting Research and Development Foundation of the ROC, and continued his education.
      B. Three of our financial staff members have obtained the "Bonded Personnel Certificate" issued by the Export Processing Zone of the Ministry of Economic Affairs.
3. Retirement system:
   To protect the retirement life of employees, the Company allocates 2% of the total regular salary of employees to the labor retirement reserve fund every month, and stores it in the special account of the company's labor retirement reserve fund supervision committee; in addition, since the implementation of the Labor Retirement Fund Act on July 1, 2005, the Company has allocated 6% of the employee's insurance level to the labor retirement fund every month in accordance with the law, and stored it in the labor retirement fund personal account to provide protection for employees' retirement life.
   Application of the Labor Pension Act (new system) and the Labor Standards Act (old system)
   The provisions of the Labor Pension Act shall apply to employees who have started to serve after the implementation of the Labor Pension Act.
   Employees who have served the Company prior to the implementation of the Labor Pension Act may choose to be subject to the Labor Standards Act or the Act. If no choice is made within the time limit, it is deemed that the provisions of the Labor Standards Act continue to apply. In addition, for those who choose to be governed by the Act, their previous years of service shall be retained.
   (I) Retirement conditions:
      1. Voluntary retirement
         1. Having at least 15 years of service and the age of 55 or above.
         2. Having served for at least 25 years.
         3. Having served for at least 10 years and reaching the age of 60.
      2. Compulsory retirement
         1. Aged 65 or above.
         2. Having a physical or mental disability that makes him unfit for work.
         The age limit specified in the first paragraph of the preceding paragraph may be adjusted with the approval of the central competent authority for workers who are engaged in dangerous work or require strong physical strength, but it shall not be less than fifty-five years old.

(II) Pension payment basis

1. According to the Labor Standards Act (old system), employee pension payment is calculated based on their years of service:
   I. For the years of service to which the Labor Standards Act applies, two base points shall be given for each year of service completed for one year or more, and one base point shall be given for each full year of service for those who have completed the service for more than 15 years, up to a maximum of 45 base points. If the period is less than half a year, it will be counted as half a year. If the period of more than half a year is completed, it will be counted as one year. The calculation standard for pension base refers to the average monthly salary at the time of approved retirement.
   II. Where an employee is forced to retire due to a disability that is no longer adequate for the work, and if the disability is caused by the performance of his/her duties, an additional 20% bonus shall be paid in accordance with the provisions of the preceding subparagraph.
2. Labor Pension Act (New System)
   A monthly pension equivalent to 6% of the employee's insurance level is appropriated and deposited in the personal pension account.

(III) Pension payment

The Company's employee pension is paid within 30 days from the date of retirement.

Implementation status

1. Labor Standards Act (old system)
   A labor pension reserve equivalent to 2% of the total regular salaries is appropriated at the monthly rate of 2% of the total regular salaries and deposited in the special account of the Company's Labor Pension Reserve Supervisory Committee. The accumulated amount is NT $21,353 thousand.
2. Labor Pension Act (New System)
   The labor pension amounting to 6% of the employee's insured level is set aside as required by law every month. The amount in 2024 was NT$6,210 thousand.

4. Agreements between labor and management:
   The Company holds quarterly labor relations meetings with labor representatives to discuss labor-related issues and reach consensus through communication and coordination; employees can also directly reflect their personal opinions through the employee opinion box to achieve bilateral communication and promote labor relations Harmony In addition, in order to protect the work safety of employees, the working environment and personal safety of employees, in addition to setting up an "Environmental and Labor Safety and Health Committee" and convening committees regularly to review business development results and environmental safety and health issues, the Company has also obtained ISO 45001 occupational health and safety management certification to ensure a safe working environment for employees; the Company purchases group insurance every year to further protect the welfare of its employees.

(IV) 1. Losses due to labor disputes in the most recent year and up to the date of publication of the annual report: None.

2. Estimated amounts that may be incurred currently and in the future, and responsive measures:
   The Company always attaches great importance to the welfare of employees, provides a good working environment, and emphasizes two-way communication with employees to achieve harmonious relations between labor and management. So far, there has not been any labor dispute, and the possibility of labor disputes in the future is extremely small.

VI. Cyber security management

(I) Describe the information communication security risk management framework, information communication security policies, specific management plans, and resources invested in information communication security management.

1. Risk management organizational structure: The Company currently does not have such an organizational structure. A dedicated unit for information and communication security will be established in the future. Currently, the Company only relies on the organizational structure to be compiled and managed by the Information Section of the Administration Department.
2. Information security policy: The Information Section of the Administration Department has been requested to draft related regulations.
3. Assessment of information security and network risks: No relevant assessment currently available.
4. The specific management plan and investment in cyber security management are currently under the studying process and will be submitted to the Board of Directors upon completion.

(II) Losses due to major IT security incidents in the most recent year up till the publication date of this annual report, their possible impacts and responsive measures:
No such situation.

VII. Important contract

Nature of contract	Party concerned	Start/end date of contract	Main content	Restrictive clauses
Land lease	Processing Export Zone Management Office, Ministry of Economic Affairs	January 1, 2020 - December 31, 2029	Lease of land in the industrial section of Tanzi Township	Limited-purpose business use

Five. Review and Analysis of Financial Position and Financial Performance and Assessment of Risk Matters

I. Financial status: The main reasons for the material changes in assets, liabilities and shareholders' equity in the last two years and the impact thereof. If the impact is material, please explain the future countermeasures.

Unit: NTD Thousands

Item \ Year	2024	2023	Difference		Description (Note)
			Amount	%	
Current assets	484,729	463,846	20,883	4.50	
Long-term investment	0	0	0	0	
Property, plant and equipment	240,360	225,454	14,906	6.61	
Right-of-use assets	15,808	18,641	(2,833)	(15.20)	
Intangible assets	2,008	1,351	657	48.63	
Other assets	86,781	159,286	(72,505)	(45.52)	1
Total assets	829,686	868,578	(38,892)	(4.48)	
Current liabilities	149,088	143,528	5,560	3.87	
Non-current liabilities	28,128	48,784	(20,656)	(42.34)	2
Total liabilities	177,216	192,312	(15,096)	(7.85)	
Share capital	500,000	500,000	0	0	
Capital reserve	0	0	0	0	
Retained earnings	122,065	90,510	31,555	34.86	3
Other equity	30,405	85,756	(55,351)	(64.54)	4
Total shareholders' equity	652,470	676,266	(23,796)	(3.52)	

Note: Analyze and explain if the percentage of increase or decrease is more than 20% and the amount exceeds NT$10 million.

1. Other assets decreased from the previous period due to the impact of the evaluation adjustment of Shinshin Co., Ltd. (financial assets measured at fair value through other comprehensive income - non-current).
2. Non-current liabilities decreased from the previous period due to the increase in deferred income tax liabilities and lease liabilities - non-current.
3. The increase in retained earnings was due to the decrease in 2023 profit from the previous period.
4. Other equity is less than the previous period , which is due to the impact of the evaluation adjustment of Shinshin Co., Ltd. (financial assets measured at fair value through other comprehensive income - non-current).

II. Financial performance: The main reasons for the significant changes in operating income, operating net profit and pre-tax net profit in the most recent two years, as well as the expected sales volume and its basis, the possible impact on the Company's future financial operations and the response plan.

(I) Comparative analysis of financial performance

Unit: NTD Thousands

Item \ Year	2024		2023		Increase (decrease) amount	Percentage of change (%)	Description (Note)
	Subtotal	Total	Subtotal	Total			
Total operating revenue		467,418		466,379	1,039	0.22	
Less: sales returns		(187)		(560)	373	66.61	
Sales discount		(270)		(506)	236	46.64	
Net operating revenue		466,961		465,313	1,648	0.35	
Operating cost		(313,179)		(313,736)	557	0.18	
Gross operating profit		153,782		151,577	2,205	1.45	
Operating expenses		(160,542)		(143,090)	(17,452)	(12.20)	
Operating profit		(6,760)		8,487	(15,247)	(179.65)	1
Non-operating revenue		32,516		7,876	24,640	312.85	2
Non-operating expenses		12,798		(3,702)	16,500	445.71	3
Income before tax from continuing operations		38,554		12,661	25,893	204.51	4
Income tax expense		(1,293)		1,638	(2,931)	(178.94)	
Net income from continuing operations		37,261		14,299	22,962	160.58	5

Note: Analyze and explain if the percentage of increase or decrease is more than 20% and the amount exceeds NT$10 million.

1. Operating income decreased year-on-year due to the decrease of operating revenue.
2. The increase in non-operating income from the same period last year was due to
3. Non-operating expenses increased from the same period last year due to the decrease in exchange gains.
4. Net income before tax from continuing operations increased year-on-year due to the decrease in operating income and non-operating income.
5. Income tax expenses decreased from the same period last year due to the decrease in net profit before

tax of the continuing operating segments, resulting in the decrease in income tax provision.

6. The net profit after tax of the continuing operations increased from the same period last year due to the decrease of net income before tax of the continuing operations.

(II) Analysis of changes in gross profit

Unit: NTD Thousands

Main product categories	Difference in selling price	Cost price difference	Difference in sales portfolio	Difference in quantity	Difference in gross profit
Quartz oscillator	$ 0	$ 0	$ 0	$ 0	$ 0
Quartz oscillator	1,886	(556)	21	147	1,498
SMD quartz oscillator	(42,940)	(19,803)	(4,201)	16,602	(10,736)
SMD quartz oscillator	(6,703)	(13,823)	866	5,678	13,664
SMD Voltage Compensated Oscillator	(1,425)	654	336	(1,791)	(2,226)
Others	0	0	0	0	0
Total	$ (49,182)	$ (33,724)	$ (2,978)	$ 20,636	$ 2,200

Descriptions: 1. The favorable difference from the selling price difference is mainly due to the increase in the price of SMD quartz oscillator products, resulting in a higher unit price and a favorable selling price difference.

2. The unfavorable difference in the price difference of the cost of goods sold is mainly due to the increase in production cost due to the decrease in operating revenue in 2024, resulting in the unfavorable difference in the cost price.

3. The difference in the sales mix was favorable. The unit price of SMD quartz oscillator was higher than that in the same period of last year, which resulted in a favorable difference in the sales mix.

4. An unfavorable difference is generated by the difference in quantity. As the customers focus on digesting their inventory, the orders decreased, resulting in a decrease in the Company's revenue and a decrease in the sales volume.

5. To sum up, due to the unfavorable difference in the sales volume of SMD quartz oscillators and SMD quartz crystal oscillators, the gross profit in 2024 was lower than that in 2023.

(III) Expected sales volume and basis

The Company's 2025 sales volume forecast takes into account historical information, recent orders, existing production capacity, and the prosperity of the information and communications industry to estimate the sales volume of each product. The following is the Company's estimated sales volume for 2025.

Unit: Thousand Pieces

Main products	Sales volume
Quartz components	165,800

(IV) The Company has key performance indicators (KPI) that are specific to the industry

The Company's key performance indicators include production and sales indicators - turnover achievement rate, gross profit margin achievement rate, expense budget target achievement rate, production planning achievement rate, and work productivity. Financial indicators - accounts receivable turnover rate, return on equity, capital utilization rate, inventory turnover days. The target ratios are listed in the table below:

Production and sales		Finance	
Evaluation items	Goals	Evaluation items	Goals
Revenue growth rate	20%	Accounts payable turnover rate/accounts receivable turnover rate	1 time
Gross profit margin achieved	30%	Return on equity	Based on budget
Expenditure budget target achievement rate	100%	Capital utilization rate	Based on budget
Achievement rate of production plan	100%	Days of inventory turnover	90 days
Work productivity	100%		

III. Analysis of cash flow

(I) Liquidity analysis for the most recent two years

Item \ Year	2024	2023	Increase/decrease ratio (%)
Cash flow ratio (%)	18.57	44.06	(57.85)
Cash flow adequacy ratio (%)	47.71	55.49	(14.02)
Cash reinvestment ratio (%)	1.20	(4.17)	128.78

Analysis of changes in the percentage of increase or decrease:

1. Cash flow ratio: The decrease in the Company's cash flow ratio was mainly due to the decrease in net cash flow from operating activities compared with that in 2023.
2. Cash flow adequacy ratio: The decrease in the Company's cash flow adequacy ratio was mainly due to the decrease in net cash flow from operating activities compared to 2023.
3. Cash reinvestment ratio: The increase in the Company's cash reinvestment ratio is mainly due to the decrease in net cash flow from operating activities compared with that in 2023.

(II) Cash flow analysis for the year ahead.

Cash balance, beginning (1)	Expected net cash flow from operating activities for the year (2)	Annual cash inflows (3)	Projected cash surplus (deficit) (1) + (2) + (3)	Expected remedies for shortage in cash or auxiliary measures to maintain equivalent cash balance	
				Investment plan	Wealth management plan
$ 74,012	$ 110,250	$(190,000)	$ (5,738)	$ 0	$ 0

1. Analysis of changes in cash flow for the year:
   (1) Operating activities: The Company expects that under normal operation, the cash inflow of NT$110,250 thousand should be generated from operating activities continuously in 2025.
   (2) Investing activities: The Company expects to generate cash outflows of NT$190,000 thousand for 2025 for the purchase of equipment, construction of the new operating headquarters and plants, and payment of cash dividends.
2. Remedies for expected cash shortage and analysis of liquidity: None

IV. Impacts of major capital expenditures in the most recent year on financial operations

(I) Utilization of material capital expenditures and sources of capital:

Unit: NTD Thousands

Planned items	Actual or expected sources of funds	Actual or expected date of completion	Total funds required	Actual or intended use of funds				
				2021	2022	2023	2024	2025
Funds for the purchase of machinery and equipment and the commencement of new plant construction	Self-owned capital	114Q4	170,000	0	0	0	0	170,000

(II) Expected benefits:

1. Estimated increase in production, sales, value, and gross profit
   In 2025, our company added a clean room and purchased new equipment to alleviate the bottleneck station.
2. Description of other benefits
   None.

V. Re-investment policy in the most recent year, the main reasons for the profit or loss, and the improvement plan and investment plan for the coming year

(I) The reasons for the profit or loss of the Company's recent reinvestment are as follows:

Item\Description	Investment gains and losses recognized in the current period	Policy	Main reason for profit or loss	Improvement plan
AKER (USA)	NT$(8,251,866)	Expand markets for private brands in Europe and the U.S. to improve international competitiveness	The loss of the US subsidiary is mainly due to the high expenses in order to expand the market.	Continue to expand the business scale and strengthen the performance incentive system.
AKER (HK)	NT$6,225,652	Expand the market for self-owned brands in China and provide services close to the market	The profit of the Hong Kong subsidiary is mainly due to the recognition of the investment in mainland China.	Continue to introduce performance bonus system and strengthen business promotion.

(II) Investment plan for the next year: Depending on the market and industry development, we will continue to expand the business of self-owned brands.

VI. Risk management and assessment

(I) Impacts of changes in interest rates, exchange rates and inflation on the Company's profit and loss, and future countermeasures:

The Company adheres to the principle of conservative and prudent financial planning and always maintains a low debt ratio, so the interest expense is not high, and interest income is not the Company's main source of income. Therefore, changes in interest rates have little impact on the Company's profit and loss. However, the Company will continue to closely control its funding position and reflect the cost of materials in a timely manner, in order to reduce the impact of changes in interest rates and inflation on the Company.

In terms of exchange rate fluctuations, the Company's policy is to hedge as naturally as possible. After receiving the payment, the Company will immediately convert it into NTD and JPY to reduce the impact of exchange rate fluctuations. However, when the fluctuations are drastic and rapid, they will still be affected.

The Company's foreign exchange gain (loss) for 2024 was NT$14,849 thousand, or 3.18% of operating revenues.

Item	2024 (NTD thousands; %)
Net interest income and expenditure	(1,516)
Net foreign exchange gains and losses	14,849
Ratio of net interest income and expenditure to net revenue	(0.325%)
Ratio of net interest income and expenditure to pre-tax net profit	（3.932%）
Ratio of net foreign exchange profit or loss to net revenue	3.180%
Ratio of net exchange gains and losses to pre-tax net profit	38.515%)

(II) The policy of engaging in high-risk and highly leveraged investment, loaning of funds to others, endorsements and guarantees, and derivative commodity transactions, the main reasons for profit or loss, and future countermeasures:

1. The Company does not engage in high-risk and highly leveraged investments, loans to others, or endorsements/guarantees.
2. To control transaction risks, the Company has established procedures for lending funds to others, making endorsements/guarantees, and derivative commodity transactions. The Company engages in derivative commodity transactions for hedging purpose rather than trading or speculative operations.

(III) Future R&D plans and expected R&D expenses:

The Company's R&D plan focuses on high-frequency, high-precision, small-size products, and stable introduction to mass production increases revenue. We continue to improve the functions of existing products, so we continue to invest in R&D every year. The development plan is shown in the table below:

Development plan	Current progress	Expected investment in R&D expenses	Time to complete mass production	Success factors
Development of 1210 quartz crystal products	Product development stage	$2,500,000	December 2025	Key technology development
1612 oscillator product development	Product development stage	$2,500,000	December 2025	Key technology development
High frequency Differential OSC	Product development stage	$4,500,000	December 2025	Key technology development
2016 Differential OSC product development	Product development stage	$2,500,000	December 2025	Key technology development

(IV) The impact of changes in important domestic and foreign policies and laws on the Company's financial operations, and countermeasures.

The Company constantly pays attention to changes in important domestic and foreign policies and laws and regulations, and evaluates their impact on the Company. Recently, workers in

Mainland China have become more aware of their own rights. The Company will strengthen the collection of relevant information and promotion to reduce risks. In addition, there was no significant adverse impact on the Company's financial operations due to changes in important domestic and foreign policies and laws in recent years.

(V) Impacts of technological changes (including cyber security risks) and industry changes on the Company's financial operations, and responsive measures.

As various information products tend to be portable and miniaturized, these products are gradually choosing miniaturized quartz components in design to meet the needs of light, thin, short and small. Therefore, the demand for SMD components will steadily increase. Therefore, the Company will be committed to improving the process capabilities of small-size SMD components in order to grasp the product development trend and maintain the company's sustainable growth.

Impacts of IT security risks on the Company's finances and operations: No significant impact.

(VI) Impact of changes in corporate image on corporate crisis management and countermeasures: Not applicable.

(VII) Expected benefits and possible risks of mergers and acquisitions: Not applicable.

(VIII) Expected benefits and possible risks associated with any plant expansion.

Benefit from factory expansion: We are currently planning to add clean rooms and production equipment.

Possible risks: The slump in market demand results in low capacity utilization rate, increasing costs and reducing profits.

(IX) Potential risks associated with any concentration of purchases or sales:

The Company's largest sales customer in 2024 accounted for 7.9% of its net sales, and there is no excessive sales concentration. In terms of purchasing manufacturers, the largest purchasing manufacturer accounted for 20.37% of the purchase ratio, and the manufacturer's supply and quality of raw materials are stable, so there is no risk of purchasing concentration.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands: Not applicable.

(XI) Impacts and risks of a change in management on the Company: Not applicable.

(XII) Litigation or non-litigation events:

1. Major litigation, non-litigation or administrative disputes of the Company in the most recent year and as of the date of publication of the annual report, which have been determined or are still in progress, the results of which may have a significant impact on shareholders' equity or securities prices, including the facts in dispute, the subject amount, the commencement date of the litigation, the main parties involved in the litigation, and the handling status as of the date of publication of the annual report: None.
2. Major litigation, non-litigation or administrative disputes involving the Company's directors, supervisors, general manager, substantive responsible persons, major shareholders holding more than 10% of the shares, and subsidiaries that have been determined or are still in the process of being decided, the results of which may have a significant impact on the Company's shareholders' equity or securities prices, including the facts in dispute, the subject amount, the start date of the litigation, the main parties involved in the litigation, and the

handling status as of the publication date of the annual report: None.

(XIII) Other important risks:

1. Risk management policy:
   The Company's risk management policy is aimed at establishing comprehensive risk management, with organizational planning as the main focus. It sets up departmental goal planning and regular management, and establishes a mechanism to connect departmental functions and establish a comprehensive risk management network to ensure that the Company's overall goals are implemented, while identifying possible risks and controlling them.
2. Risk management structure:
   According to the functional planning of the organizational departments, each unit has its own risk control scope, which is described as follows:
   Sales Department: Collection and creation of sales and market information, promotion of production and sales coordination, production of shipping documents, control, order management, accounts receivable management, and insurance for all customers' payments.
   R&D Technology Department: R&D of new products, improvement of production technology, simulation and reliability testing of products and processes, quality inspection of raw materials, products and processes, and promotion of quality improvement control, product quality risk control and hazardous substance control, Provide customers with the best solutions.
   Manufacturing Department: Product manufacturing, education and training of engineering personnel, production scheduling planning and response, raw material and finished product warehousing management, procurement operation and supply management and supply chain assessment, maintenance and management, operation site safety control and management Safety and health management.
   Management Department: Allocation and utilization of human resources, network security planning, hardware maintenance, all operation and control of the Company are in compliance with environmental management system (ISO 14001), occupational safety and health management system (OHSAS 18001) and hazardous substance process Management system (QC 080000) verification.
   Finance Department: In terms of financial control, the Company mainly uses forward foreign exchange contracts to hedge foreign currency changes in response to exchange rate fluctuations. The Company does not engage in high-risk/high-leverage financial investments. The Company's derivative financial instrument transactions are for hedging purposes, not trading or speculative operations.
   Audit Office: Establish an audit plan based on the audit risk assessment, and regularly check the appropriateness of the implementation and management of internal control operations of each unit.

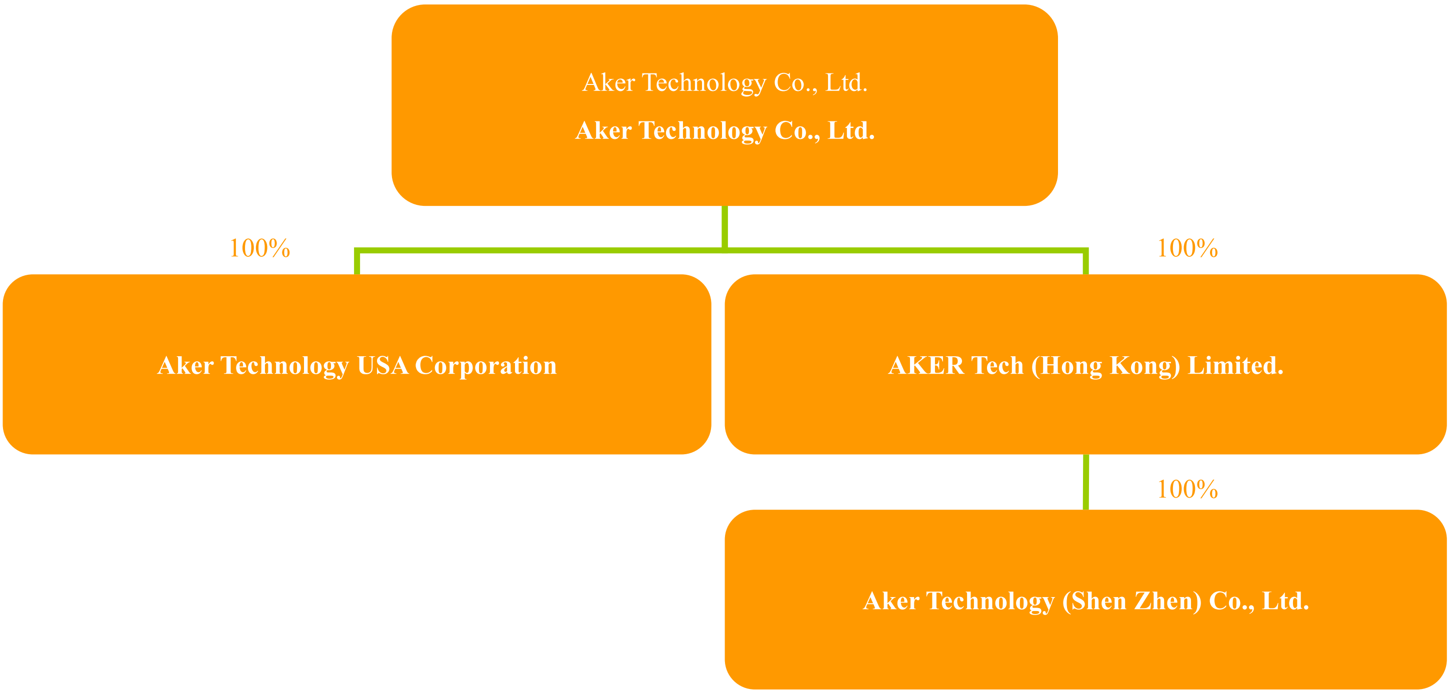
VII. Other important matters: None

Six. Special Notes

I. Information on affiliates:

(I) Overview of affiliates

1. Organization Chart of Affiliated Enterprises
   (December 31, 2024)



2. Presumed controlling and affiliated companies in accordance with Article 369-3 of the Company Act: None.
3. Subsidiaries whose personnel, finance, or business operations are directly or indirectly controlled by the Company in accordance with Article 369-2, paragraph 2 of the Company Act: None.

(II) Basic information of affiliates

Date: December 31, 2024 Unit: NTD thousands

Company name	Date of establishment	Address	Paid-up capital (Note 1)	Main business or production items
Aker Technology USA Corporation	2007.1	15757 Pines Blvd Suite 152 Pembroke Pines, FL 33027 Miami, Florida - United States	$ 8,929	Trading of import and export of quartz crystals and quartz oscillators
AKER Tech (Hong Kong) Limited.	2007.3	FLAT/RM A1006 10/F TSUEN WAN INDUSTRIAL BUILDING, 59-71 WANG LUNG STREET, TSUEN WAN, HONG KONG	$ 45,463	Trading of import and export of quartz crystals and quartz oscillators
Aker Technology (Shen Zhen) Co., Ltd	2010.10	Room 28E, Tower C, 6009 Shennan Avenue, Futian	$ 49,185	Trading of import and export of quartz

		District, Shenzhen, PRC		crystals and quartz oscillators

Note 1: The paid-in capital of AKER-USA and AKER-HK is converted using historical exchange rates.

AKER-SZ paid-in capital is converted based on the exchange rate at the end of December 31, 2014..

(III) Information on the same shareholders presumed to have control and affiliation: None.

(IV) Businesses covered by the affiliates:

The businesses of the Company and its affiliated companies include electronics and trading.

(V) Information on directors, supervisors, and general managers of affiliated companies

Company name	Job title	Name or representative	Number of shares held	
			Number of shares	Shareholding ratio
Aker Technology USA Corporation	General Manager	Eric Greenberg	0	0%
Aker Technology USA Corporation	Director	Lin Yi-Lun	0	0%
Aker Technology USA Corporation	Director	Li Ching-Yi	0	0%
AKER Tech (Hong Kong) Limited.	Director	Lin Yi-Lun	0	0%
Aker Technology (Shen Zhen) Co., Ltd	Director	Lin Yi-Lun	0	0%
Aker Technology (Shen Zhen) Co., Ltd	Supervisor	Li Ching-Yi	0	0%

(VI) Overview of the operation of each affiliate:

Financial status and results of operations of each affiliate:

Date: December 31, 2024 Unit: NTD thousands

Company name	Capitalization	Total asset value	Total liabilities	Net worth	Operating revenue	Operating (loss) income	Current profit and loss (after tax)	Earnings (losses) per share (NTD) (after tax)
Aker Technology USA Corporation	8,929	51,414	27,050	24,364	94,023	(8,252)	(8,252)	None
AKER Tech (Hong Kong) Limited.	45,463	138,907	118,639	20,268	140,763	2,563	6,226	None
Aker Technology (Shen Zhen) Co., Ltd	49,185	126,028	113,004	13,024	133,936	2,252	5,910	None

Note: Assets and liabilities accounts are translated using the exchange rate at the end of the year, and profit and loss accounts are translated using the average exchange rate.

(VII) 2024 Affiliation Report: None

II. Private placement of securities in the last year up till the publication date of this annual report: None.

III. The holding or disposition of the Company's shares by subsidiaries in the most recent year or during the current year up to the date of publication of the annual report: None.

IV. Other supplementary information: None.

Ⅴ. As of the most recent year up to the date of publication of the annual report, any matters that have a significant impact on shareholders' equity or securities prices in accordance with Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None

Aker Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

December 31, 2024 and 2023

(Stock code: 6174)

Address: No. 11-3, Jianguo Road, Tanshi District,
Taichung City

Telephone: (04) 2533-5978

Aker Technology Co., Ltd. and Subsidiaries

2024 and 2023 Consolidated Financial Statements and Independent Auditor's Report

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Aker Technology Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The companies that should be included in the consolidated financial statements of affiliated companies of the Company in 2024 (from January 1, 2024 to December 31, 2024) under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those that should be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of the parent company and its subsidiaries. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

We hereby declare

Company name: Aker Technology, Inc.

Responsible person: Lin Yi-Lun

March 5, 2025

Independent Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24004577

To Aker Technology Co., Ltd.:

Audit opinion

We have audited the consolidated balance sheets of Aker Technology Co., Ltd. and subsidiaries (hereinafter referred to as "Aker Group") as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to December 31, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies).

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

Basis for the audit opinion

We conducted our audit in accordance with the Regulations Governing the Audit of Financial Statements by Certified Public Accountants and the ROC Standards on Auditing. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements". We are independent of Aker Group in accordance with the Code of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters refer to matters that are most significant to the audit of the consolidated financial statements of Aker Group for the year ended December 31, 2024, based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not provide a separate opinion on these matters.

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

Timing of sales revenue recognition

<u>Item description</u>

For the accounting policy of sales revenue, please refer to Note 4(25) of the consolidated financial statements; for details of sales revenue, please refer to Note 6(14) of the consolidated financial statements. The operating revenue from January 1 to December 31, 2024 was NT$466,961 thousand.

Aker Group is principally engaged in the manufacture and sale of quartz crystals and quartz oscillators. Revenues from export sales are recognized when the control of the goods is transferred when the export goods arrive at the designated destination port for delivery or are loaded on the aircraft according to the transaction conditions. The Group recognizes sales revenue when shipment is made and reverses the portion of the goods that has not yet been transferred to the buyer at the end of each period. Therefore, the revenue recognition process involves manual control and may result in revenue not being properly recorded in the correct period. Therefore, we believed that the timing of recognition of sales revenue was one of the most important audit matters for the year.

<u>Corresponding audit procedures</u>

The CPA has implemented the corresponding procedures for the specific aspects of the key audits described above:

1. Understand the operating procedures and internal control processes of the Group's export sales transactions, and implement control tests to evaluate the effectiveness of the management's control over the timing of revenue recognition from export sales.

2. Performed cut-off test on the export sales revenue transactions within a certain period around the end of the financial reporting period to evaluate whether the timing of export revenue recognition was correct.

Inventory valuation

Item description

For the accounting policy of inventory valuation, please refer to Note 4(12) of the consolidated financial statements; for the uncertainty of accounting estimates and assumptions of inventory valuation, please refer to Note 5(2) of the consolidated financial statements; for the description of the allowance for valuation loss of inventories, please refer to Note 6(4) of the consolidated financial statements. As of December 31, 2024, Aker Group's total inventories and the allowance for inventory valuation loss amounted to NT$296,362 thousand and NT$25,543 thousand, respectively.

Aker Group mainly engages in the manufacture and sale of quartz crystals and quartz oscillators. Its inventory evaluation policy is measured based on the lower of cost or net realizable value; for the inventory beyond a specific period of age and the individually identified value impairment, the net realizable value of the Company's inventory often involves subjective judgment and has a significant impact on the financial statements. Therefore, we listed the inventory valuation as one of the most important matters in this year's audit.

Corresponding audit procedures

The CPA has implemented the corresponding procedures for the specific aspects of the key audits described above:

1. Understood and evaluated the reasonableness of the Company's inventory valuation policy.
2. Reviewed annual inventory plan and participated in the annual inventory count to evaluate the management's effectiveness in differentiating and controlling obsolete inventories.
3. Obtained the inventory aging report and checked the relevant supporting documents of the inventory transaction date to confirm that the inventory aging interval classification was correct, and re-calculated and assessed that the inventory aging was consistent with the policy.
4. Obtained the statement of net realizable value of each inventory to confirm that the calculation logic was used consistently, tested the basis for the estimation of the net realizable value of inventory, including checking the supporting documents such as sales price and purchase price, and re-calculated and assessed the reasonableness of inventory valuation.

Other matters - parent company only financial statements

Aker Technology Co., Ltd. has prepared the parent company only financial statements for 2024 and 2023, for which we have issued an unqualified opinion for reference.

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

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

When preparing the consolidated financial statements, the responsibility of the management also includes assessing the ability of Aker Group to continue as going concern, disclosure of related matters, and the adoption of the going concern basis of accounting unless management intends to liquidate Aker Group or to cease operations, or has no realistic alternative but to do so.

The governing body of Aker 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. Misstatement can arise from error or fraud. 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. Because fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control, the risk of not detecting a material misrepresentation resulting from fraud is higher than one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the Aker Group's internal control.
3. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
4. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management level's adoption of the accounting basis for continuing operations, and whether there is significant uncertainty in the events or conditions that may cause significant doubts about the ability of the Group 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 conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Aker Group to no longer have the ability to continue as going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including related notes) and whether the consolidated financial statements adequately present the underlying transactions and events.
6. Obtain sufficient and 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 guiding, supervising, and performing the audit of the Group. We are also responsible for forming an audit opinion on the Group.

The matters communicated between us and the governing body include the planned scope and time of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide the governance body with a statement that we have complied with the Professional Ethics for Certified Public Accountants of the Republic of China for independence and communicate with the governance body all relationships and other matters (including related safeguards) that may be perceived to affect our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Aker Group's 2024 consolidated financial statements and are therefore the key audit matters. We describe such matters in the audit report unless the law does not permit the public disclosure of a particular matter, or, in extremely rare circumstances, we decide not to communicate a particular matter in the audit report because such communication could reasonably be expected to have a negative impact that outweighs the public interest.

PwC Taiwan

Lai Chih-Wei

CPA

Wang Yu-Chuan

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1120348565
Jin-Guan-Zheng-Shen-Zi No. 1020028992

March 5, 2025

Aker Technology Co., Ltd. and Subsidiaries
Consolidated balance sheets
December 31, 2024 and 2023

Unit: NTD Thousands

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6 (1)	$ 76,082	9	$ 95,303	11
1136	Financial assets at amortized cost - current	6 (2)	6,265	1	6,441	1
1150	Net notes receivable	6 (3)	1,922	-	9,201	1
1170	Net accounts receivable	6 (3)	118,091	14	103,683	12
130X	Inventory	6 (4)	270,819	33	237,314	27
1470	Other current assets		11,550	1	11,904	1
11XX	**Total current assets**		484,729	58	463,846	53
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income - non-current	6 (5)	60,251	7	132,095	15
1535	Financial assets measured at amortized cost - non-current	6 (2) and 8	6,650	1	6,650	1
1600	Property, plant and equipment	6 (6) and 8	240,360	29	225,454	26
1755	Right-of-use assets	6 (7)	15,808	2	18,641	2
1780	Intangible assets		2,008	-	1,351	-
1840	Deferred income tax assets	6 (20)	7,574	1	9,158	1
1900	Other non-current assets	6 (11) (22)	12,306	2	11,383	2
15XX	**Total non-current assets**		344,957	42	404,732	47
1XXX	**Total assets**		$ 829,686	100	$ 868,578	100

(continued on next page)

Aker Technology Co., Ltd. and Subsidiaries
Consolidated balance sheets
December 31, 2024 and 2023

Unit: NTD Thousands

	Liabilities and equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2100	Short-term borrowings	6 (8)	$ 56,000	7	$ 66,000	8
2130	Contract liabilities - current	6 (14)	1,607	-	4,813	-
2150	Notes payable		4,303	1	6,499	1
2170	Accounts payable		35,528	4	21,097	2
2200	Other payables	6 (9)	42,502	5	33,957	4
2230	Current income tax liabilities		-	-	1,509	-
2280	Lease liabilities - current	6 (23)	3,641	-	4,170	-
2320	Long-term liabilities due within one year or one operating cycle	6 (10)	4,896	1	4,897	1
2399	Other current liabilities - others		611	-	586	-
21XX	**Total current liabilities**		149,088	18	143,528	16
	Non-current liabilities					
2540	Long-term borrowings	6 (10)	4,489	1	9,385	1
2570	Deferred income tax liabilities	6 (20)	10,987	1	24,618	3
2580	Lease liabilities - non-current	6 (23)	12,652	1	14,781	2
25XX	**Total non-current liabilities**		28,128	3	48,784	6
2XXX	**Total liabilities**		177,216	21	192,312	22
	Equity					
	Share capital	6 (12)				
3110	Common stock capital		500,000	60	500,000	58
	Retained earnings	6 (13)				
3310	Legal reserve		63,413	8	61,924	7
3350	Undistributed earnings		58,652	7	28,586	3
	Other equity					
3400	Other equity		30,405	4	85,756	10
3XXX	**Total equity**		652,470	79	676,266	78
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Material events after the reporting period	11				
3X2X	**Total liabilities and equity**		$ 829,686	100	$ 868,578	100

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

Chairman: Lin Yi-Lun　　Manager: Li Ching-Yi　　Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd. and Subsidiaries
Consolidated statements of comprehensive income
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands
(Except earnings per share in NTD)

	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6 (14)	$ 466,961	100	$ 465,313	100
5000	Operating cost	6 (4) (19)	(313,179)	(67)	(313,736)	(67)
5900	Gross operating profit		153,782	33	151,577	33
	Operating expenses	6 (19)				
6100	Sales and promotion expenses		(58,812)	(13)	(50,476)	(11)
6200	Administrative expenses		(64,787)	(14)	(58,941)	(13)
6300	R&D expenses		(36,943)	(8)	(35,359)	(7)
6450	Expected credit impairment gain	12 (2)	-	-	1,686	-
6000	Total operating expenses		(160,542)	(35)	(143,090)	(31)
6900	Operating (loss) income		(6,760)	(2)	8,487	2
	Non-operating income and expenses					
7100	Interest revenue	6 (15)	514	-	730	-
7010	Other income	6 (16)	32,002	7	7,146	2
7020	Other gains and losses	6 (17)	14,828	3	(2,384)	(1)
7050	Financial cost	6 (7) (18)	(2,030)	-	(1,318)	-
7000	Total non-operating income and expenses		45,314	10	4,174	1
7900	**Net profit before tax**		38,554	8	12,661	3
7950	Income tax benefits (expenses)	6 (20)	(1,293)	-	1,638	-
8200	**Net income for the period**		$ 37,261	8	$ 14,299	3
	Other comprehensive income (net amount)					
	Items not reclassified into profit or loss					
8311	Remeasurement of defined benefit plan	6 (11)	$ 1,617	-	$ 738	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6 (5)	(71,844)	(15)	73,095	16
8349	Income tax related to items not subject to reclassification	6 (20)	14,046	3	(14,767)	(3)
8310	Total items not reclassified to profit or loss		(56,181)	(12)	59,066	13
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		2,655	-	(150)	-
8399	Income tax related to items that may be reclassified	6 (20)	(531)	-	30	-
8360	Total amount of items that may be reclassified subsequently to profit or loss		2,124	-	(120)	-
8300	**Net amount of other comprehensive income (loss) in the current period**		($ 54,057)	(12)	$ 58,946	13
8500	**Total comprehensive income (loss) in current period**		($ 16,796)	(4)	$ 73,245	16
	Net profit attributable to:					
8610	Owner of the parent company		$ 37,261	8	$ 14,299	3
	Total comprehensive income attributable to:					
8710	Owner of the parent company		($ 16,796)	(4)	$ 73,245	16
	Earnings per share	6 (21)				
9750	Basic		$	0.75	$	0.29
9850	Diluted		$	0.74	$	0.29

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

Chairman: Lin Yi-Lun Manager: Li Ching-Yi Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd. and Subsidiaries
Consolidated statements of changes in equity
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands

	Notes	Equity attributable to owners of the parent company: Common stock capital	Retained earnings: Legal reserve	Retained earnings: Undistributed earnings	Other equity: Financial statements of foreign operations Exchange difference in conversion table	Other equity: Through other comprehensive income Financial measured at fair value Unrealized gains/losses on assets	Total equity
2023							
Balance on January 1, 2023		$ 500,000	$ 46,417	$ 164,204	$ 4,200	$ 23,200	$ 738,021
Net income for the period		-	-	14,299	-	-	14,299
Other comprehensive income in the current period		-	-	590	(120)	58,476	58,946
Total comprehensive income for the period		-	-	14,889	(120)	58,476	73,245
Appropriation and distribution of 2022 earnings	6 (13)						
Legal reserve		-	15,507	(15,507)	-	-	-
Cash dividends		-	-	(135,000)	-	-	(135,000)
Balance on December 31, 2023		$ 500,000	$ 61,924	$ 28,586	$ 4,080	$ 81,676	$ 676,266
For the years ended December 31, 2024							
Balance on January 1, 2024		$ 500,000	$ 61,924	$ 28,586	$ 4,080	$ 81,676	$ 676,266
Net income for the period		-	-	37,261	-	-	37,261
Other comprehensive income in the current period		-	-	1,294	2,124	(57,475)	(54,057)
Total comprehensive income for the period		-	-	38,555	2,124	(57,475)	(16,796)
Appropriation and distribution of 2023 earnings	6 (13)						
Legal reserve		-	1,489	(1,489)	-	-	-
Cash dividends		-	-	(7,000)	-	-	(7,000)
Balance on December 31, 2024		$ 500,000	$ 63,413	$ 58,652	$ 6,204	$ 24,201	$ 652,470

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

Chairman: Lin Yi-Lun　　Manager: Li Ching-Yi　　Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd. and Subsidiaries
Consolidated statements of cash flows
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands

	Notes	For the years ended December 31, 2024	For the years ended December 31, 2023
Cash flow from operating activities			
Net income before tax for the period		$ 38,554	$ 12,661
Adjusted items			
Income/expenses that do not affect cash flow			
Depreciation expense	6 (6) (19)	43,931	38,355
Right-of-use assets depreciation expense	6 (7) (19)	4,802	4,583
Amortization expense	6 (19)	747	2,220
Expected credit impairment gain	12 (2)	-	(1,686)
Interest revenue	6 (15)	(514)	(730)
Dividend income	6 (16)	(31,969)	(7,049)
Interest expense	6 (18)	1,586	940
Interest expense - lease liabilities	6 (7) (18)	444	378
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		7,279	(6,867)
Accounts receivable		(14,408)	50,141
Inventory		(33,505)	32,518
Other current assets		818	(1,199)
Other non-current assets		(373)	(387)
Net changes in liabilities related to operating activities			
Contract liabilities		(3,206)	(1,286)
Notes payable		(2,196)	249
Accounts payable		14,431	(12,854)
Other payables		4,514	(21,468)
Other current liabilities		25	(18)
Cash inflow from operations		30,960	88,501
Interest received		514	730
Interest paid		(1,989)	(1,318)
Income tax paid		(1,796)	(24,674)
Net cash inflow from operating activities		27,689	63,239

(continued on next page)

Aker Technology Co., Ltd. and Subsidiaries
Consolidated statements of cash flows
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands

	Notes	For the years ended December 31, 2024	For the years ended December 31, 2023
Cash flow from investing activities			
Decrease in financial assets measured at amortized cost		$ 176	$ 14,393
Acquisition of property, plant and equipment	6 (22)	(50,967)	(56,148)
Acquisition of intangible assets		(839)	(685)
Increase in refundable deposits		(1,946)	(64)
Increase in prepayment for equipment	6 (22)	-	(5,194)
Increase of other non-current assets		(1,380)	-
Dividends received		31,969	7,049
Net cash outflow from investing activities		(22,987)	(40,649)
Cash flow from financing activities			
Short-term borrowings	6 (23)	192,000	182,000
Repayment of short-term borrowings	6 (23)	(202,000)	(116,000)
Repayment of long-term borrowings	6 (23)	(4,897)	(4,895)
Number of lease principal repayments	6 (23)	(4,632)	(4,449)
Distribution of cash dividends	6 (13) (23)	(7,000)	(135,000)
Net cash outflow from financing activities		(26,529)	(78,344)
Exchange rate changes		2,606	(109)
Decrease in cash and cash equivalents in current period		(19,221)	(55,863)
Opening balance of cash and cash equivalents		95,303	151,166
Ending balance of cash and cash equivalents		$ 76,082	$ 95,303

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

Chairman: Lin Yi-Lun Manager: Li Ching-Yi Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd. and Subsidiaries
Notes to the consolidated financial statements
December 31, 2024 and 2023

Unit: NTD Thousands
(unless specified otherwise)

I. Company history

Aker Technology Co., Ltd. (hereinafter referred to as the "Company") was established in December 1990 in the Republic of China and officially listed on the Taipei Exchange (TPEx) in May 2002. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are mainly engaged in the manufacturing, processing and sales of raw materials, parts and semi-finished products such as quartz crystals and quartz oscillators.

II. Date and procedure for approval of financial statements

This consolidated financial statement was issued after being approved by the Board of Directors on March 5, 2025.

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 summarizes the newly issued, revised and amended standards and interpretations of the International Financial Reporting Standards that were approved and promulgated by the Financial Supervisory Commission and are effective in 2024:

New and revised standards and interpretations	Effective date announced by the IASB
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Current and Non-current Liabilities"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024

The Group has assessed that the above standards and interpretations did not have significant impact on the financial position and financial performance of the Group.

(II) Impact of not yet adopting the newly issued or revised International Financial Reporting Standards approved by the Financial Supervisory Commission

The following table summarizes the newly issued, revised and amended standards and interpretations of the International Financial Reporting Standards applicable in 2025 and approved by the Financial Supervisory Commission:

New and revised standards and interpretations	Effective date announced by the IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the above standards and interpretations did not have 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 new, revised and amended standards and interpretations issued by the International Accounting Standards Board but not yet incorporated into the International Financial Reporting Standards approved by the Financial Supervisory Commission:

New and revised standards and interpretations	Effective date announced by the IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS - Volume 11	January 1, 2026

Except for the following, the Group has assessed that the above standards and interpretations did not have significant impact on the Group's financial position and financial performance :

1. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

   For equity instruments designated, through an irrevocable election, to be measured at fair value through other comprehensive income (FVOCI), their fair value shall be disclosed by category; it is no longer necessary to disclose fair value information for each individual instrument. The fair value gains and losses recognized in other comprehensive income during the reporting period shall also be disclosed, showing separately the fair value gains and losses related to investments eliminated during the reporting period and the fair value gains and losses related to investments still held at the end of the reporting period; as well as the accumulated gains and losses from investments eliminated during the reporting period and transferred to equity during the reporting period.

2. IFRS 18 “Presentation and Disclosure in Financial Statements”

   IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1 and updates the structure of the comprehensive income statement, adds disclosures on management performance measures, and strengthens the aggregation and segmentation principles applied to the principal financial statements and notes. The relevant impact will be disclosed when the assessment is completed.

IV. Summary of significant accounting policies

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

(IV) Statement of Compliance

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, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC.

(V) Basis of preparation

1. Except for the following material items, this consolidated financial statements have been prepared at historical cost:
   (1) Financial assets measured at fair value through other comprehensive income.
   (2) The defined benefit liability is recognized at the net amount of pension fund assets less the present value of the defined benefit obligation.
2. The preparation of financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter collectively referred to as "IFRSs") endorsed and issued into effect by the FSC requires the use of some significant accounting estimates. In the process of applying the Group's accounting policies, management is also required to exercise its judgment. For items involving a high degree of judgment or complexity, or items involving significant assumptions and estimates in the consolidated financial statements, Please refer to Note 5 for further details.

(VI) Basis of consolidation

1. Principles for the preparation of consolidated financial statements
   (1) The Group included all subsidiaries in the consolidated financial statements. A subsidiary is an entity (including a structured entity) controlled by the Group when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group obtains control and are derecognized from the date the Group loses 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 and 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 this results in a loss balance for the non-controlling interests.
   (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, and 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 remeasured at fair value and included in the fair value of the financial asset originally recognized or the cost of the investment in an associate or joint venture originally recognized. The difference between the fair value and the carrying amount is recognized in profit or loss for the period. All amounts previously recognized in other comprehensive income relating to the subsidiary shall be accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. That is, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss upon the disposal of the related assets or liabilities, then upon loss of control of the subsidiary, such gain or loss shall be reclassified from equity to profit or loss.

2. Subsidiaries included in the consolidated financial statements:

Name of the investment company	Name of subsidiary	Nature of business	Percentage of equity held		Description
			December 31, 2024	December 31, 2023	
The Company	Aker Technology USA Corporation (AKER USA)	Trading of imported goods such as quartz crystal and quartz oscillators	100%	100%	
The Company	Aker Tech (Hong Kong) Limited (AKER HK)	Trading of imported goods such as quartz crystal and quartz oscillators	100%	100%	
AKER HK	Acer Technology (Shenzhen) Co., Ltd. (Aker Shenzhen)	Trading of imported goods such as quartz crystal and quartz oscillators	100%	100%	

3. Subsidiaries not included in the consolidated financial statements

   No such situation.

4. Different adjustments and treatments during the accounting period of the subsidiaries

   No such situation.

5. Significant restrictions

   No such situation.

6. Subsidiaries with significant non-controlling equity in the Group

   No such situation.

(VII) Foreign currency translation

The items listed in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The Group's functional currency, the New Taiwan dollar, is used for the presentation of this consolidated financial statements.

1. Transactions and balances in foreign currency

   (1) Transactions denominated in foreign currencies are converted 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 conversion difference arising from the adjustment is recognized in the current profit or loss.

   (3) For foreign currency-denominated non-monetary assets and liabilities measured at fair value through profit or loss, revaluation is based on the spot exchange rate at the balance sheet date, and any resulting exchange differences are recognized in profit or loss for the period. For those measured at fair value through other comprehensive income, revaluation is also based on the spot exchange rate at the balance sheet date, but any resulting exchange differences are recognized in other comprehensive income. For those not measured at fair value, they are measured using the historical exchange rate on the date of the initial transaction.

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

2. Conversion of foreign operations

For all group entities whose functional currency and presentation currency are different, the operating results and financial position are as follows and converted to the presentation currency:

(1) Assets and liabilities expressed in each balance sheet were translated at the closing exchange rate on the balance sheet date;
(2) The income, expenses and losses expressed in each comprehensive income statement were translated at the current average exchange rate; and
(3) All exchange differences arising from conversion were recognized in other comprehensive income.

(VIII) 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) It is 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) It is expected to be settled in the normal business cycle.
   (2) Mainly held for the purpose of trading.
   (3) It is expected to be settled within 12 months after the balance sheet date.
   (4) No right to defer settlement of the liability for at least 12 months after the reporting period.

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

(IX) 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.

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

1. Refers to an irrevocable election made at initial recognition to present changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income; or an investment in a debt instrument that meets all of the following criteria:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow and selling.
   (2) The contractual terms of the financial asset give rise to specified cash flows that are entirely payments of principal and interest on the outstanding principal amount.
2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income that are consistent with normal course of transaction.
3. The Group measures its assets at fair value plus transaction costs upon initial recognition and subsequently measures them at fair value:
   (1) Changes in fair value of equity instruments are recognized in other comprehensive income. At the time of derecognition, any cumulative gains or losses previously recognized in other comprehensive income shall not be subsequently reclassified to profit or loss but shall be transferred to retained earnings. The Group recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividend will incur and the amount of the dividend can be measured reliably.
   (2) For debt instruments measured at fair value through other comprehensive income,

impairment losses, interest income, and foreign exchange gains or losses are recognized in profit or loss prior to derecognition. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

(XI) 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 to specified cash flows that are entirely payments of principal and interest on the outstanding principal amount.
2. The Group adopts trade date accounting for financial assets measured at amortized cost that are consistent with normal course of transaction.
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.

(XII) Accounts and notes receivable

1. Refer to accounts and notes receivable that, according to the contract, provide an unconditional right to receive the consideration amount in exchange for the transfer of 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.

(XIII) Impairment of financial assets

As of each balance sheet date, the Group assesses accounts receivable by considering all reasonable and supportable information (including forward-looking information). For receivables where the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For receivables where the credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For accounts receivable that do not contain a significant financing component, the loss allowance is also measured at an amount equal to the lifetime expected credit losses.

(XIV) Derecognition of financial assets

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

(XV) 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 the lower of cost and net realizable value, the item-by-item comparison method shall be adopted. Net realizable value refers to the balance after deducting the estimated cost to be incurred to completion and related selling expenses from the estimated selling price in the ordinary course of business.

(XVI) 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 carrying amount 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 carrying amount 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 lives. Significant components of property, plant, and equipment are depreciated separately.
4. At the end of each financial year, the Group reviews the residual value, useful life, and depreciation method of each asset. If the expected values of the residual value or useful life differ from previous estimates, or if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, such changes are accounted for as changes in accounting estimates in accordance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors", from the date the change occurs. The useful lives of each asset are as follows:

Buildings and structures	5 years - 50 years
Machinery and equipment	6 years - 11 years
Office equipment	3 years - 10 years
Other equipment	3 years - 16 years

(XVII) 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 payments, less any lease incentives receivable; and
   (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; and
   (3) Any initial direct costs incurred.
   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.

(XVIII) Intangible assets

Computer software is recognized at acquisition cost and amortized using the straight-line method over the estimated useful life of 6 years.

(XIX) 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, an 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 an impairment loss on an asset recognized in a previous year no longer exists or has decreased, the impairment loss is reversed, but the increase in the carrying amount of the asset resulting from the reversal of the impairment loss shall not exceed the carrying amount of the asset less depreciation or amortization if no impairment loss had been recognized.

(XX) 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.

(XXI) 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 no interest paid, the Group measures them at the original invoice amount as the impact of discount is immaterial.

(XXII) Derecognition of financial liabilities

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

(XXIII) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only when there is a legally enforceable right to offset the amounts of the recognized financial assets and liabilities and the intention is to settle on a net basis or to realize the asset and settle the liability simultaneously.

(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

   (1) 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.

   (2) Defined benefit plan

   A. The net obligation under the defined benefit plan is discounted based on the future benefit amount earned by employees in the current period or in the past, and the present value of the defined benefit obligation on the balance sheet date less the fair value of the planned assets. The net defined benefit obligation is calculated annually by an actuary using the projected unit credit method, using the market yield rate on government bonds (as of the balance sheet date) that is consistent with the currency and period of the defined benefit plan.

   B. The remeasurement arising from the defined benefit plan is recognized in other comprehensive income in the period in which it occurs, and is expressed in the retained earnings.

   C. Expenses related to the service cost in the previous period are immediately recognized in profit or loss.

3. Severance benefits

   The termination benefits are for employees who terminate their employment before the normal retirement date or when the employees decide to accept the Company's welfare offer in exchange for the termination of employment. The Group recognizes the termination benefits as expenses when the offer of benefits cannot be withdrawn or the related reorganization costs are recognized, whichever earlier. Benefits that are not expected to be settled in full in 12 months after the balance sheet date should be discounted.

4. Compensation to employees and remuneration to 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.

(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 tax authorities. Income tax levied on undistributed earnings in accordance with the Income Tax Act shall be recognized as undistributed earnings income tax expense based on the actual distribution of earnings in the year in which the earnings are generated, after the shareholders' meeting approves the earnings distribution proposal.
3. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet using the balance sheet method. Temporary differences arising from investments in subsidiaries are not recognized if the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is calculated using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred tax assets are recognized to the extent that it is probable that temporary differences will be used to reduce future taxable income, and unrecognized and recognized deferred tax assets are reviewed at each balance sheet date.
5. Current income tax assets and current income tax liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to offset current income tax assets and liabilities. The deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.
6. The carryforward portion of unused income tax credits resulting from acquisitions of equipment or technology, research and development expenditures, and equity investments is recognized as a deferred income tax asset to the extent that it is probable that future taxable income will be available to offset the unused income tax credits.

(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 Group's shareholders are recognized in the financial statements when the Group's shareholders' meeting resolves to distribute dividends. Cash dividends distributed are recognized as liabilities.

(XXVIII) Revenue recognition

Sales of products

1. The Group manufactures and sells quartz crystals, quartz oscillators and filters and other related products. Sales revenue is recognized when control of the products is transferred to the customer, that is, when the products are delivered to the customer, the customer has discretion over the sales channel and price of the products, and the Group has no unfulfilled performance obligations that may affect the customer's acceptance of the products. Delivery of goods occurs when the products have been delivered to the designated location, the risk of obsolescence and loss has passed to the customer, and the customer has accepted the products in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been met.
2. Revenue from sales of quartz crystals, quartz oscillators and filters is recognized at contract price. Payment terms for sales transactions are usually due 30 to 180 days after the date of shipment. As the time interval between the transfer of promised goods or services to customers and payment by customers does not exceed one year, the Group has not adjusted the transaction price to reflect the time value of money.
3. Trade receivables are recognized when goods are delivered to customers because the Group has an unconditional right to the contract price from that point in time and only needs to collect consideration from the customers.

(XXIX) Operating segment

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

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

In preparing the consolidated financial statements of the Group, management has used its judgement to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events at the time 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. These estimates and assumptions have risks that may result in significant adjustments to the carrying amount of assets and liabilities in the next financial year. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

Circumstances in which the Group's accounting policies were adopted without significant judgment.

(II) Important accounting estimates and assumptions

Valuation of inventories

Due to the rapid technological changes of the Group, the risk of inventory loss due to normal loss, obsolescence or no market value is higher, and the cost of inventory must be written down to net realizable value. Management must use judgment and estimation to determine the net realizable value of inventory on the balance sheet date.

On December 31, 2024, the carrying amount of the Group's inventories was NT$270,819 thousand.

VI. Description of important accounting items

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 287	$ 355
Checking deposit and demand deposit	75,195	94,948
Time deposits	600	-
	$ 76,082	$ 95,303

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. The Group classifies time deposits with original maturities of more than three months that do not meet the criteria for short-term cash commitments, as well as pledged time deposits, under "Financial Assets Measured at Amortized Cost". Please refer to Notes 6(2) and 8 for further details.

(II) Financial assets measured at amortized cost

Item	December 31, 2024	December 31, 2023
Current items:		
Time deposits with maturities over three months	$ 6,265	$ 6,441
Non-current items:		
Pledged time deposits	$ 6,650	$ 6,650

1. Without taking into account collateral or other credit enhancements held, the financial assets measured at amortized cost of the Group had the largest exposure amounts amounted to NT$12,915 thousand and NT$13,091 thousand as of December 31, 2024 and 2023, respectively.

2. Please refer to Note 8 for the Group's financial assets measured at amortized cost as collaterals.

3. Please refer to Note 12 (2) for the credit risk information of financial assets measured at amortized cost. 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.

(III) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 1,922	$ 9,201
Accounts receivable	$ 118,349	$ 103,941
Less: Loss allowance	( )	(258)
	$ 118,091	$ 103,683

1. The Group has insured its accounts receivable with Coface Insurance Company since July 2010, and renegotiated the contract in July 2024, covering the period from July 1, 2024 to June 30, 2025. For accounts receivable below NT$600,000, the insurance company does not need to review the insured amount. If a default occurs, the insurance company will compensate 90% of the insured amount. For accounts receivable above NT$600,000, the insurance company will review the insured amount and provide a credit limit. If a default occurs, the insurance company will compensate 90% of the credit limit. As Coface does not accept insurance applications in some regions, the Group has therefore purchased insurance from Allianz Life Insurance Company. The insurance company will review each case and grant an amount. If a default occurs, it will compensate 90% of the debt. As of December 31, 2024 and 2023, the insured amounts of accounts receivable were NT$91,168 thousand and NT$88,260 thousand, respectively.
2. 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	$ 115,563	$ 1,922	$ 99,539	$ 9,201
Within 30 days	2,582	-	4,125	-
31-60 days	107	-	232	-
61-90 days	60	-	39	-
91-180 days	37	-	6	-
More than 181 days	-	-	-	-
	$ 118,349	$ 1,922	$ 103,941	$ 9,201

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

3. The Group does not hold any collateral.
4. Without considering the collateral or other credit enhancements held, the accounts receivable of the Group's maximum credit risk exposure as of December 31, 2024 and 2023 amounted to NT$118,091 thousand and NT$103,683 thousand, respectively; the notes receivable of the Group's maximum credit risk exposure as of December 31, 2024 and 2023 amounted to NT$1,922 thousand and NT$9,201 thousand, respectively.
5. The accounts receivable and notes receivable as of December 31, 2024 and 2023 were generated from customer contract revenues. In addition, the balance of receivables from customer contracts as of January 1, 2023 was NT$154,472 thousand.
6. Please refer to Note 12(2) for the details of credit risk information of accounts receivable and notes receivable.

(IV) Inventory

	December 31, 2024		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials and supplies	$ 118,339	($ 9,722)	$ 108,617
Work-in-progress	46,836	(5,672)	41,164
Finished goods	124,512	(9,658)	114,854
Merchandise inventory	6,675	(491)	6,184
	$ 296,362	($ 25,543)	$ 270,819

	December 31, 2023		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials and supplies	$ 119,750	($ 11,342)	$ 108,408
Work-in-progress	40,665	(3,895)	36,770
Finished goods	96,052	(8,131)	87,921
Merchandise inventory	6,909	(2,694)	4,215
	$ 263,376	($ 26,062)	$ 237,314

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

	2024	2023
Cost of inventory sold	$ 313,890	$ 314,916
Gain on reversal of inventory obsolescence	(519)	(691)
Income from sale of scraps	(192)	(489)
	$ 313,179	$ 313,736

In 2024 and 2023, the Company recognized gains from the reversal of inventory write-downs and obsolescence losses due to the gradual disposal of some of the inventories that had been recorded as obsolete and impaired, which resulted in an increase in the net realizable value of inventories.

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

Item	December 31, 2024	December 31, 2023
Non-current items:		
Equity instrument		
Financial assets	$ 30,000	$ 30,000
Valuation adjustment	30,251	102,095
Total	$ 60,251	$ 132,095

1. The Group has chosen to classify its financial assets that are strategic investments as financial assets at fair value through other comprehensive income. The fair values of these investments as of December 31, 2024 and 2023 were NT$60,251 thousand and NT$132,095 thousand, respectively.
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
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized in other comprehensive income	($ 71,844)	$ 73,095
Dividend income recognized in profit or loss and still held at the end of the current period	$ 31,969	$ 7,049

3. Please refer to Note 12(2) for information on the price risk of financial assets measured at fair value through other comprehensive income.

(VI) Property, plant and equipment

	2024					
	Opening balance	Increase in the current period	Decrease in current period	Transferred in this period	Exchange difference, net	Closing balance
Cost						
Buildings and structures	$ 174,255	$ 3,670	$ -	$ -	$ -	$ 177,925
Machinery and equipment	935,129	43,703	-	7,714	-	986,546
Office equipment	13,076	1,217	(27)	-	99	14,365
Other equipment	96,477	4,555		-	-	101,032
Unfinished construction and equipment to be inspected	10,808	1,812	-	(3,885)	-	8,735
	$ 1,229,745	$ 54,957	($ 27)	$ 3,829	$ 99	$ 1,288,603
Accumulated depreciation						
Buildings and structures	($ 102,444)	($ 4,143)	$ -	$ -	$ -	($ 106,587)
Machinery and equipment	(799,671)	(35,919)	-	-	-	(835,590)
Office equipment	(11,067)	(1,319)	27	-	(48)	(12,407)
Other equipment	(91,109)	(2,550)	-	-	-	(93,659)
	($ 1,004,291)	($ 43,931)	$ 27	$ -	($ 48)	($ 1,048,243)
	$ 225,454					$ 240,360

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	2023					
	Opening balance	Increase in the current period	Decrease in current period	Transferred in this period	Exchange difference, net	Closing balance
Cost						
Buildings and structures	$ 169,539	$ 4,716	$ -	$ -	$ -	$ 174,255
Machinery and equipment	876,171	33,286	-	25,672	-	935,129
Office equipment	11,543	1,635	(58)	-	(44)	13,076
Other equipment	94,305	2,172	-	-	-	96,477
Unfinished construction and equipment to be inspected	26,737	7,210	-	(23,139)	-	10,808
	$ 1,178,295	$ 49,019	($ 58)	$ 2,533	($ 44)	$ 1,229,745
Accumulated depreciation						
Buildings and structures	($ 98,741)	($ 3,703)	$ -	$ -	$ -	($ 102,444)
Machinery and equipment	(768,148)	(31,523)	-	-	-	(799,671)
Office equipment	(10,353)	(790)	58	-	18	(11,067)
Other equipment	(88,770)	(2,339)	-	-	-	(91,109)
	($ 966,012)	($ 38,355)	$ 58	$ -	$ 18	($ 1,004,291)
	$ 212,283					$ 225,454

Note: The above property, plant and equipment are assets held for own use.

1. The Group had no capitalization of interest in 2024 and 2023.
2. For information on property, plant and equipment as collateral, please refer to the descriptions in Note 8.

(VII) Lease transaction - Lessee

1. The underlying assets leased by the Group include land and buildings . The term of lease contract is usually for 2 to 20 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 term of the buildings leased by the Group does not exceed 12 months, and the underlying asset leased of low value is a photocopier.
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	$ 7,832	$ 8,276
Houses	7,976	10,365
	$ 15,808	$ 18,641

	2024	2023
	Depreciation expense	Depreciation expense
Land	$ 607	$ 658
Houses	4,195	3,925
	$ 4,802	$ 4,583

4. The increase in the Group's right-of-use assets in 2024 and 2023 was NT$0 and NT$3,618 thousand, respectively.

5. The information of profit and loss items related to lease contracts is as follows:

	2024	2023
Items affecting current profit or loss		
Interest expense of lease liabilities	$ 444	$ 378
Expenses of short-term lease contracts	443	461
Expenses of low-value asset lease	209	191
	$ 1,096	$ 1,030

6. The Group's total lease cash outflows for 2024 and 2023 were NT$5,728 thousand and NT$5,479 thousand, respectively.

7. The impact of variable lease payments on lease liabilities

The subject of the Group's lease contracts with variable lease payment terms is linked to the announced land price. The subject of lease of land is mainly related to the announced land price . Variable payment terms are used for a variety of reasons, primarily when the government has to revise land prices in accordance with the law. The lease liability should be remeasured to reflect the change in lease payments related to the adjustment in announced land price when there is a change in cash flows, and the remeasured lease payments shall be determined based on the modified contractual payments over the remaining lease term.

8. Lease extension option

(1) When determining the lease term, the Group takes into account all facts and circumstances that would create an economic incentive to exercise the extension option. The lease term is re-estimated when an event significant to the assessment of the exercise of an extension option or the non-exercise of a termination option occurs.

(2) Based on the evaluation of the exercise of the extension option, the right-of-use assets and lease liabilities as of December 31, 2024 and 2023 increased by NT$1,651 thousand and NT$10,853 thousand, respectively.

(VIII) Short-term borrowings

Nature of loan	December 31, 2024	Interest rate range	Collaterals
Bank borrowings			
Credit loans	$ 56,000	2.12%~2.19%	-

Nature of loan	December 31, 2023	Interest rate range	Collaterals
Bank borrowings			
Secured borrowings	$ 10,000	2.02%	Buildings and structures
Credit loans	56,000	1.85%~2.23%	-
	$ 66,000		

(IX) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 17,776	$ 16,342
Payables for equipment	5,809	1,819
Employee remuneration payable	1,867	722
Payable bonus for unused vacation	1,465	1,562
Remuneration payable to directors	1,037	289
Others	14,548	13,223
	$ 42,502	$ 33,957

(X) Long-term borrowings

Nature of loan	Borrowing period and repayment method	Interest rate range	Collaterals	December 31, 2024
Loans for repayment in installments				
Credit loans	Interest will be paid monthly from December 3, 2021 to December 3, 2026, and the principal will be repaid in monthly installments starting December 15, 2021	1.48%	None	$ 3,833
Credit loans	Interest will be paid monthly from January 21, 2022 to December 3, 2026, and the principal will be repaid in monthly installments starting February 15, 2022	1.48%	None	5,552
				9,385
Less: Long-term borrowings due within one year or one operating cycle				(4,896)
				$ 4,489

Nature of loan	Borrowing period and repayment method	Interest rate range	Collaterals	December 31, 2023
Loans for repayment in installments				
Credit loans	Interest will be paid monthly from December 3, 2021 to December 3, 2026, and the principal will be repaid in monthly installments starting December 15, 2021	1.35%	None	$ 5,834
Credit loans	Interest will be paid monthly from January 21, 2022 to December 3, 2026, and the principal will be repaid in monthly installments starting February 15, 2022	1.35%	None	8,448
				14,282
Less: Long-term borrowings due within one year or one operating cycle				(4,897)
				$ 9,385

(XI) Pension

1.(1) In accordance with the provisions of the Labor Standards Act, the Company has established a retirement policy with defined benefits, which applies to the service years of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent service years of employees who choose to continue to be covered by the Labor Standards Act after the implementation of the Labor Pension Act. For employees who meet the retirement requirements, the payment of pension is calculated based on the length of service and the average salary in the six months before retirement. For every full year of service up to 15 years (inclusive), two base points are given, and for every full year of service over 15 years, one base point is given, but the maximum cumulative amount is limited to 45 base points. The Company contributes 2% of the total salary to the pension fund on a monthly basis, which is deposited with the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. In addition, the Company will estimate the balance of the employee labor retirement reserve fund special account referred to in the preceding paragraph before the end of each year. If the balance is insufficient to pay the retirement benefits calculated as above to the workers who are estimated to meet the retirement conditions in the following year, the Company will make a lump sum payment for the difference before the end of March of the following year.

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	($ 13,624)	($ 13,377)
Fair value of plan assets	21,353	19,116
Net defined benefit assets	$ 7,729	$ 5,739

(3) Changes in the present value of defined benefit obligations are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
2024			
Balance on January 1	($ 13,377)	$ 19,116	$ 5,739
Interest (expense) income	(166)	240	74
	(13,543)	19,356	5,813
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,698	1,698
Effect of changes in financial assumptions	523	-	523
Experience adjustment	(604)	-	(604)
	(81)	1,698	1,617
Contribution to pension fund	-	299	299
Balance on December 31	($ 13,624)	$ 21,353	$ 7,729

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
2023			
Balance on January 1	($ 13,964)	$ 18,581	$ 4,617
Interest (expense) income	(187)	251	64
	(14,151)	18,832	4,681
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	157	157
Effect of changes in demographic assumptions	(2)	-	(2)
Effect of changes in financial assumptions	(136)	-	(136)
Experience adjustment	719	-	719
	581	157	738
Contribution to pension fund	-	320	320
Pension payment	193	(193)	-
Balance on December 31	($ 13,377)	$ 19,116	$ 5,739

(4) The assets of the Company's defined benefit retirement plan are managed by the Bank of Taiwan in accordance with the investment items and allocation ratios stipulated in the fund's annual investment plan. These are handled within the scope and limits specified under Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., deposits with domestic and foreign financial institutions, investments in domestic and foreign listed, OTC, or privately placed equity securities, and investment in securitized real estate products domestically and abroad). The utilization of the fund is supervised by the Labor Retirement Fund Supervisory Committee. The minimum return distributed in the annual final accounts of the fund shall not be lower than the return calculated based on the two-year time deposit interest rate of local banks. If there is a shortfall, it shall be supplemented by the national treasury after approval by the competent authority. As the Company does not have the right to participate in the operation and management of the Fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of International Accounting Standard 19. For the fair value of the total assets of the fund on December 31, 2024 and 2023, please refer to the labor pension fund utilization report announced by the government for each year.

(5) The actuarial assumptions related to the pension fund are summarized as follows:

	2024	2023
Discount rate	1.65%	1.25%
Future salary increase rate	2.00%	2.00%

The assumptions about mortality rate for 2024 and 2023 were estimated based on the 6th cycle of Taiwan Life Insurance Industry Empirical Life Tables.

The analysis of the impact on the present value of defined benefit obligation due to the change of the main actuarial assumptions is as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2024				
Effect on the present value of defined benefit obligation	($ 313)	$ 324	$ 322	($ 313)
December 31, 2023				
Effect on the present value of defined benefit obligation	($ 337)	$ 350	$ 346	($ 336)

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

(6) The Company expects to contribute NT$319 thousand to the pension plan in 2025.

(7) As of December 31, 2024, the weighted average duration of the pension plan was 9 years. The maturity analysis of pension payments is as follows:

Less than 1 year	$ 353
1-2 years	577
2-5 years	2,049
Over 5 years	12,613
	$ 15,592

2. (1) Since July 1, 2005, the Company has established a defined retirement allocation in accordance with the "Labor Pension Act", which is applicable to employees of Taiwan nationality. For the employees who choose to apply the labor pension system stipulated in the "Labor Pension Act", the Company contributes 6% of the monthly salary to the employee's individual account with the Labor Insurance Bureau, and 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) According to the relevant retirement pension regulations of the "Provisional Regulations of the People's Republic of China on Social Insurance Premium Collection and Payment", Aker Shenzhen pays 14% - 15% of the average monthly salary in Shenzhen for local employees and the minimum wage of the year for migrant employees in Shenzhen Special Economic Zone, and 13% to 14% of the estimated cost as employee pension. The pension funds of all active and retired employees are arranged by the government, and the Company has no other obligations other than to contribute and pay social insurance contributions on a monthly basis.

(3) According to the "Provisional Regulations of the People's Republic of China on Collection and Payment of Social Insurance Premiums," Aker's Shanghai Branch contributes 16% to 20% of the employees' monthly salary to the employee pension insurance. The pension funds of all active and retired employees are arranged by the government, and the Company has no other obligations other than to contribute and pay social insurance contributions on a monthly basis.

(4) AKER Technology USA Corp. has no pension plan.

(5) In 2024 and 2023, the Group recognized the pension cost of NT$7,569 thousand and NT$7,385 thousand, respectively, in accordance with the above regulations.

(XII) Share capital

As of December 31, 2024, the Company's authorized capital was NT$3,000,000 thousand divided into 300,000 thousand shares, the paid-in capital was NT$500,000 thousand at NT$10 per share, and the number of outstanding shares was 50,000 thousand. The number of common shares outstanding at the beginning of the period is the same as that at the end of the period.

(XIII) Retained earnings

1. According to the provisions of the Company's Articles of Incorporation, if the Company's annual final accounts have a surplus, it shall first pay taxes to make up for past losses, and then set aside 10% as statutory surplus reserves. After setting aside or reversing special surplus reserves in accordance with Article 41 of the Securities and Exchange Act, the balance may be added to the beginning undistributed surplus as distributable surplus, and may be retained at its discretion. The Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.
2. The legal reserve may not be used except to make up for the Company's losses and to issue new shares or cash to shareholders in proportion to their original shares. However, the issuance of new shares or cash shall be limited to the portion of the reserve that exceeds 25% of the paid-in capital.
3. (1) When distributing earnings, the Company shall, in accordance with laws and regulations, set aside a special surplus reserve for the debit balance of other equity items on the balance sheet date of the current year before making distributions. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in the earnings available for distribution.

   (2) When IFRSs were first adopted, the special surplus reserve set aside in the Financial Supervisory Letter No. 109015-0022 dated March 31, 2021 was reversed in proportion to the original special surplus reserve when the Company subsequently used, disposed of or reclassified the related assets. If the aforementioned related assets are investment properties, the land portion will be reversed upon disposal or reclassification, and the portion other than land will be reversed period by period during the period of use. Since the net effect of the Group's retained earnings was negative on the conversion date, it is not necessary to set aside a special reserve.
4. The 2023 and 2022 earnings distribution proposals of the Company were approved by the shareholders' meetings on June 26, 2024 and May 24, 2023 as follows:

	2023		2022	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Legal reserve	$ 1,489		$ 15,507	
Cash dividends	7,000	$ 0.14	135,000	$ 2.70
Total	$ 8,489		$ 150,507	

5. The Company's earnings distribution for 2024 was proposed by the Board of Directors on March 5, 2025 as follows:

	2024	
	Amount	Dividends per share (NTD)
Legal reserve	$ 3,855	
Cash dividends	20,000	$ 0.40
Total	$ 23,855	

The above earnings distribution proposal is yet to be resolved by the shareholders' meeting.

(XIV) Operating revenue

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 geographical areas:

	Aker Group (Taiwan)	AKERUSA	AKER HK and Anchi Shenzhen	Total
2024				
Taiwan	$ 98,684	$ -	$ -	$ 98,684
Europe region	41,246	-	-	41,246
China	32,425	-	140,763	173,188
USA region	3,636	94,023	-	97,659
Other regions	56,184	-	-	56,184
	$ 232,175	$ 94,023	$ 140,763	$ 466,961

	Aker Group (Taiwan)	AKERUSA	AKER HK and Anchi Shenzhen	Total
2023				
Taiwan	$ 127,194	$ -	$ -	$ 127,194
Europe region	71,606	-	-	71,606
China	29,329	-	110,789	140,118
USA region	10,704	72,560	-	83,264
Other regions	43,131	-	-	43,131
	$ 281,964	$ 72,560	$ 110,789	$ 465,313

2. Contract liabilities

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

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities			
Advance sales receipts	$ 1,607	$ 4,813	$ 6,099

Recognized income of contract liabilities at the beginning of the period:

	2024	2023
Advance sales receipts	$ 4,159	$ 5,368

(XV) Interest revenue

	2024	2023
Interest on bank deposits	$ 514	$ 730

(XVI) Other income

	2024	2023
Dividend income	$ 31,969	$ 7,049
Others	33	97
	$ 32,002	$ 7,146

(XVII) Other gains and losses

	2024	2023
Gain (loss) on foreign currency exchange	$ 14,849	($ 1,804)
Others	(21)	(580)
	$ 14,828	($ 2,384)

(XVIII) Financial cost

	2024	2023
Interest expense:		
Bank borrowings	$ 1,586	$ 940
Lease liabilities - interest expense	444	378
	$ 2,030	$ 1,318

(XIX) Additional information on the nature of the expense

	2024		
By nature	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense			
Salary expenses	$ 70,909	$ 77,750	$ 148,659
Labor and national health insurance expenses	8,541	6,873	15,414
Pension expense	3,116	4,379	7,495
Remuneration to directors	-	1,637	1,637
Other personnel expenses	3,597	3,964	7,561
	$ 86,163	$ 94,603	$ 180,766
Depreciation expense	$ 37,640	$ 6,291	$ 43,931
Right-of-use assets depreciation expense	$ 159	$ 4,643	$ 4,802
Amortization expense	$ 222	$ 525	$ 747

By nature	2023 Attributable to operating costs		2023 Attributable to operating expenses		2023 Total	
Employee benefit expense						
Salary expenses	$	64,324	$	72,025	$	136,349
Labor and national health insurance expenses		8,627		7,058		15,685
Pension expense		3,124		4,197		7,321
Remuneration to directors		-		679		679
Other personnel expenses		3,094		3,543		6,637
	$	79,169	$	87,502	$	166,671
Depreciation expense	$	33,202	$	5,153	$	38,355
Right-of-use assets depreciation expense	$	154	$	4,429	$	4,583
Amortization expense	$	620	$	1,600	$	2,220

1. Pursuant to the Company's Articles of Incorporation, if there is any balance after deducting the accumulated losses from the current year's profit, no less than 3% of the balance shall be appropriated as remuneration to employees, and no more than 3% as remuneration to directors.
2. The estimates of the Company's remuneration to employees and directors for 2024 and 2023 are as follows:

	2024		2023	
Remuneration to employees	$	1,867	$	722
Remuneration to directors		1,037		289
Total	$	2,904	$	1,011

   For the aforementioned amounts recognized as salaries and wages, 2024 and 2023 were based on the profit status as of the current period, and the remuneration to employees and directors were estimated at 4.5% and 2.5%, 5% and 2.5%, respectively.

3. The board resolved on March 5, 2025 to distribute remuneration to employees and directors as recognized in the 2024 financial statements. The above-mentioned remuneration to employees was paid in cash.

   The employee compensation and director compensation for 2023, as resolved by the Board of Directors on March 14, 2024, is consistent with the employee compensation amount recognized in the 2023 financial report. The difference in the director compensation amount is handled in accordance with the change in accounting estimate, and the difference is recognized as profit and loss for 2024. The above employee compensation is paid in cash.

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

(XX) Income tax

1. Income tax expense (benefit)

   (1) Components of income tax expense (benefit):

	2024		2023	
Current income tax:				
Income tax arising on current income	$	302	$	782
Overestimated income tax in previous years	(	477)	(	2,194)
Total income tax for the current period	(	175)	(	1,412)
Deferred income tax:				
Occurrence and reversal of temporary difference		1,468	(	226)
Total deferred income tax		1,468	(	226)
Income tax expense (profit)	$	1,293	($	1,638)

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

	2024		2023	
Changes in fair value of financial assets measured at fair value through other comprehensive income	($	14,369)	$	14,619
Difference on translation of foreign operations		531	(	30)
Remeasurement of defined benefit obligation		323		148
	($	13,515)	$	14,737

2. Relationship between income tax expenses (benefits) and accounting profits:

	2024		2023	
Income tax on net profit before tax calculated at the statutory tax rate (Note)	$	7,687	$	1,911
Expenses to be removed in accordance with the tax law		72		8
Income exempted from taxation under the Tax Act	(	5,989)	(	1,344)
Overestimated amount of income tax in previous years	(	477)	(	2,194)
Assessment of the realizability of deferred income tax assets		-	(	19)
Income tax expense (profit)	$	1,293	($	1,638)

   Note: The basis of the applicable tax rate is the tax rate applicable to the income in the relevant countries.

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

	2024				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive net income	Exchange difference, net	Closing balance
Deferred income tax assets:					
- Temporary difference:					
Unrealized gross profit from sales to affiliated companies	$ 639	$ 9	$ -	$ -	$ 648
Deferred income tax related to assets generated from a single transaction	2,221	(640)	-	11	1,592
Allowance for inventory valuation losses	5,148	(107)	-	-	5,041
Accumulated bonus for unused vacation	312	(19)	-	-	293
Unrealized exchange losses	838	(838)	-	-	-
	$ 9,158	($ 1,595)	$ -	$ 11	$ 7,574
- Deferred income tax liabilities:					
Unrealized financial assets Valuation interest	($ 20,419)	$ -	$ 14,369	$ -	($ 6,050)
Deferred income tax related to liabilities arising from a single transaction	(2,192)	672	-	(11)	(1,531)
Accumulated translation adjustment	(1,190)	-	(531)	-	(1,721)
Pension cost	(817)	(75)	(323)	-	(1,215)
Unrealized exchange gain	-	(470)	-	-	(470)
	($ 24,618)	127	13,515	(11)	($ 10,987)
		($ 1,468)	$13,515	$ -	

	2023				
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive net income	Exchange difference, net	Closing balance
Deferred income tax assets:					
- Temporary difference:					
Unrealized amount between affiliated companies Gross profit from sales	$ 803	($ 164)	$ -	$ -	$ 639
Deferred income tax related to assets generated from a single transaction	-	2,260	-	(39)	2,221
Allowance for inventory valuation losses	5,286	(138)	-	-	5,148
Accumulated bonus for unused vacation	398	(86)	-	-	312
Unrealized exchange losses	202	636	-	-	838
	$ 6,689	$ 2,508	$ -	($ 39)	$ 9,158
- Deferred income tax liabilities:					
Unrealized financial assets Valuation interest	($ 5,800)	$ -	($ 14,619)	$ -	($ 20,419)
Deferred income tax related to liabilities arising from a single transaction	-	(2,231)	-	39	(2,192)
Accumulated translation adjustment	(1,220)	-	30	-	(1,190)
Pension cost	(618)	(51)	(148)	-	(817)
	($ 7,638)	(2,282)	(14,737)	39	($ 24,618)
		$ 226	($ 14,737)	$ -	

4. The Group did not recognize deferred income tax liabilities for taxable temporary differences related to the investment in certain subsidiaries. As of December 31, 2024 and 2023, the unrecognized temporary differences of deferred income tax liabilities were NT$8,535 and NT$16,785 thousand, respectively.
5. The Company's profit-seeking business income tax has been approved by the tax authorities up to 2022.

(XXI) Earnings per share

	2024		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net income for the period attributable to the common shareholders of the parent company	$ 37,261	50,000	$ 0.75
Diluted earnings per share			
Effect of potential dilutive ordinary shares - employee compensation	-	86	
Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	$ 37,261	50,086	$ 0.74

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net income for the period attributable to the common shareholders of the parent company	$ 14,299	50,000	$ 0.29
Diluted earnings per share			
Effect of potential dilutive ordinary shares - employee compensation	-	69	
Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	$ 14,299	50,069	$ 0.29

In the calculation of diluted earnings per share, it is assumed that the employee remuneration is in the form of shares issued in the current period, and when the potential common stock has a dilutive effect, it is included in the weighted average number of outstanding shares.

(XXII) Supplementary information on cash flow

Investment activities with only partial cash payment:

	2024	2023
Purchase of property, plant and equipment	$ 54,957	$ 49,019
Add: Payables for equipment, beginning	1,819	8,948
Less: Payables for equipment, ending	(5,809)	(1,819)
Cash paid in current period	$ 50,967	$ 56,148

	2024	2023
Property, plant and equipment transferred in current period	$ 3,829	$ 2,533
Add: End of period prepayment for equipment	-	5,194
Add: Reclassified to intangible assets	565	-
Add: Transferred to other non-current assets	800	-
Less: Prepayment for equipment at the beginning of period	(5,194)	(2,533)
Cash paid in current period	$ -	$ 5,194

(XXIII) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including those due within one year)	Dividends payable	Total liabilities from financing activities
January 1, 2024	$ 66,000	$ 18,951	$ 14,282	$ -	$ 99,233
Changes in financing cash flow	(10,000)	(4,632)	(4,897)	(7,000)	(26,529)
Other non-cash changes	-	1,651	-	7,000	8,651
Effect of exchange rate changes	-	323	-	-	323
December 31, 2024	$ 56,000	$ 16,293	$ 9,385	$ -	$ 81,678

	Short-term borrowings	Lease liabilities	Long-term borrowings (including those due within one year)	Dividends payable	Total liabilities from financing activities
January 1, 2023	$ -	$ 9,239	$ 19,177	$ -	$ 28,416
Changes in financing cash flow	66,000	(4,449)	(4,895)	(135,000)	(78,344)
Other non-cash changes	-	14,471	-	135,000	149,471
Effect of exchange rate changes	-	(310)	-	-	(310)
December 31, 2023	$ 66,000	$ 18,951	$ 14,282	$ -	$ 99,233

VII. Transactions with related parties

Remuneration of key management personnel

	2024	2023
Salary and other short-term employee benefits	$ 12,394	$ 11,125
Post-employment benefits	192	193
	$ 12,586	$ 11,318

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
Time deposits (listed as financial assets at amortized cost)	$ 6,650	$ 6,650	Customs business tax deposit, short-term borrowings and long-term borrowings as collateral for domestic sales
Property, plant and equipment	13,793	15,118	
	$ 20,443	$ 21,768	

The Group has fully repaid all long-term loans secured by December 31, 2024 and 2023. However, considering that there is still a need for loans in the future, the borrowing amount is retained and the collateral has not been cancelled.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Contingencies

No such situation.

(II) Commitments

Capital expenditures signed but not yet incurred

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 6,202	$ 10,173

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

The Group's earnings distribution proposal for 2024 was approved by the Board of Directors on March 5, 2025. Please refer to Note 6(13).

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 monitors its capital with the debt/equity ratio, which is calculated by dividing the total debts by the total shareholders' equity.

(II) Financial instruments

1. Type of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Selecting designated investments in equity instruments	$ 60,251	$ 132,095
Cash and cash equivalent of financial assets measured at amortized cost	$ 76,082	$ 95,303
Financial assets measured at amortized cost	12,915	13,091
Notes receivable	1,922	9,201
Accounts receivable	118,091	103,683
Other receivables (stated as other current assets)	3,541	2,214
Refundable deposits (recognized in other non-current assets)	2,395	449
	$ 214,946	$ 223,941

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 56,000	$ 66,000
Notes payable	4,303	6,499
Accounts payable	35,528	21,097
Other payables	42,502	33,957
Long-term borrowings (including portion due within one year)	9,385	14,282
	$ 147,718	$ 141,835
Lease liabilities (including portion due within one year)	$ 16,293	$ 18,951

2. Risk management policy

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

(2) Risk management is carried out by the Group's Finance Department in accordance with the policies of 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

<u>Exchange rate risk</u>

A. The Group operates in a multinational company and is therefore exposed to the exchange rate risk arising from transactions with the functional currency of the Company and its subsidiaries, which are mainly US dollars, Japanese yen, Hong Kong dollars and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Group's management has formulated policies that require companies within the Group to manage the exchange rate risk relative to their functional currency. Companies shall hedge the overall exchange rate risk through the Group Finance Department. The exchange rate risk is measured through the use of forward exchange contracts to reduce the impact of exchange rate fluctuations on the expected purchase cost of inventories through the expected transactions of highly probable US dollars, Japanese yen, Hong Kong dollars and Renminbi.

C. The Group's business involves several 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:

	December 31, 2024		
	Foreign currency (thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	$ 5,404	32.79	$ 177,197
JPY: NTD	34,009	0.21	7,142
HKD: NTD	309	4.22	1,304
RMB: NTD	1,748	4.48	7,831
HKD: USD	606	0.13	2,557
<u>Financial liabilities</u>			
Monetary items			
USD: NTD	$ 973	32.79	$ 31,905
JPY: NTD	8,131	0.21	1,708
RMB: NTD	500	4.48	2,240
USD: RMB	3,666	7.32	120,208

	December 31, 2023				
	Foreign currency (thousands)		Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD: NTD	$	4,522	30.71	$	138,871
JPY: NTD		70,527	0.22		15,516
HKD: NTD		307	3.93		1,207
RMB: NTD		1,647	4.33		7,132
EUR: NTD		36	33.98		1,223
Financial liabilities					
Monetary items					
USD: NTD	$	571	30.71	$	17,530
JPY: NTD		11,971	0.22		2,634
USD: RMB		3,008	7.10		92,376

D. Due to exchange rate fluctuations that are material to the Group's monetary items, the aggregate amounts of all exchange losses and gains (including realized and unrealized) recognized in 2024 and 2023 were gain of $14,849 thousand and loss of $1,804 thousand, respectively.

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

	2024				
	Sensitivity analysis				
	Range of change	Impacted profit and loss		Affecting other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD: NTD	5%	$	8,860	$	-
JPY: NTD	5%		357		-
HKD: NTD	5%		65		-
RMB: NTD	5%		392		-
HKD: USD	5%		128		-
Financial liabilities					
Monetary items					
USD: NTD	5%	($	1,595)	$	-
JPY: NTD	5%	(	85)		-
RMB: NTD	5%	(	112)		-
USD: RMB	5%	(	6,010)		-

	2023		
	Sensitivity analysis		
	Range of change	Impacted profit and loss	Affecting other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	5%	$ 6,944	$ -
JPY: NTD	5%	776	-
HKD: NTD	5%	60	-
RMB: NTD	5%	357	-
EUR: NTD	5%	61	-
Financial liabilities			
Monetary items			
USD: NTD	5%	($ 877)	$ -
JPY: NTD	5%	(132)	-
USD: RMB	5%	(4,619)	-

Price risk

A. The Group's equity instrument exposed to price risk is accounted for in the financial assets measured at fair value through gain or loss and the financial assets measured at fair value through other comprehensive gain or loss. In order 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 funds. The main investment of the funds is equity instruments issued by domestic companies. The prices of these equity instruments will be affected by the uncertainty of the future values of the investment targets. If the price of these equity instruments increases or decreases by 5%, while all other factors remain unchanged, the other comprehensive income for 2024 and 2023 will increase or decrease by NT$2,410 thousand and NT$5,284 thousand, respectively due to the gains or losses from equity instruments measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

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

B. The Group's borrowings are measured at amortized cost, and the borrowing interest rate is set with reference to the market interest rate. Therefore, the Group is exposed to the risk of future changes in market interest rates.

C. When the NTD borrowing rate rises or falls by 0.1% and all other factors remain unchanged, the net profit after tax in 2024 and 2023 will decrease or increase by NT$52 thousand and NT$64 thousand, respectively, mainly due to the change in interest expenses caused by floating rate borrowings.

(2) Credit risk

A. The Group’s credit risk is the risk that a customer or counterparty to a financial instrument will fail to meet its contractual obligations, resulting in financial losses to the Group. It mainly arises from the counterparty’s failure to settle the contractual cash flows of accounts receivable payable under collection terms and financial assets classified as measured at amortized cost.

B. The Group establishes credit risk management from the group perspective. The Group examines the creditworthiness of the depositing banks based on financial data such as loan-to-deposit ratio, overdue loan ratio, and capital adequacy ratio. The credit ratings of the Group's main banks were assessed to be good. According to the internal credit policy, management and credit risk analysis must be conducted on each operating entity within the Group and each new customer before proposing terms and conditions for payment and delivery. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. Individual risk limits are set by the management based on internal or external ratings, and the use of credit limits is regularly monitored.

C. The Group adopts IFRS 9 to provide the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since the initial recognition:
When the contract amount is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.

D. The Group adopts the assumptions provided in IFRS 9. When the contract payment is overdue for more than 90 days according to the agreed payment terms, it is deemed that a default has occurred.

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 uses a simplified method to estimate the expected credit losses of accounts receivable from customers based on a provision matrix.

G. The Group has incorporated the forward-looking considerations of the Taiwan Institute of Economic Research's Economic Observation Report to adjust the loss rate established based on historical and current information for a specific period to estimate the allowance for losses on accounts receivable and notes receivable. The allowance matrix as of December 31, 2024 and 2023 is as follows:

	Expected loss rate	Total carrying amount	Allowance for losses
December 31, 2024			
Not past due	0%	$ 117,485	$ 155
Within 30 days	1%	2,582	19
31-60 days	7%	107	7
More than 61 days	79%	97	77
Total		$ 120,271	$ 258

	Expected loss rate	Total carrying amount	Allowance for losses
December 31, 2023			
Not past due	0%	$ 108,740	$ 80
Within 30 days	3%	4,125	121
31-60 days	5%	232	12
More than 61 days	100%	45	45
Total		$ 113,142	$ 258

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

	2024	2023
	Accounts receivable	Accounts receivable
January 1	$ 258	$ 1,944
Reversal of impairment loss	-	(1,686)
December 31	$ 258	$ 258

(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 requirements to ensure that there are sufficient funds to meet operating needs. These forecasts take into account the Company's debt financing plan, compliance with debt terms, and conformity to the financial ratio targets set by the internal balance sheet.

B. When the remaining cash held by each operating entity exceeds the requirements for the management of working capital, it will be transferred back to the Group's Finance Department. In this regard, each operating entity will be asked to remit the cash on its account back to the parent company to offset the accounts receivable due each month. If there is idle funds, they will be centrally allocated and used by the parent company. It is expected that cash flow can be generated immediately to manage liquidity risk.

C. The Group's unused loan quota is detailed as follows:

	December 31, 2024	December 31, 2023
Floating interest rate		
Due within one year	$ 398,000	$ 388,000
Maturity over one year	296,000	296,000
	$ 694,000	$ 684,000

Note: The credit line expiring within one year is the annual limit and will be discussed separately before expiry.

D. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross basis, grouped by their respective maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date; derivative financial liabilities are 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	Less than 120 days	120 days to 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 40,225	$ 16,073		$ -	$ -	$ 56,298
Notes payable	4,303	-	-	-	-	4,303
Accounts payable	35,438	90	-	-	-	35,528
Other payables	42,502	-	-	-	-	42,502
Lease liabilities (including those due within one year)	1,462	2,501	3,016	4,900	5,485	17,364
Long-term borrowings (including those due within one year)	1,675	3,326	4,521	-	-	9,522

Non-derivative financial liabilities

December 31, 2023	Less than 120 days	120 days to 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 46,458	$ 20,151	$ -	$ -	$ -	$66,609
Notes payable	6,499	-	-	-	-	6,499
Accounts payable	21,077	20	-	-	-	21,097
Other payables	33,957	-	-	-	-	33,957
Lease liabilities (including those due within one year)	1,633	2,956	3,378	6,470	6,122	20,559
Long-term borrowings (including those due within one year)	1,694	3,365	4,992	4,518	-	14,569

E. The Group does not expect the cash flow analysis on the maturity date will be significantly early or the actual amount will be significantly different.

(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.

   Level 3: Unobservable inputs for the asset or liability. Equity instruments that the Group invests in and for which there is no active market fall this category.

2. Financial instruments not measured at fair value

   The carrying amounts of 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, deposits, short-term loans, notes payable, accounts payable, other payables, long-term loans and lease liabilities, which are reasonable approximations of fair value.

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

The Group's assets 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 and equity securities measured at fair value through other comprehensive income	$ -	$ -	$ 60,251	$ 60,251

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	$ -	$ -	$ 132,095	$ 132,095

4. The following table shows the changes in Level 3 in 2024 and 2023:

	2024	2023
January 1	$ 132,095	$ 59,000
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(71,844)	73,095
December 31	$ 60,251	$ 132,095

5. 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	Evaluation techniques	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments: Financial assets	$ 60,251	Net asset value method	Not applicable	Not applicable	Not applicable

	Fair value on December 31, 2023	Evaluation techniques	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments: Financial assets	$ 132,095	Net asset value method	Not applicable	Not applicable	Not applicable

XIII. Notes disclosures

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.
2. Endorsements/guarantees provided for others: none.
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: No such situation.
6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: No such situation.
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 2.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 3.
9. Derivative transactions: No such situation.
10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 4.

(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 5.

(III) Mainland China Investment Information

1. Basic information: Please refer to Table 6.
2. Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region: Please refer to Table 4.

(IV) Information of major shareholders

Information on major shareholders: Please refer to Table 7.

XIV. Departmental Information

(I) General information

The Group's management has identified the segments that should be reported based on the reporting information used by the chief operating decision maker when making decisions, and divided the business organizations into Taiwan, the United States, and China segments based on subsidiaries.

(II) Measurement of departmental information

The accounting policies of the operating segments are the same as the significant accounting policies described in Note 4. The profit or loss of the Group's operating segments is measured in pre-tax profit and loss, which is used as the basis for performance evaluation.

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

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

2024

	Aker Group (Taiwan)	AKER USA	AKER HK and Aker Shenzhen	Write-off	Total
Revenue from external customers	$ 232,175	$ 94,023	$ 140,763	$ -	$ 466,961
Internal department revenue	215,398	-	-	(215,398)	-
Total revenue	$ 447,573	$ 94,023	$ 140,763	($ 215,398)	$ 466,961
Segment profit before tax	$ 40,610	($ 8,252)	$ 6,206	$ -	$ 38,554
Segment income includes:					
Interest expense	$ 1,725	$ -	$ 305	$ -	$ 2,030
Depreciation and amortization	45,497	-	3,983	-	49,480

2023

	Aker Group (Taiwan)	AKER USA	AKER HK and Aker Shenzhen	Write-off	Total
Revenue from external customers	$ 281,964	$ 72,560	$ 110,789	$ -	$ 465,313
Internal department revenue	149,118	-	-	(149,118)	-
Total revenue	$ 431,082	$ 72,560	$110,789	($ 149,118)	$ 465,313
Segment profit before tax	$ 13,769	($ 1,884)	$ 776	$ -	$ 12,661
Segment income includes:					
Interest expense	$ 1,084	$ -	$ 234	$ -	$ 1,318
Depreciation and amortization	42,003	-	3,155	-	45,158

2. The Group has not allocated income tax expenses to the reporting segments. The reported amount is consistent with the amount used in the report by the chief operating decision maker.

3. The measured amounts of the Group's assets and liabilities are not indicators to be measured by the decision-maker.

(IV) Reconciliation of segment revenue and profit and loss

1. The adjusted total revenue for the current period and the total revenue from continuing operations are as follows:

	2024	2023
Adjusted income of reportable operating segments	$ 682,359	$ 614,431
Elimination of inter-departmental revenue	( )	(149,118)
Total consolidated operating revenue	$ 466,961	$ 465,313

2. The adjusted pre-tax income of the current period is consistent with the pre-tax income of the continuing segment, and no adjustment is required.

(V) Information on product type and service type

The Group's revenue is mainly derived from the production and sale of quartz components. The breakdown of the income balance is as follows:

	2024	2023
Revenue from sales of quartz components	$ 466,961	$ 465,313

(VI) Information by region

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

	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 98,684	$ 252,253	$ 127,193	$ 240,453
China	166,361	7,105	123,960	10,188
USA	97,659	-	83,264	-
Europe	41,246	-	71,607	-
Hong Kong	6,827	-	16,157	-
Others	56,184	-	43,132	-
Total	$ 466,961	$ 259,358	$ 465,313	$ 250,641

The Group's revenue by region is calculated based on the country of sales. Non-current assets are property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, excluding deferred tax assets, net defined benefit assets - non-current, refundable deposits and prepaid investments.

(VII) Important customer information

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

	2024		2023	
	Revenue	Segment	Revenue	Segment
Customer A	49,066	USA	24,583	USA

Aker Technology Co., Ltd.

Parent company only Financial Statements and Independent Auditor's Report

December 31, 2024 and 2023

(Stock code: 6174)

Address: No. 11-3, Jianguo Road, Tanshi District, Taichung City

Telephone: (04) 2533-5978

Aker Technology Co., Ltd.

2024 and 2023 parent company only financial statements and independent auditor's report

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Independent Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24004576

To Aker Technology Co., Ltd.:

Audit opinion

We have audited the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, statements of changes in equity, statements of changes in cash flows, and notes to the financial statements (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023.

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

Basis for the audit opinion

We conducted our audit in accordance with the Regulations Governing the Audit of Financial Statements by Certified Public Accountants and the ROC Standards on Auditing. 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 are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

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

The key audit matters of Aker Technology Co., Ltd. parent company only financial statements for the year ended December 31, 2024 were as follows:

Timing of sales revenue recognition

Item description

For the accounting policies of sales revenue, please refer to Note 4(25) of the parent company only financial statements; for details of sales revenue, please refer to Note 6(15) of the parent company only financial statements. The operating revenue in 2024 was NT$447,573 thousand. Aker Technology Co., Ltd. is principally engaged in the manufacture and sale of quartz crystals and quartz oscillators. Revenues from export sales are recognized when the control of the goods is transferred when the export goods arrive at the designated destination port for delivery or are loaded on the aircraft according to the transaction conditions. The Company recognizes sales revenue when shipment is made and reverses the portion of the goods that has not yet been transferred to the buyer at the end of each period. Therefore, the revenue recognition process involves manual control and may result in revenue not being properly recorded in the correct period. Therefore, we believed that the timing of sales revenue recognition was one of the most important matters for this year's audit.

Corresponding audit procedures

The CPA has implemented the corresponding procedures for the specific aspects of the key audits described above:

1. Understand the Company's operating procedures for export sales and internal control processes, and perform tests of these controls to evaluate the effectiveness of management's control over the timing of recognition of export sales revenue.
2. Performed cut-off test on the export sales revenue transactions within a certain period around the end of the financial reporting period to evaluate whether the timing of export revenue recognition was correct.

Inventory valuation

Item description

For the accounting policy of inventory valuation, please refer to Note 4(11) of the parent company only financial statements; for the uncertainty of accounting estimates and assumptions of inventory valuation, please refer to Note 5(2) of the parent company only financial statements; for the description of inventory allowance valuation, please refer to Note 6(4) of the parent company only financial statements. As of December 31, 2024, Aker Technology's total inventory and the amount of the allowance for valuation loss of inventories were NT$217,310 thousand and NT$25,205 thousand, respectively.

Acer Technology mainly engages in the manufacture and sale of quartz crystals and quartz oscillators. Its inventory evaluation policy is measured based on the lower of cost or net realizable value; for the inventory beyond a specific period of age and the individually identified value impairment, the net realizable value of the Company's inventory often involves subjective judgment and has a significant impact on the financial statements. Therefore, we listed the inventory valuation as one of the most important matters in this year's audit.

Corresponding audit procedures

The CPA has summarized the response procedures that have been implemented for the specific aspects described in the above key audit matters as follows:

1. Understood and evaluated the reasonableness of the Company's inventory valuation policy.
2. Reviewed annual inventory plan and participated in the annual inventory count to evaluate the management's effectiveness in differentiating and controlling obsolete inventories.
3. Obtained the inventory aging report and checked the relevant supporting documents of the inventory transaction date to confirm that the inventory aging interval classification was correct, and re-calculated and assessed that the inventory aging was consistent with the policy.
4. Obtained the statement of net realizable value of each inventory to confirm that the calculation logic was used consistently, tested the basis for the estimation of the net realizable value of inventory, including checking the supporting documents such as sales price and purchase price, and re-calculated and assessed the reasonableness of inventory valuation.

Responsibilities of Management and Those charged with Governance for the Parent Company Only Financial Statements

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

When preparing the consolidated financial statements, the responsibility of the management also includes assessing the ability of Aker Technology Co., Ltd. to continue as going concern, disclosure of related matters, and the adoption of the going concern basis of accounting unless management intends to liquidate Aker Technology Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for supervising the financial reporting process of Aker Technology Co., Ltd.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will always detect material misstatements in the parent company only financial statements. Misstatement can arise from error or fraud. If the individual amounts or the aggregate amount can be reasonably expected to affect the economic decisions made by the users of the parent company only financial statements, the misstatements are 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 arising from 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. Because fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control, the risk of not detecting a material misrepresentation resulting from fraud is higher than one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether material uncertainty exists for events or conditions that may cause significant doubts about 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 conclusion is based on the audit evidence obtained up to the date of the audit 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 related notes), and whether the parent company only financial statements adequately present related transactions and events.

6. For the financial information of entities within the Company, sufficient and appropriate audit evidence was obtained to express an opinion on the parent company only financial statements. We are responsible for the guidance, supervision and performance of the parent company only audit, and we are responsible for forming an audit opinion on the parent company only financial statements.

The matters communicated between us and the governing body include the planned scope and time of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide the governance body with a statement that we have complied with the Professional Ethics for Certified Public Accountants of the Republic of China for independence and communicate with the governance body all relationships and other matters (including related safeguards) that may be perceived to affect our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe such matters in the audit report unless the law does not permit the public disclosure of a particular matter, or, in extremely rare circumstances, we decide not to communicate a particular matter in the audit report because such communication could reasonably be expected to have a negative impact that outweighs the public interest.

PwC Taiwan

Lai Chih-Wei

CPA

Wang Yu-Chuan

Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1120348565
Jin-Guan-Zheng-Shen-Zi No. 1020028992

March 5, 2025

Aker Technology Co., Ltd.
Parent company only balance sheets
December 31, 2024 and 2023

Unit: NTD Thousands

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6 (1)	$ 45,258	6	$ 65,314	8
1136	Financial assets at amortized cost - current	6 (2)	6,265	1	6,441	1
1150	Net notes receivable	6 (3)	814	-	639	-
1170	Net accounts receivable	6 (3)	57,621	7	52,695	6
1180	Accounts receivable - related parties, net	7 (2)	129,228	16	91,351	11
1210	Other receivables - related parties	7 (2)	1,378	-	1,103	-
130X	Inventory	6 (4)	192,105	23	193,212	22
1470	Other current assets		8,684	1	9,788	1
11XX	**Total current assets**		441,353	54	420,543	49
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income - non-current	6 (5)	60,251	7	132,095	16
1535	Financial assets measured at amortized cost - non-current	6 (2) and 8	6,650	1	6,650	1
1550	Investment under equity method	6 (6)	41,391	5	40,805	5
1600	Property, plant and equipment	6 (7) and 8	239,378	29	224,034	26
1755	Right-of-use assets	6 (8)	9,685	1	9,872	1
1780	Intangible assets		2,008	-	1,351	-
1840	Deferred income tax assets	6 (21)	5,982	1	6,937	1
1900	Other non-current assets	6 (20) (23)	12,306	2	11,384	1
15XX	**Total non-current assets**		377,651	46	433,128	51
1XXX	**Total assets**		$ 819,004	100	$ 853,671	100

(continued on next page)

Aker Technology Co., Ltd.
Parent company only balance sheets
December 31, 2024 and 2023

Unit: NTD Thousands

	Liabilities and equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2100	Short-term borrowings	6 (9)	$ 56,000	7	$ 66,000	8
2130	Contract liabilities - current	6 (15)	478	-	2,895	-
2150	Notes payable		4,303	-	6,415	1
2170	Accounts payable		34,614	4	19,886	2
2200	Other payables	6 (10) (23)	41,762	5	33,340	4
2230	Current income tax liabilities		-	-	1,509	-
2280	Lease liabilities - current	6 (24)	1,783	-	1,418	-
2320	Long-term liabilities due within one year or one operating cycle	6 (11)	4,896	1	4,897	1
2399	Other current liabilities - others		611	-	586	-
21XX	**Total current liabilities**		144,447	17	136,946	16
	Non-current liabilities					
2540	Long-term borrowings	6 (11)	4,489	1	9,385	1
2570	Deferred income tax liabilities	6 (21)	9,456	1	22,426	3
2580	Lease liabilities - non-current	6 (24)	8,142	1	8,648	1
25XX	**Total non-current liabilities**		22,087	3	40,459	5
2XXX	**Total liabilities**		166,534	20	177,405	21
	Equity					
	Share capital	6 (13)				
3110	Common stock capital		500,000	61	500,000	59
	Retained earnings	6 (14)				
3310	Legal reserve		63,413	8	61,924	7
3350	Undistributed earnings		58,652	7	28,586	3
	Other equity					
3400	Other equity		30,405	4	85,756	10
3XXX	**Total equity**		652,470	80	676,266	79
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Material events after the reporting period	11				
3X2X	**Total liabilities and equity**		$ 819,004	100	$ 853,671	100

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

Chairman: Lin Yi-Lun　　Manager: Li Ching-Yi　　Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd.
Parent company only statements of comprehensive income
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands
(Except earnings per share in NTD)

	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6 (15) and 7 (2)	$ 447,573	100	$ 431,082	100
5000	Operating cost	6 (4) (20)	(334,942)	(75)	(317,811)	(73)
5900	Gross operating profit		112,631	25	113,271	27
5910	Unrealized loss (gain) from sales		(44)	-	815	-
5950	Gross operating profit, net		112,587	25	114,086	27
	Operating expenses	6 (20)				
6100	Sales and promotion expenses		(30,694)	(7)	(30,602)	(7)
6200	Administrative expenses		(46,021)	(11)	(42,298)	(10)
6300	R&D expenses		(36,943)	(8)	(35,359)	(8)
6450	Expected credit impairment gain	12 (2)	-	-	1,686	-
6000	Total operating expenses		(113,658)	(26)	(106,573)	(25)
6900	Operating (loss) income		(1,071)	(1)	7,513	2
	Non-operating income and expenses					
7100	Interest revenue	6 (16)	487	-	699	-
7010	Other income	6 (17)	31,985	7	7,139	1
7020	Other gains and losses	6 (18)	10,934	2	(497)	-
7050	Financial cost	6 (8) (19)	(1,725)	-	(1,084)	-
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	6 (6)	(2,026)	-	(332)	-
7000	Total non-operating income and expenses		39,655	9	5,925	1
7900	**Net profit before tax**		38,584	8	13,438	3
7950	Income tax benefits (expenses)	6 (21)	(1,323)	-	861	-
8200	**Net income for the period**		$ 37,261	8	$ 14,299	3
	Other comprehensive income (net amount)					
	Items not reclassified into profit or loss					
8311	Remeasurement of defined benefit plan	6 (12)	$ 1,617	-	$ 738	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6 (5)	(71,844)	(16)	73,095	17
8349	Income tax related to items not subject to reclassification	6 (21)	14,046	3	(14,767)	(3)
8310	Total items not reclassified to profit or loss		(56,181)	(13)	59,066	14
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		2,655	1	(150)	-
8399	Income tax related to items that may be reclassified	6 (21)	(531)	-	30	-
8360	Total amount of items that may be reclassified subsequently to profit or loss		2,124	1	(120)	-
8300	**Other comprehensive income (net amount)**		($ 54,057)	(12)	$ 58,946	14
8500	**Total comprehensive income for the period**		($ 16,796)	(4)	$ 73,245	17
	Earnings per share	6 (22)				
9750	Basic		$	0.75	$	0.29
9850	Diluted		$	0.74	$	0.29

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

Chairman: Lin Yi-Lun　　Manager: Li Ching-Yi　　Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd.
Parent company only statements of changes in equity
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands

	Notes	Common stock capital	Retained earnings: Legal reserve	Retained earnings: Undistributed earnings	Other equity: Financial statements of foreign operations Exchange difference in conversion table	Other equity: Through other comprehensive income Financial measured at fair value Unrealized gains/losses on assets	Total equity
2023							
Balance on January 1, 2023		$ 500,000	$ 46,417	$ 164,204	$ 4,200	$ 23,200	$ 738,021
Net income for the period		-	-	14,299	-	-	14,299
Other comprehensive income in the current period		-	-	590	(120)	58,476	58,946
Total comprehensive income for the period		-	-	14,889	(120)	58,476	73,245
Earnings appropriation and distribution for 2022	6 (14)						
Legal reserve		-	15,507	(15,507)	-	-	-
Cash dividends		-	-	(135,000)	-	-	(135,000)
Balance on December 31, 2023		$ 500,000	$ 61,924	$ 28,586	$ 4,080	$ 81,676	$ 676,266
2024							
Balance on January 1, 2024		$ 500,000	$ 61,924	$ 28,586	$ 4,080	$ 81,676	$ 676,266
Net income for the period		-	-	37,261	-	-	37,261
Other comprehensive income in the current period		-	-	1,294	2,124	(57,475)	(54,057)
Total comprehensive income for the period		-	-	38,555	2,124	(57,475)	(16,796)
Earnings appropriation and distribution for 2023	6 (14)						
Legal reserve		-	1,489	(1,489)	-	-	-
Cash dividends		-	-	(7,000)	-	-	(7,000)
Balance on December 31, 2024		$ 500,000	$ 63,413	$ 58,652	$ 6,204	$ 24,201	$ 652,470

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

Chairman: Lin Yi-Lun   Manager: Li Ching-Yi   Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd.
Parent company only statements of cash flows
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands

	Notes	For the years ended December 31, 2024	For the years ended December 31, 2023
Cash flow from operating activities			
Net income before tax for the period		$ 38,584	$ 13,438
Adjusted items			
Income and expenses			
Depreciation expense	6 (7) (20)	42,912	37,898
Right-of-use assets depreciation expense	6 (8) (20)	1,838	1,885
Amortization expense	6 (20)	747	2,220
Downstream unrealized sales (gain) loss		44	(815)
Reversal of expected credit losses	12 (2)	-	(1,686)
Interest revenue	6 (16)	(487)	(699)
Dividend income	6 (5) (17)	(31,969)	(7,049)
Interest expense	6 (19)	1,586	940
Interest expense - lease liabilities	6 (8) (19)	139	144
Share of profit or loss on subsidiaries, affiliates and joint ventures accounted for using the equity method	6 (6)	2,026	332
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Net notes receivable		(175)	1,463
Accounts receivable		(4,926)	62,469
Accounts receivable - related parties		(37,877)	(23,890)
Other receivables - related parties		(275)	(49)
Inventory		1,107	44,646
Other current assets		1,568	(1,952)
Other non-current assets		(373)	(388)
Net changes in liabilities related to operating activities			
Contract liabilities		(2,417)	(756)
Notes payable		(2,112)	165
Accounts payable		14,728	(16,719)
Other payables		4,390	(21,099)
Other current liabilities		25	(18)
Cash inflow from operations		29,083	90,480
Interest received		487	699
Interest paid		(1,684)	(1,084)
Income tax paid		(1,796)	(24,362)
Net cash inflow from operating activities		26,090	65,733

(continued on next page)

Aker Technology Co., Ltd.
Parent company only statements of cash flows
For the years ended December 31, 2024 and 2023

Unit: NTD Thousands

	Notes	For the years ended December 31, 2024	For the years ended December 31, 2023
Cash flow from investing activities			
Decrease in financial assets measured at amortized cost		$ 176	$ 14,393
Acquisition of property, plant and equipment	6 (23)	(50,437)	(54,777)
Acquisition of intangible assets		(839)	(685)
Increase in refundable deposits		(1,946)	(64)
Increase in prepayment for equipment	6 (23)	-	(5,194)
Increase of other non-current assets		(1,380)	-
Dividends received	6 (5)	31,969	7,049
Net cash outflow from investing activities		(22,457)	(39,278)
Cash flow from financing activities			
Short-term borrowings	6 (24)	192,000	182,000
Repayment of short-term borrowings	6 (24)	(202,000)	(116,000)
Repayment of long-term borrowings	6 (24)	(4,897)	(4,895)
Number of lease principal repayments	6 (24)	(1,792)	(1,832)
Distribution of cash dividends	6 (14) (24)	(7,000)	(135,000)
Net cash outflow from financing activities		(23,689)	(75,727)
Decrease in cash and cash equivalents in current period		(20,056)	(49,272)
Opening balance of cash and cash equivalents		65,314	114,586
Ending balance of cash and cash equivalents		$ 45,258	$ 65,314

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

Chairman: Lin Yi-Lun Manager: Li Ching-Yi Accounting supervisor: Chen Meng-Cheng

Aker Technology Co., Ltd.
Notes to parent company only financial statements
December 31, 2024 and 2023

Unit: NTD Thousands
(unless specified otherwise)

I. Company history

Aker Technology Co., Ltd. (hereinafter referred to as the “Company”) was established in December 1990 in the Republic of China and officially listed on the Taipei Exchange (TPEx) in May 2002. Primarily engaged in the manufacturing, processing and sale of raw materials, parts and semi-finished products such as quartz crystals and quartz oscillators.

II. Date and procedure for approval of financial statements

The parent company only financial statements were approved by the Board of Directors for issue on March 5, 2025.

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 summarizes the newly issued, revised and amended standards and interpretations of the International Financial Reporting Standards that were approved and promulgated by the Financial Supervisory Commission and are effective in 2024:

New and revised standards and interpretations	Effective date announced by the IASB
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Current and Non-current Liabilities"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024

The Company has assessed that the above standards and interpretations did not have significant impact on the financial position and financial performance of the Company.

(II) Impact of not yet adopting the newly issued or revised International Financial Reporting Standards approved by the Financial Supervisory Commission

The following table summarizes the newly issued, revised and amended standards and interpretations of the International Financial Reporting Standards applicable in 2025 and approved by the Financial Supervisory Commission:

New and revised standards and interpretations	Effective date announced by the IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company has assessed that the above standards and interpretations did not have 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 new, revised and amended standards and interpretations issued by the International Accounting Standards Board but not yet incorporated into the International Financial Reporting Standards approved by the Financial Supervisory Commission:

New and revised standards and interpretations	Effective date announced by the IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be decided by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS - Vol. 11	January 1, 2026

Except for the following, the Company has assessed that the above standards and interpretations did not have significant impact on the financial position and financial performance of the Company:

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   For equity instruments designated, through an irrevocable election, to be measured at fair value through other comprehensive income (FVOCI), their fair value shall be disclosed by category; it is no longer necessary to disclose fair value information for each individual instrument. In addition, the fair value gains and losses recognized in other comprehensive income during the reporting period should be disclosed, showing the fair value gains and losses related to investments eliminated during the reporting period and the fair value gains and losses related to investments still held at the end of the reporting period; as well as the cumulative gains and losses from investments eliminated during the reporting period and transferred to equity during the reporting period.
2. IFRS 18 "Presentation and Disclosure in Financial Statements"

   IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income, adds disclosures on management performance measures, and strengthens the aggregation and segmentation principles applied to the primary 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) Statement of Compliance

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 important items, the parent company only financial statements are prepared on the historical cost basis:
   (1) Financial assets measured at fair value through other comprehensive income.
   (2) The defined benefit liability is recognized at the net amount of pension fund assets less the present value of the defined benefit obligation.
2. The preparation of financial reports in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC interpretations (hereinafter collectively referred to as "IFRSs") as recognized and promulgated by the Financial Supervisory Commission requires the use of certain significant accounting estimates. In the process of applying the Company's accounting policies, management is also required to exercise judgment. This includes items that involve a high degree of judgment or complexity, or those that involve significant assumptions and estimates in the parent company only financial statements. Please refer to Note 5 for further details.

(III) Foreign currency translation

The items listed in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (i.e. the functional currency). The parent company only financial statements were presented in the Company's functional currency, the New Taiwan dollar.

1. Transactions and balances in foreign currency
   (1) Transactions denominated in foreign currencies are converted 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 conversion difference arising from the adjustment is recognized in the current profit or loss.
   (3) For foreign currency-denominated non-monetary assets and liabilities measured at fair value through profit or loss, revaluation is based on the spot exchange rate at the balance sheet date, and any resulting exchange differences are recognized in profit or loss for the period. For those measured at fair value through other comprehensive income, revaluation is also based on the spot exchange rate at the balance sheet date, but any resulting exchange differences are recognized in other comprehensive income. For those not measured at fair value, they are measured using the historical exchange rate on the date of the initial transaction.
   (4) All foreign exchange gains and losses are reported in the "other gains and losses" of the income statement.
2. Conversion of foreign operations

   For all entities whose functional currency is different from the presentation currency, the operating results and financial status are as follows
   and converted to the presentation currency:
   (1) Assets and liabilities expressed in each balance sheet were translated at the closing exchange rate on the balance sheet date;
   (2) The income, expenses and losses expressed in each comprehensive income statement were translated at the current average exchange rate; and
   (3) All exchange differences arising from conversion were 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) It is 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) It is expected to be settled in the normal business cycle.
   (2) Mainly held for the purpose of trading.
   (3) It is expected to be settled within 12 months after the balance sheet date.
   (4) No right to defer settlement of the liability 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 other comprehensive income

1. Refers to an irrevocable election made at initial recognition to present changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income; or an investment in a debt instrument that meets all of the following criteria:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow and selling.
   (2) The contractual terms of the financial asset give rise to specified cash flows that are entirely payments of principal and interest on the outstanding principal amount.
2. The Company adopts trade date accounting for financial assets measured at fair value through other comprehensive income in line with transaction practices.
3. The Company measures the assets at fair value plus transaction costs upon initial recognition and subsequently measures at fair value:
   (1) Changes in fair value of equity instruments are recognized in other comprehensive income. At the time of derecognition, any cumulative gains or losses previously recognized in other comprehensive income shall not be subsequently reclassified to profit or loss but shall be transferred to retained earnings. The Company recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow in, and the amount of the dividend can be measured reliably.
   (2) For debt instruments measured at fair value through other comprehensive income, impairment losses, interest income, and foreign exchange gains or losses are recognized in profit or loss prior to derecognition. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

(VII) 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 to specified cash flows that are entirely payments of principal and interest on the outstanding principal amount.

2. The Company adopts trade date accounting for financial assets measured at amortized cost in line with transaction practices.
3. The Company holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discount is not significant and is measured at the investment amount.

(VIII) Accounts and notes receivable

1. Refer to accounts and notes receivable that, according to the contract, provide an unconditional right to receive the consideration amount in exchange for the transfer of goods or services.
2. For short-term accounts receivable and notes receivable that are non interest-bearing, as the effect of discounting is immaterial, the Company measures them at their original invoice amounts.

(IX) Impairment of financial assets

At each balance sheet date, the Company assesses accounts receivable by considering all reasonable and supportable information (including forward-looking information). For those whose credit risk has not significantly increased since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For those whose credit risk has significantly increased since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For accounts receivable that do not contain a significant financing component, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

(X) Derecognition of financial assets

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

(XI) 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 the lower of cost and net realizable value, the item-by-item comparison method shall be adopted. Net realizable value refers to the balance after deducting the estimated cost to be incurred to completion and related selling expenses from the estimated selling price in the ordinary course of business.

(XII) Investments accounted for using equity method - subsidiaries

1. A subsidiary is an entity controlled by the Company when the Company is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its rights over the entity.
2. The unrealized gains and losses arising from the transactions between the Company and the 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 equals or exceeds the equity in the subsidiary, the Company continues to recognize losses in proportion to its shareholding.
4. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit and loss for the current period and other comprehensive income in the parent company only financial report shall be the same as the share of the profit and loss for the current period and other comprehensive income attributable to the owners of the parent company in the financial report prepared on a consolidated basis, and the owners' equity in the individual financial report shall be the same as the equity attributable to the owners of the parent company in the financial report prepared on a consolidated basis.

(XIII) 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 carrying amount 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 carrying amount 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 lives. Significant components of property, plant, and equipment are depreciated separately.
4. The Company reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected residual value and useful life are different from the previous estimate, or there is a significant change in the expected consumption pattern of future economic benefits contained in the asset, the Company will handle the change in accounting estimate in accordance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful lives of each asset are as follows:

Buildings and structures	5 years - 50 years
Machinery and equipment	6 years - 11 years
Office equipment	5 years
Other equipment	3 years - 16 years

(XIV) 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 starting date of the lease, and discounted at the Company's incremental borrowing rate. Lease payments include:

   (1) Fixed payments, less any lease incentives receivable; and
   (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; and
   (3) Any initial direct costs incurred.
   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.

(XV) Intangible assets

Computer software is recognized at acquisition cost and amortized using the straight-line method over the estimated useful life of 6 years.

(XVI) 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 an impairment loss on an asset recognized in a previous year no longer exists or has decreased, the impairment loss is reversed, but the increase in the carrying amount of the asset resulting from the reversal of the impairment loss shall not exceed the carrying amount of the asset less depreciation or amortization if no impairment loss had been recognized.

(XVII) Borrowings

Refers to long-term and short-term borrowings from banks. The Company measures the redemption value of the shares at fair value less transaction costs upon initial recognition and subsequently recognizes interest expense in profit or loss using the effective interest method over the circulation period on any difference between the redemption price less transaction costs and the redemption value.

(XVIII) 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 payable and notes payable that are non interest-bearing, as the effect of discounting is immaterial, the Company measures them at their original invoice amounts.

(XIX) Derecognition of financial liabilities

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

(XX) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented on a net basis in the balance sheet only when there is a legally enforceable right to offset the amounts of the recognized financial assets and liabilities and the intention is to settle on a net basis or to realize the asset and settle the liability simultaneously.

(XXI) 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

(1) 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.

(2) Defined benefit plan

A. The net obligation under the defined benefit plan is discounted based on the future benefit amount earned by employees in the current period or in the past, and the present value of the defined benefit obligation on the balance sheet date less the fair value of the planned assets. The net defined benefit obligation is calculated annually by an actuary using the projected unit credit method, using the market yield rate on government bonds (as of the balance sheet date) that is consistent with the currency and period of the defined benefit plan.

B. The re-measurement arising from the defined benefit plan is recognized in other comprehensive income in the period in which it occurs and recognized in retained earnings.

C. Expenses related to the service cost in the previous period are immediately recognized in profit or loss.

3. Severance benefits

The termination benefits are for employees who terminate their employment before the normal retirement date or when the employees decide to accept the Company's welfare offer in exchange for the termination of employment. The Company will not state the benefits as expenses until the offer of benefits cannot be withdrawn or the related reorganization costs are stated, whichever earlier. Benefits that are not expected to be settled in full in 12 months after the balance sheet date should be discounted.

4. Compensation to employees and remuneration to 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.

(XXII) 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 income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Company 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 tax authorities. Undistributed earnings are subject to income tax in accordance with the income tax law, and the income tax expenses of undistributed earnings shall be recognized in accordance with the actual distribution of earnings in the year following the year in which the earnings are generated after the earnings distribution proposal is passed by the shareholders' meeting.

3. Using the balance sheet method, deferred income tax is recognized based on the temporary difference between the taxation basis of assets and liabilities and their carrying amounts on the parent company only balance sheets. If the Company can control the timing of the reversal of temporary differences arising from investments in subsidiaries, it shall not be recognized if it is probable that the temporary

differences will not reverse in the foreseeable future. Deferred income tax is calculated using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred tax assets are recognized to the extent that it is probable that temporary differences will be used to reduce future taxable income, and unrecognized and recognized deferred tax assets are reviewed at each balance sheet date.
5. Current income tax assets and current income tax liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to offset current income tax assets and liabilities. The deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.
6. The carryforward portion of unused income tax credits resulting from acquisitions of equipment or technology, research and development expenditures, and equity investments is recognized as a deferred income tax asset to the extent that it is probable that future taxable income will be available to offset the unused income tax credits.

(XXIII) 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.

(XXIV) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the Company's shareholders' meeting resolves to distribute dividends. The distribution of cash dividends is recognized as a liability .

(XXV) Revenue recognition

Sales of products

1. The Company manufactures and sells quartz crystals, quartz oscillators and other related products. Sales revenue is recognized when 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 the product, and the Company has no unfulfilled performance obligations that may affect the customer's acceptance of the product. Delivery of goods occurs when the products have been delivered to the designated location, the risk of obsolescence and loss has passed to the customer, and the customer has accepted the products in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been met.
2. Revenue from the sale of quartz crystals and quartz oscillators is recognized at the contract price. The payment terms for sales transactions are due 30 to 180 days after the date of shipment, which is consistent with market practice, so it was judged that the contract did not contain a significant financial component.
3. Accounts receivable are recognized when goods are delivered to customers because the Company has an unconditional right to the contract price from that point in time and only requires the passage of time to collect the consideration from the customer.

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

When the Company prepared this individual financial report, management used its judgment to determine the accounting policies to be adopted and made accounting estimates and assumptions based on reasonable expectations of future events based on the circumstances at 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. These estimates and assumptions have risks that may result in significant adjustments to the carrying amount of assets and liabilities in the next financial year. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

The Company's accounting policies were adopted without significant judgment.

(II) Important accounting valuation and assumptions

Valuation of inventories

Due to the rapid technological changes of the Company, the risk of inventory loss due to normal loss, obsolescence or no market value is higher, and the cost of inventory must be written down to net realizable value. Management must use judgment and estimation to determine the net realizable value of inventory on the balance sheet date.

On December 31, 2024, the carrying amount of the Company's inventories was NT$192,105 thousand.

VI. Description of important accounting items

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 252	$ 304
Checking deposit and demand deposit	44,406	65,010
Time deposits	600	-
	$ 45,258	$ 65,314

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. The Company recognizes time deposits with original maturities of more than three months and not satisfying short-term cash commitments, and pledged time deposits under "Financial assets at amortized cost". Please refer to Note 6(2) and Note 8 for detailed explanation.

(II) Financial assets measured at amortized cost

Item	December 31, 2024	December 31, 2023
Current items:		
Time deposits with maturities over three months	$ 6,265	$ 6,441
Non-current items:		
Pledged time deposits	$ 6,650	$ 6,650

1. Without considering collateral or other credit enhancements held, the Company's financial assets measured at amortized cost had the largest exposure amounts of credit risk of NT$12,915 thousand and NT$13,091 thousand as of December 31, 2024 and 2023, respectively.
2. Please refer to Note 8 for the Company's financial assets measured at amortized cost as collaterals.

3. 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.

(III) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 814	$ 639
Accounts receivable	$ 57,879	$ 52,953
Less: Loss allowance	(258)	(258)
	$ 57,621	$ 52,695

1. The Company has insured its accounts receivable with Coface Insurance Company since July 2010, and renegotiated the contract in July 2024, covering the period from July 1, 2024 to June 30, 2025. For accounts receivable below NT$600 thousand, the insurance company does not need to review the insured amount. If a default occurs, the insurer will compensate 90% of the amount. For accounts receivable above NT$600 thousand, the insurance company will review the amount and provide a credit limit. If a default occurs, the insurer will compensate 90% of the amount. As of December 31, 2024 and 2023, the insured amounts of accounts receivable were NT$52,986 thousand and NT$51,125 thousand, respectively.

2. 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	$ 55,374	$ 814	$ 49,517	$ 639
Within 30 days	2,350	-	3,242	-
31-60 days	58	-	149	-
61-90 days	60	-	39	-
91-180 days	37	-	6	-
More than 181 days	-	-	-	-
	$ 57,879	$ 814	$ 52,953	$ 639

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

3. The Company does not hold any collateral.

4. Without considering the collateral or other credit enhancements held, the accounts receivable of the Company with the maximum credit risk exposure as of December 31, 2024 and 2023 were NT$57,621 thousand and NT$52,695 thousand, respectively; the maximum credit risk exposure of notes receivable as of December 31, 2024 and 2023 were NT$814 thousand and NT$639 thousand, respectively.

5. The balances of accounts receivable and notes receivable on December 31, 2024 and 2023 were all derived from contracts with customers, and the balance of accounts receivable from contracts with customers on January 1, 2023 was NT$117,524 thousand.

6. Please refer to Note 12(2) for the details of credit risk information of accounts receivable and notes receivable.

(IV) Inventory

	December 31, 2024		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials and supplies	$ 118,339	($ 9,722)	$ 108,617
Work-in-progress	46,836	(5,673)	41,163
Finished goods	45,460	(9,319)	36,141
Merchandise inventory	6,675	(491)	6,184
	$ 217,310	($ 25,205)	$ 192,105

	December 31, 2023		
	Cost	Allowance for impairment losses	Carrying amount
Raw materials and supplies	$ 119,750	($ 11,342)	$ 108,408
Work-in-progress	40,665	(3,895)	36,770
Finished goods	51,628	(7,809)	43,819
Merchandise inventory	6,909	(2,694)	4,215
	$ 218,952	($ 25,740)	$ 193,212

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

	2024	2023
Cost of inventory sold	$ 335,669	$ 318,987
Gain on reversal of inventory obsolescence	(535)	(687)
Income from sale of scraps	(192)	(489)
	$ 334,942	$ 317,811

The Company recognized gains from the reversal of obsolete and depreciated inventories in 2024 and 2023, mainly due to the gradual disposal of some of the inventories that had been recorded as obsolete and depreciated inventories, which resulted in an increase in the net realizable value of inventories.

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

Item	December 31, 2024	December 31, 2023
Non-current items:		
Equity instrument		
Financial assets	$ 30,000	$ 30,000
Valuation adjustment	30,251	102,095
Total	$ 60,251	$ 132,095

1. The Company has elected to classify financial assets that are strategic investments as financial assets at fair value through other comprehensive income. The fair values of these investments as of December 31, 2024 and 2023 were NT$60,251 thousand and NT$132,095 thousand, respectively.

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

	2024	2023
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 71,844)	$ 73,095
Dividend income recognized in profit or loss and still held at the end of the current period	$ 31,969	$ 7,049

3. Please refer to Note 12(2) for information on the price risk of financial assets measured at fair value through other comprehensive income.

(VI) Investment under equity method

1. Details of investments accounted for using the equity method are as follows:

	December 31, 2024	December 31, 2023
Subsidiaries		
Aker Technology USA Corporation	$ 22,781	$ 28,932
Aker Tech (Hong Kong) Limited	18,610	11,873
	$ 41,391	$ 40,805

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

2. Details of gains (losses) on investments accounted for using the equity method are as follows:

	2024	2023
Aker Technology USA Corporation	($ 8,252)	($ 1,137)
Aker Tech (Hong Kong) Limited	6,226	805
	($ 2,026)	($ 332)

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(VII) Property, plant and equipment

	2024				
	Opening balance	Increase in the current period	Decrease in current period	Transferred in this period	Closing balance
Cost					
Buildings and structures	$ 174,254	$ 3,670	$ -	$ -	$ 177,924
Machinery and equipment	935,129	43,703	-	7,714	986,546
Office equipment	8,308	687	(27)	-	8,968
Other equipment	96,478	4,555	-	-	101,033
Unfinished construction and equipment to be inspected	10,808	1,812	-	(3,885)	8,735
	1,224,977	$ 54,427	($ 27)	$ 3,829	1,283,206
Accumulated depreciation					
Buildings and structures	(102,444)	($ 4,143)	$ -	$ -	(106,587)
Machinery and equipment	(799,671)	(35,919)	-	-	(835,590)
Office equipment	(7,718)	(299)	27	-	(7,990)
Other equipment	(91,110)	(2,551)	-	-	(93,661)
	(1,000,943)	($ 42,912)	$ 27	$ -	(1,043,828)
	$ 224,034				$ 239,378

	2023				
	Opening balance	Increase in the current period	Decrease in current period	Transferred in this period	Closing balance
Cost					
Buildings and structures	$ 169,539	$ 4,715	$ -	$ -	$ 174,254
Machinery and equipment	876,171	33,286	-	25,672	935,129
Office equipment	8,102	264	(58)	-	8,308
Other equipment	94,305	2,173	-	-	96,478
Unfinished construction and equipment to be inspected	26,737	7,210	-	(23,139)	10,808
	1,174,854	$ 47,648	($ 58)	$ 2,533	1,224,977
Accumulated depreciation					
Buildings and structures	(98,741)	($ 3,703)	$ -	$ -	(102,444)
Machinery and equipment	(768,148)	(31,523)	-	-	(799,671)
Office equipment	(7,444)	(332)	58	-	(7,718)
Other equipment	(88,770)	(2,340)	-	-	(91,110)
	(963,103)	($ 37,898)	$ 58	$ -	(1,000,943)
	$ 211,751				$ 224,034

Note: The above property, plant and equipment are assets held for own use.

1. The Company did not capitalize interest in 2024 and 2023.
2. For information on property, plant and equipment as collateral, please refer to the descriptions in Note 8.

(VIII) Lease transaction - Lessee

1. The underlying assets leased by the Company include land and buildings, and the lease contract is usually for a period of 2 to 20 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 term of the buildings leased by the Company shall not exceed 12 months, and the underlying low-value lease asset is a photocopier.
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	$ 7,832	$ 8,276
Houses	1,853	1,596
	$ 9,685	$ 9,872

	2024	2023
	Depreciation expense	Depreciation expense
Land	$ 607	$ 659
Houses	1,231	1,226
	$ 1,838	$ 1,885

4. The increase in the Company's right-of-use assets in 2024 and 2023 was NT$0 and NT$3,618 thousand, respectively.
5. The information of profit and loss items related to lease contracts is as follows:

	2024	2023
Items affecting current profit or loss		
Interest expense of lease liabilities	$ 139	$ 144
Expenses of short-term lease contracts	443	461
Expenses of low-value asset lease	209	191
	$ 791	$ 796

6. The total cash outflow for leases of the Company in 2024 and 2023 was NT$2,583 thousand and NT$2,628 thousand, respectively.
7. The impact of variable lease payments on lease liabilities

   The subject of the Company's lease contract with variable lease payment terms is linked to the announced land price. The subject of lease of land is mainly related to the announced land price. Variable payment terms are used for a variety of reasons, primarily when the government has to revise land prices in accordance with the law. The lease liability should be remeasured to reflect the change in lease payments related to the adjustment in announced land price when there is a change in cash flows, and the remeasured lease payments shall be determined based on the modified contractual payments over the remaining lease term.

8. Lease extension option

(1) In determining the lease term, the Company takes into account all facts and circumstances that would create an economic incentive to exercise the extension option. The lease term is re-estimated when an event significant to the assessment of the exercise of an extension option or the non-exercise of a termination option occurs.

(2) Based on the evaluation of the exercise of the extension option, the right-of-use assets and lease liabilities as of December 31, 2024 and 2023 increased by NT$1,651 thousand and NT$0, respectively.

(IX) Short-term borrowings

Nature of loan	December 31, 2024	Interest rate range	Collaterals
Bank borrowings			
Credit loans	$ 56,000	2.12%~2.19%	-

Nature of loan	December 31, 2023	Interest rate range	Collaterals
Bank borrowings			
Secured borrowings	$ 10,000	2.02%	Buildings and structures
Credit loans	56,000	1.85%~2.23%	-
	$ 66,000		

(X) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$ 17,269	$ 15,778
Payables for equipment	5,809	1,819
Employee remuneration payable	1,867	722
Payable bonus for unused vacation	1,465	1,562
Remuneration payable to directors	1,037	289
Others	14,315	13,170
	$ 41,762	$ 33,340

(XI) Long-term borrowings

Nature of loan	Borrowing period and repayment method	Interest rate range	Collaterals	December 31, 2024
Loans for repayment in installments				
Credit loans	Interest will be paid monthly from December 3, 2021 to December 3, 2026, and the principal will be repaid in monthly installments starting December 15, 2021	1.48%	None	$ 3,833
Credit loans	Interest will be paid monthly from January 21, 2022 to December 3, 2026, and the principal will be repaid in monthly installments starting February 15, 2022	1.48%	None	5,552
				9,385
Less: Long-term borrowings due within one year or one operating cycle				(4,896)
				$ 4,489

Nature of loan	Borrowing period and repayment method	Interest rate range	Collaterals	December 31, 2023
Loans for repayment in installments				
Credit loans	Interest will be paid monthly from December 3, 2021 to December 3, 2026, and the principal will be repaid in monthly installments starting December 15, 2021	1.35%	None	$ 5,834
Credit loans	Interest will be paid monthly from January 21, 2022 to December 3, 2026, and the principal will be repaid in monthly installments starting February 15, 2022	1.35%	None	8,448
				14,282
Less: Long-term borrowings due within one year or one operating cycle				(4,897)
				$ 9,385

(XII) Pension

1.(1) In accordance with the provisions of the Labor Standards Act, the Company has established a retirement policy with defined benefits, which applies to the service years of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent service years of employees who choose to continue to be covered by the Labor Standards Act after the implementation of the Labor Pension Act. For employees who meet the retirement requirements, the payment of pension is calculated based on the length of service and the average salary in the six months before retirement. For every full year of service up to 15 years (inclusive), two base points are given, and for every full year of service over 15 years, one base point is given, but the maximum cumulative amount is limited to 45 base points. The Company contributes 2% of the total salary to the pension fund on a monthly basis, which is deposited with the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. In addition, the Company shall estimate the balance of the special account for labor retirement reserve funds referred to in the preceding paragraph before the end of each fiscal year. If such balance is insufficient to pay the amount of retirement benefits calculated as above to the laborers who are estimated to meet the retirement conditions in the following fiscal year, the Company shall make a lump sum payment for the difference before the end of March of the following fiscal year.

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	($ 13,624)	($ 13,377)
Fair value of plan assets	21,353	19,116
Net defined benefit assets	$ 7,729	$ 5,739

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(3) Changes in the present value of defined benefit obligations are as follows:

2024	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
Balance on January 1	($ 13,377)	$ 19,116	$ 5,739
Interest (expense) income	(166)	240	74
	(13,543)	19,356	5,813
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,698	1,698
Effect of changes in financial assumptions	523	-	523
Experience adjustment	(604)	-	(604)
	(81)	1,698	1,617
Contribution to pension fund	-	299	299
Balance on December 31	($ 13,624)	$ 21,353	$ 7,729

2023	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit assets
Balance on January 1	($ 13,964)	$ 18,581	$ 4,617
Interest (expense) income	(187)	251	64
	(14,151)	18,832	4,681
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	157	157
Effect of changes in demographic assumptions	(2)	-	(2)
Effect of changes in financial assumptions	(136)	-	(136)
Experience adjustment	719	-	719
	581	157	738
Contribution to pension fund	-	320	320
Pension payment	193	(193)	-
Balance on December 31	($ 13,377)	$ 19,116	$ 5,739

(4) The assets of the Company’s defined benefit retirement plan are managed by the Bank of Taiwan in accordance with the investment items and allocation ratios stipulated in the fund’s annual investment plan. These are handled within the scope and limits specified under Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., deposits with domestic and foreign financial institutions, investments in domestic and foreign listed, OTC, or privately placed equity securities, and investment in securitized real estate products domestically and abroad). The utilization of the fund is supervised by the Labor Retirement Fund Supervisory Committee. The minimum return

distributed in the annual final accounts of the fund shall not be lower than the return calculated based on the two-year time deposit interest rate of local banks. If there is a shortfall, it shall be supplemented by the national treasury after approval by the competent authority. As the Company does not have the right to participate in the operation and management of the Fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of International Accounting Standard 19. For the fair value of the total assets of the fund on December 31, 2024 and 2023, please refer to the labor pension fund utilization report announced by the government for each year.

(5) The actuarial assumptions related to the pension fund are summarized as follows:

	2024	2023
Discount rate	1.65%	1.25%
Future salary increase rate	2.00%	2.00%

The assumptions about mortality rate in 2024 and 2023 were estimated based on Taiwan Life Insurance 6th cycle empirical life tables.

The analysis of the impact on the present value of defined benefit obligation due to the change of the main actuarial assumptions is as follows:

	Discount rate		Future salary increase rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2024				
Effect on the present value of defined benefit obligation	($ 313)	$ 324	$ 322	($ 313)
December 31, 2023				
Effect on the present value of defined benefit obligation	($ 337)	$ 350	$ 346	$ 336

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

(6) The Company expects to contribute NT$319 thousand to the pension plan in 2025.

(7) As of December 31, 2024, the weighted average duration of the pension plan was 9 years. The maturity analysis of pension payments is as follows:

Less than 1 year	$ 353
1-2 years	577
2-5 years	2,049
Over 5 years	12,613
	$ 15,592

2. (1) Since July 1, 2005, the Company has established a defined retirement allocation in accordance with the "Labor Pension Act", which is applicable to employees of Taiwan nationality. For the employees who choose to apply the labor pension system stipulated in the "Labor Pension Act", the Company contributes 6% of the monthly salary to the employee's individual account with the Labor Insurance Bureau, and 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 Company recognized the pension cost of NT$6,210 thousand and NT$6,119 thousand, respectively, in accordance with the above regulations.

(XIII) Share capital

As of December 31, 2024, the Company's authorized capital was NT$3,000,000 thousand divided into 300,000 thousand shares, the paid-in capital was NT$500,000 thousand at NT$10 per share, and the number of outstanding shares was 50,000 thousand. The number of common shares outstanding at the beginning of the period is the same as that at the end of the period.

(XIV) Retained earnings

1. According to the provisions of the Company's Articles of Incorporation, if the Company's annual final accounts have a surplus, it shall first pay taxes to make up for past losses, and then set aside 10% as statutory surplus reserves. After setting aside or reversing special surplus reserves in accordance with Article 41 of the Securities and Exchange Act, the balance may be added to the beginning undistributed surplus as distributable surplus, and may be retained at its discretion. The Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.
2. The legal reserve may not be used except to make up for the company's losses and to issue new shares or cash to shareholders in proportion to their original shares. However, the issuance of new shares or cash shall be limited to the portion of the reserve that exceeds 25% of the paid-in capital.
3. (1) When distributing earnings, the Company shall, in accordance with laws and regulations, set aside a special surplus reserve for the debit balance of other equity items on the balance sheet date of the current year before making distributions. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in the earnings available for distribution.

   (2) When IFRSs were first adopted, the special surplus reserve set aside in the Financial Supervisory Letter No. 11090150022 dated March 31, 2021 was reversed in proportion to the original special surplus reserve when the Company subsequently used, disposed of or reclassified the related assets. If the aforementioned related assets are investment properties, the land portion will be reversed upon disposal or reclassification, and the portion other than land will be reversed period by period during the period of use. As the net effect of the Company's retained earnings was negative on the conversion date, it is not necessary to set aside a special reserve.
4. The 2023 and 2022 earnings distribution proposals of the Company were approved by the shareholders' meetings on June 26, 2024 and May 24, 2023, respectively. Relevant information is as follows:

	2023		2022	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Legal reserve	$ 1,489		$ 15,507	
Cash dividends	7,000	$ 0.14	135,000	$ 2.70
Total	$ 8,489		$ 150,507	

5. The Company's earnings distribution for 2024 was proposed by the Board of Directors on March 5, 2025 as follows:

	2024	
	Amount	Dividends per share (NTD)
Legal reserve	$ 3,855	
Cash dividends	20,000	$ 0.40
Total	$ 23,855	

The above earnings distribution proposal is yet to be resolved by the shareholders' meeting.

(XV) Operating revenue

1. Breakdown of revenue from customer contracts

The Company's revenue comes from the transfer of goods at a certain point in time. The revenue can be divided into the following main geographical areas:

Quartz components	2024	2023
Taiwan	$ 98,684	$ 127,194
China	169,178	121,498
Europe region	41,246	71,606
USA region	82,281	67,653
Other regions	56,184	43,131
Total	$ 447,573	$ 431,082

2. Contract liabilities

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			
Advance sales receipts	$ 478	$ 2,895	$ 3,651

Recognized income of contract liabilities at the beginning of the period:

	2024	2023
Advance sales receipts	$ 2,849	$ 3,605

(XVI) Interest revenue

	2024	2023
Interest on bank deposits	$ 487	$ 699

(XVII) Other income

	2024	2023
Dividend income	$ 31,969	$ 7,049
Others	16	90
	$ 31,985	$ 7,139

(XVIII) Other gains and losses

	2024	2023
Gain (loss) on foreign currency exchange	$ 10,934	($ 495)
Other gains and losses	-	(2)
	$ 10,934	($ 497)

(XIX) Financial cost

	2024	2023
Interest expense:		
Bank borrowings	$ 1,586	$ 940
Lease liabilities - interest expense	139	144
	$ 1,725	$ 1,084

(XX) Additional information on the nature of the expense

	2024		
By nature	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense			
Salary expenses	$ 70,909	$ 56,801	$ 127,710
Labor and national health insurance expenses	8,541	6,198	14,739
Pension expense	3,116	3,020	6,136
Remuneration to directors	-	1,637	1,637
Other personnel expenses	3,597	3,447	7,044
	$ 86,163	$ 71,103	$ 157,266
Depreciation expense	$ 37,641	$ 5,271	$ 42,912
Right-of-use assets depreciation expense	$ 159	$ 1,679	$ 1,838
Amortization expense	$ 222	$ 525	$ 747

	2023		
By nature	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense			
Salary expenses	$ 64,324	$ 55,336	$ 119,660
Labor and national health insurance expenses	8,627	6,375	15,002
Pension expense	3,124	2,931	6,055
Remuneration to directors	-	679	679
Other personnel expenses	3,094	2,863	5,957
	$ 79,169	$ 68,184	$ 147,353
Depreciation expense	$ 33,202	$ 4,696	$ 37,898
Right-of-use assets depreciation expense	$ 154	$ 1,731	$ 1,885
Amortization expense	$ 620	$ 1,600	$ 2,220

1. The number of employees for the current year and the previous year were 236 and 240, respectively. Among them, there were 5 directors who did not serve as employees concurrently.
2. The average employee benefits expense for the year was NT$674 thousand (Total employee benefits expense for the year - Total Director remuneration/Number of employees for the year - Number of directors who did not serve as employees concurrently). The average employee benefits expenses in the previous year was NT$623 thousand (Total employee benefits expenses in the previous year - Total director remuneration/Number of employees in the previous year - Number of directors who did not serve as employees concurrently).
3. The average employee salaries and wages for this year was NT$553 thousand (Total wages and salaries this year / Number of employees this year - Number of directors who are not employees concurrently). The average employee wages and salaries in the previous year was NT$509 thousand (Total wages and salaries in the previous year / Number of employees in the previous year - Number of directors who did not serve as employees concurrently).
4. The average adjustment to employee wages and salaries was 8.63% (Average employee wages and salaries for the current year - Average employee wages and salaries for the previous year/Average employee wages and salaries for the previous year).
5. The Company's remunerations to directors include directors' fees, transportation allowances, and directors' remuneration. The remuneration to directors is determined with reference to industry standards, and the transportation allowance is paid based on the attendance of the Board of Directors. The remuneration to directors is appropriated in accordance with the Articles of Incorporation, reviewed by the Remuneration Committee, submitted to the Board of Directors for resolution, and then reported to the Shareholders' Meeting. Remuneration to managers and employees includes salaries, bonuses, and employee remuneration. They are calculated based on the positions assumed and the responsibilities assumed, with reference to peers' performance evaluation for similar positions and performance evaluation results. The remuneration will be submitted to the Remuneration Committee for review and approved by the Board of Directors.
6. Pursuant to the Company's Articles of Incorporation, if there is any balance after deducting the accumulated losses from the current year's profit, no less than 3% of the balance shall be appropriated as remuneration to employees, and no more than 3% as remuneration to directors.
7. The estimates of the Company's remuneration to employees and directors for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Remuneration to employees	$ 1,867	$ 722
Remuneration to directors	1,037	289
Total	$ 2,904	$ 1,011

   The aforementioned amounts are recognized as salaries and compensations. In 2024 and 2023, employees' remuneration and directors' remuneration were estimated at 4.5% and 2.5%, 5% and 2.5%, respectively, based on the profit up to the current period.
8. The Company's Board of Directors resolved on March 5, 2025 to distribute remuneration to employees and directors as recognized in the 2024 financial statements. The above-mentioned remuneration to employees was paid in cash.

   The employee compensation and director compensation for 2023, as resolved by the Board of Directors on March 14, 2024, is consistent with the employee compensation amount recognized in the 2023 financial report. The difference in the director compensation amount is handled in accordance with the change in accounting estimate, and the difference is recognized as profit and loss for 2024. The above employee compensation is paid in cash.

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

(XXI) Income tax

1. Income tax expense (benefit)

(1) Components of income tax expense (profit):

	2024		2023	
Current income tax:				
Income tax arising on current income	$	300	$	1,530
Overestimated income tax in previous years	(	477)	(	2,194)
Total income tax for the current period	(	177)	(	664)
Deferred income tax:				
Occurrence and reversal of temporary difference		1,500	(	197)
Total deferred income tax		1,500	(	197)
Income tax expense (profit)	$	1,323	($	861)

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

	2024		2023	
Changes in fair value of financial assets measured at fair value through other comprehensive income	($	14,369)	$	14,619
Difference on translation of foreign operations		531	(	30)
Remeasurement of defined benefit obligation		323		148
	($	13,515)	$	14,737

2. Relationship between income tax expenses (benefits) and accounting profits:

	2024		2023	
Income tax on net profit before tax calculated in accordance with the statutory tax rate	$	7,717	$	2,688
Expenses to be removed in accordance with the tax law		72		8
Income exempted from taxation under the Tax Act	(	5,989)	(	1,344)
Overestimated amount of income tax in previous years	(	477)	(	2,194)
Assessment of the realizability of deferred income tax assets		-	(	19)
Income tax expense (profit)	$	1,323	($	861)

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

	2024			
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive net income	Closing balance
Deferred income tax assets				
- Temporary difference:				
Unrealized gross profit from sales to affiliated companies	$ 639	$ 9	$ -	$ 648
Allowance for inventory valuation losses	5,148	(107)	-	5,041
Accumulated bonus for unused vacation	312	(19)	-	293
Unrealized exchange losses	838	(838)	-	-
	$ 6,937	($ 955)	$ -	$ 5,982
- Deferred income tax liabilities:				
Unrealized valuation gains of financial assets	($ 20,419)	$ -	$ 14,369	($ 6,050)
Accumulated translation adjustment	(1,190)	-	(531)	(1,721)
Pension cost	(817)	(75)	(323)	(1,215)
Unrealized exchange gain	-	(470)	-	(470)
	($ 22,426)	($ 545)	$ 13,515	($ 9,456)
		($ 1,500)	$ 13,515	

	2023			
	Opening balance	Recognized in profit or loss	Recognized in other comprehensive net income	Closing balance
Deferred income tax assets				
- Temporary difference:				
Unrealized gross profit from sales to affiliated companies	$ 803	($ 164)	$ -	$ 639
Allowance for inventory valuation losses	5,286	(138)	-	5,148
Accumulated bonus for unused vacation	398	(86)	-	312
Unrealized exchange losses	202	636	-	838
	$ 6,689	$ 248	$ -	$ 6,937
- Deferred income tax liabilities:				
Unrealized valuation gains of financial assets	($ 5,800)	$ -	($ 14,619)	($ 20,419)
Accumulated translation adjustment	(1,220)	-	30	(1,190)
Pension cost	(618)	(51)	(148)	(817)
	($ 7,638)	($ 51)	($ 14,737)	($ 22,426)
		$ 197	($ 14,737)	

4. The Company did not recognize deferred income tax liabilities for taxable temporary differences related to the investment in certain subsidiaries. As of December 31, 2024 and 2023, the amount of temporary differences on unrecognized deferred income tax liabilities was NT$8,535 thousand, and NT$16,785 thousand, respectively.
5. The Company's profit-seeking business income tax has been approved by the tax authorities up to 2022.

(XXII) Earnings per share

	2024		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net income for the period	$ 37,261	50,000	$ 0.75
Diluted earnings per share			
Effect of potential dilutive ordinary shares - employee compensation	-	86	
Impact of net income for the period plus potential ordinary shares	$ 37,261	50,086	$ 0.74

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net income for the period	$ 14,299	50,000	$ 0.29
Diluted earnings per share			
Effect of potential dilutive ordinary shares - employee compensation	-	69	
Impact of net income for the period plus potential ordinary shares	$ 14,299	50,069	$ 0.29

In the calculation of diluted earnings per share, it is assumed that the employee remuneration is in the form of shares issued in the current period. When the potential common stock has a dilutive effect, it is included in the weighted average number of outstanding shares.

(XXIII) Supplementary information on cash flow

Investment activities with only partial cash payment:

	2024	2023
Purchase of property, plant and equipment	$ 54,427	$ 47,648
Add: Payables for equipment, beginning	1,819	8,948
Less: Payables for equipment, ending	(5,809)	(1,819)
Cash paid in current period	$ 50,437	$ 54,777

	2024	2023
Property, plant and equipment transferred in current period	$ 3,829	$ 2,533
Add: End of period prepayment for equipment	-	5,194
Add: Reclassified to intangible assets	565	-
Add: Transferred to other non-current assets	800	-
Less: Prepayment for equipment at the beginning of period	(5,194)	(2,533)
Cash paid in current period	$ -	$ 5,194

(XXIV) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including those due within one year)	Dividends payable	Total liabilities from financing activities
January 1, 2024	$ 66,000	$ 10,066	$ 14,282	$ -	$ 90,348
Changes in financing cash flow	(10,000)	(1,792)	(4,897)	(7,000)	(23,689)
Other non-cash changes	-	1,651	-	7,000	8,651
December 31, 2024	$ 56,000	$ 9,925	$ 9,385	$ -	$ 75,310

	Short-term borrowings	Lease liabilities	Long-term borrowings (including those due within one year)	Dividends payable	Total liabilities from financing activities
January 1, 2023	$ -	$ 8,280	$ 19,177	$ -	$ 27,457
Changes in financing cash flow	66,000	(1,832)	(4,895)	(135,000)	(75,727)
Other non-cash changes	-	3,618	-	135,000	138,618
December 31, 2023	$ 66,000	$ 10,066	$ 14,282	$ -	$ 90,348

VII. Transactions with related parties

(I) Names of related parties and their relationship

Name of related party	Relationship with the Company
Aker Technology USA Corporation	Subsidiary of the Company
Aker Tech (Hong Kong) Limited	Subsidiary of the Company
Aker Technology (Shenzhen) Co., Ltd.	Subsidiary of the Company

(II) Significant transactions with related parties

1. Operating revenue

	2024	2023
Sales of products:		
Aker Technology (Shenzhen) Co., Ltd.	$ 132,127	$ 79,042
Aker Technology USA Corporation	78,644	56,949
Aker Tech (Hong Kong) Limited	4,627	13,127
	$ 215,398	$ 149,118

There was no significant difference between the transaction prices of merchandise sales and general customers, and the collection period for subsidiaries is 180 days. The collection period of general customers is 30-150 days.

2. Receivables from related parties

	December 31, 2024		December 31, 2023	
Accounts receivable:				
Aker Technology Co., Ltd.	$	100,684	$	68,676
Aker Technology USA Corporation		26,686		17,711
Aker Tech (Hong Kong) Limited		1,858		4,964
	$	129,228	$	91,351

Receivables from related parties are mainly derived from the sale of goods, with the proceeds from sales transactions due 180 days after the date of sale. No allowance for loss was provided for receivables from related parties.

3. Other receivables

	December 31, 2024		December 31, 2023	
Aker Technology (Shenzhen) Co., Ltd.	$	990	$	595
Aker Technology USA Corporation		358		437
Aker Tech (Hong Kong) Limited		30		71
Total	$	1,378	$	1,103

The receivables mentioned above are mainly due to the payment of expenses to each other on behalf of affiliates.

(III) Remuneration of key management personnel

	2024		2023	
Salary and other short-term employee benefits	$	8,376	$	7,527
Post-employment benefits		192		193
	$	8,568	$	7,720

VIII. Pledged assets

The Company's assets are guaranteed as follows:

	Book value				
Assets	December 31, 2024		December 31, 2023		Purpose of guarantee
Time deposits (listed as financial assets at amortized cost)	$	6,650	$	6,650	Customs business tax deposit, short-term borrowings and long-term borrowings as collateral for domestic sales
Property, plant and equipment		13,793		15,118	
	$	20,443	$	21,768	

The Company has fully repaid all its long-term loans as of December 31, 2024 and 2023. However, considering that there is still a need for loans in the future, the loan limit is retained and the collateral has not been cancelled.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Contingencies

No such situation.

(II) Commitments

Capital expenditures signed but not yet incurred

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 6,202	$ 10,173

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

The 2024 earnings distribution proposal of the Company was approved by the Board of Directors on March 5, 2025. Please refer to Note 6(14).

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 monitors its capital by the debt/equity ratio, which is calculated by dividing total debts by total shareholders' equity.

(II) Financial instruments

1. Type of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Selecting designated investments in equity instruments	$ 60,251	$ 132,095
Cash and cash equivalent of financial assets measured at amortized cost	$ 45,258	$ 65,314
Financial assets measured at amortized cost	12,915	13,091
Notes receivable	814	639
Accounts receivable (including related party)	186,849	144,046
Other receivables - related parties	1,378	1,103
Other receivables (stated as other current assets)	938	822
Refundable deposits (recognized in other non-current assets)	2,395	449
	$ 250,547	$ 225,464

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 56,000	$ 66,000
Notes payable	4,303	6,415
Accounts payable	34,614	19,886
Other payables	41,762	33,340
Long-term borrowings (including portion due within one year)	9,385	14,282
	$ 146,064	$ 139,923
Lease liabilities (including portion due within one year)	$ 9,925	$ 10,066

2. Risk management policy

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

(2) Risk management is handled by the Company's Finance Department in accordance with the policies of the Board of Directors. The Company's Finance Department works closely with the Company's operating units 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 multinational company and is therefore subject to exchange rate risk arising from transactions with functional currencies different from the Company's, which are mainly USD, Japanese Yen, Hong Kong Dollars, Euro and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Company's management has established a policy that requires each unit within the Company to manage the exchange rate risk relative to its functional currency. Companies should hedge their overall exchange rate risk through corporate treasury. The exchange rate risk is measured through the use of forward exchange contracts to reduce the impact of exchange rate fluctuations on the expected purchase cost of inventories through the forecast transactions of highly probable USD and Japanese currency expenditures.

C. 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 (thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 5,404	32.79	$ 177,197
JPY: NTD	34,009	0.21	7,142
HKD: NTD	309	4.22	1,304
RMB: NTD	1,748	4.48	7,831
Investment under equity method			
USD: NTD	$ 1,261	32.79	$ 41,361
Financial liabilities			
Monetary items			
USD: NTD	$ 973	32.79	$ 31,905
JPY: NTD	8,131	0.21	1,708
RMB: NTD	500	4.48	2,240

	December 31, 2023		
	Foreign currency (thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 4,522	30.71	$ 138,871
JPY: NTD	70,527	0.22	15,516
HKD: NTD	307	3.93	1,207
RMB: NTD	1,647	4.33	7,132
EUR: NTD	36	33.98	1,223
Investment under equity method			
USD: NTD	$ 1,329	30.71	$ 40,805
Financial liabilities			
Monetary items			
USD: NTD	$ 571	30.71	$ 17,530
JPY: NTD	11,971	0.22	2,634

D. The aggregate amount of all exchange losses and gains (including realized and unrealized) on monetary items of the Company in 2024 and 2023 that were significantly affected by exchange rate fluctuations was a gain of $10,934 thousand and a loss of $495 thousand, respectively.

E. The following is an analysis of the Company's risk in the foreign currency market due to significant exchange rate fluctuations:

	2024		
	Sensitivity analysis		
	Range of change	Impacted profit and loss	Affecting other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	5%	$ 8,860	$ -
JPY: NTD	5%	357	-
HKD: NTD	5%	65	-
RMB: NTD	5%	392	-
Financial liabilities			
Monetary items			
USD: NTD	5%	($ 1,595)	$ -
JPY: NTD	5%	(85)	-
RMB: NTD	5%	(112)	-

	2023		
	Sensitivity analysis		
	Range of change	Impacted profit and loss	Affecting other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	5%	$ 6,944	$ -
JPY: NTD	5%	776	-
HKD: NTD	5%	60	-
RMB: NTD	5%	357	-
EUR: NTD	5%	61	-
Financial liabilities			
Monetary items			
USD: NTD	5%	($ 877)	$ -
JPY: NTD	5%	(132)	-

Price risk

A. The Company's equity instruments exposed to price risk are 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 increases or decreases by 5%, while all other factors remain unchanged, the gains or losses from equity instruments measured at fair value through other comprehensive income for 2024 and 2023 will increase or decrease by NT$2,410 thousand and NT$5,284 thousand, respectively.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk mainly comes from the long-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. The Company's borrowings are measured at amortized cost, and the borrowing interest rate is set with reference to the market interest rate. Therefore, the Company is exposed to the risk of future market interest rate changes.

C. If the NTD borrowing interest rate increased or decreased by 0.1%, and all other factors remained unchanged, the net profit after tax for 2024 and 2023 would decrease or increase by NT$52 thousand and NT$64 thousand, respectively. This is mainly due to the floating interest rate Changes in interest expense due to borrowings.

(2) Credit risk

A. The Company’s credit risk is the risk of financial losses to the Company due to the failure of customers or counterparties to financial instruments to perform their contractual obligations, primarily arising from the inability of counterparties to settle contractual cash flows of accounts receivable payable under collection terms and investments in debt instruments classified as measured at amortized cost.

B. The Company has established credit risk management from the corporate perspective. The Company examines the creditworthiness of the depositing banks based on the loan-to-deposit ratio, excess loan ratio, capital adequacy ratio and other financial information. The credit ratings of the main banks of the Company were assessed to be good. According to the internal credit policy, management and credit risk analysis must be conducted on each operating unit of the Company and each new customer before proposing terms and conditions for payment and delivery. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. Individual risk limits are set by the management based on internal or external ratings, and the use of credit limits is regularly monitored.

C. The Company adopts IFRS 9 to provide the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since initial recognition:

When the contract amount is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.

D. The Company adopts the assumptions provided in IFRS 9. When a contract payment is overdue for more than 90 days in accordance with the agreed payment terms, a default is deemed to have occurred.

E. The indicators used by the Company to determine the credit impairment of debt instrument investment 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 use a simplified approach to estimate expected credit losses on accounts receivable from customers based on a provision matrix.

G. The Company has incorporated the forward-looking considerations of the Taiwan Institute of Economic Research's Economic Observation Report to adjust the loss rate established based on historical and current information for a specific period to estimate the allowance for losses on accounts receivable and notes receivable. The allowance matrix as of December 31, 2024 and 2023 is as follows:

	Expected loss rate	Total carrying amount	Allowance for losses
December 31, 2024			
Not past due	0%	$ 56,188	$ 155
Within 30 days	1%	2,350	19
31-60 days	12%	58	7
More than 61 days	79%	97	77
Total		$ 58,693	$ 258

	Expected loss rate	Total carrying amount	Allowance for losses
December 31, 2023			
Not past due	0%	$ 50,156	$ 80
Within 30 days	4%	3,242	121
31-60 days	8%	149	12
More than 61 days	100%	45	45
Total		$ 53,592	$ 258

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

	2024	2023
	Accounts receivable	Accounts receivable
January 1	$ 258	$ 1,944
Reversal of impairment loss	-	(1,686)
December 31	$ 258	$ 258

(3) Liquidity risk

A. The cash flow forecast is implemented by each unit of the Company and compiled by the Company's Finance Department. The Finance Department monitors the forecast of the Company's working capital requirements to ensure that there are sufficient funds to meet operating needs. These forecasts take into account the Company's debt financing plan, compliance with debt terms, and conformity to the financial ratio targets set by the internal balance sheet.

B. When the remaining cash held by each operating entity exceeds the requirements for the management of working capital, it will be transferred back to the Company's Finance Department. For this part, each operating entity will be asked to remit the cash on its account back to the parent company to offset the accounts receivable due each month. If there is idle funds, they will be centrally allocated and used by the parent company. It is expected that cash flow can be generated immediately to manage liquidity risk.

C. The Company's unused loan quota is detailed as follows:

	December 31, 2024	December 31, 2023
Floating interest rate		
Due within one year	$ 398,000	$ 388,000
Maturity over one year	296,000	296,000
	$ 694,000	$ 684,000

Note: The credit line expiring within one year is the annual limit and will be discussed separately before expiry.

D. The following table shows the Company's non-derivative financial liabilities and derivative financial liabilities settled on a net or gross basis, grouped by their respective maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date; derivative financial liabilities are 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	Less than 120 days	120 days to 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 40,225	$ 16,073	$ -	$ -	$ -	$56,298
Notes payable	4,303	-	-	-	-	4,303
Accounts payable	34,524	90	-	-	-	34,614
Other payables	41,762	-	-	-	-	41,762
Lease liabilities (including those due within one year)	631	1,263	1,144	2,039	5,485	10,562
Long-term borrowings (including those due within one year)	1,675	3,326	4,521	-	-	9,522

Non-derivative financial liabilities December 31, 2023	Less than 120 days	120 days to 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 46,458	$ 20,151	$ -	$ -	$ -	$ 66,609
Notes payable	6,415	-	-	-	-	6,415
Accounts payable	19,805	81	-	-	-	19,886
Other payables	33,340	-	-	-	-	33,340
Lease liabilities (including those due within one year)	617	925	1,387	1,913	6,122	10,964
Long-term borrowings (including those due within one year)	1,694	3,365	4,992	4,518	-	14,569

E. The Company does not expect the timing of cash flows from the due date analysis to occur significantly earlier or that the actual amounts will be significantly different.

(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.

Level 3: Unobservable inputs for the asset or liability. Equity instruments that the Company invests in and for which there is no active market fall this category.

2. Financial instruments not measured at fair value

   The carrying amounts of the Company's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), deposits, short-term loans, notes payable, accounts payable, other payables, long-term loans and lease liabilities, which are reasonable approximations of 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:

   The Company'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 measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 60,251	$ 60,251
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	$ -	$ -	$ 132,095	$ 132,095

4. The following table shows the changes in Level 3 in 2024 and 2023:

	2024	2023
January 1	$ 132,095	$ 59,000
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(71,844)	73,095
December 31	$ 60,251	$ 132,095

5. 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		Evaluation techniques	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:						
Financial assets	$	60,251	Net asset value method	Not applicable	Not applicable	Not applicable

	Fair value on December 31, 2023		Evaluation techniques	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:						
Financial assets	$	132,095	Net asset value method	Not applicable	Not applicable	Not applicable

XIII. Notes disclosures

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.
2. Endorsements/guarantees provided for others: none.
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: No such situation.
6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: No such situation.
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 2.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 3.
9. Derivative transactions: No such situation.
10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 4.

(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 5.

(III) Mainland China Investment Information

1. Basic information: Please refer to Table 6.
2. Significant transactions with investee companies in mainland China directly or

indirectly through enterprises in a third region: Please refer to Table 4.

(IV) Information of major shareholders

Information on major shareholders: Please refer to Table 7.

XIV. Departmental Information

Not applicable.

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Aker Technology Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2024

Statement 1 Unit: NTD Thousands

Item	Summary	Amount
Cash on hand		$ 252
Check deposits		5,820
Demand deposits		18,156
Time deposits	Interest rate: 1.23% from December 13, 2024 to January 13, 2025	600
Foreign currency demand deposit		
	(USD 290 thousand, exchange rate 1:32.79);	9,512
	(JPY 33,927 thousand, exchange rate 1:0.21);	7,121
	(RMB 372 thousand, exchange rate 1:4.48);	1,664
	(HKD 299 thousand, exchange rate 1:4.22);	1,261
	(EUR 26 thousand, exchange rate 1:34.14);	872
		$ 45,258

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Aker Technology Co., Ltd.
Statement of Net Accounts Receivable
December 31, 2024

Statement 2 Unit: NTD Thousands

Name of customer	Summary	Amount	Note
Customer A		$ 8,268	
Customer B		6,638	
Customer C		2,749	
Others		40,224	The balance of each sporadic customer did not exceed 5% of the amount of this account.
		57,879	
Less: Loss allowance		(258)	
		$ 57,621	
Related party:			
Aker Technology (Shenzhen) Co., Ltd.		$ 100,684	
Aker Technology USA Corporation		26,686	,
Aker Tech (Hong Kong) Limited		1,858	
		$ 129,228	

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Aker Technology Co., Ltd.
Statement of Inventories
December 31, 2024

Statement 3 | Unit: NTD Thousands

Item	Summary	Amount: Cost	Amount: Market price	Market price determination method
Raw materials and supplies		$ 118,339	$ 121,932	Replacement cost
Work-in-progress		46,836	70,795	Net realizable value
Finished goods		45,460	71,879	Net realizable value
Merchandise inventory		6,675	8,108	Net realizable value
		217,310	$ 272,714	
Less: Allowance for impairment losses		(25,205)		
		$ 192,105		

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Aker Technology Co., Ltd.
Statement of Changes in Investment Using Equity Method
January 1, 2024 to December 31, 2024

Statement 4 | Unit: NTD Thousands

Name	Opening balance		Increase in the current period		Decrease in current period		Closing balance			Market price or equity net value		Basis of evaluation	Guarantee or pledge	Note
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding ratio	Amount	Total price	Unit price			
Aker Technology USA Corporation	301,000	$ 28,932	-	$ -	-	$ 6,151	301,000	0%	$ 22,781	$ 22,781	$ 76	Equity method	None	
Akertech (Hong Kong) Limited	-	11,873	-	6,737	-	-	-	0%	18,610	18,610	-	Equity method	None	Note
		$ 40,805		$ 6,737		$ 6,151			$ 41,391					

Note: Limited to the amount of capital contribution.

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Aker Technology Co., Ltd.
Statement of Short-term Borrowings
December 31, 2024

Statement 5 | Unit: NTD Thousands

Type of loan	Description	Closing balance	Duration of contract	Interest rate range	Financing limit	Pledge or guarantee	Note
Credit loans	Land Bank of Taiwan	$ 16,000	July 29, 2024 - July 15, 2025	2.19%	$ 16,000	None	
Credit loans	Cathay United Bank	20,000	December 9, 2024 - March 9, 2025	2.19%	50,000	None	
Credit loans	First Commercial Bank	20,000	December 2, 2024 - January 24, 2025	2.12%	50,000	None	
		$ 56,000			$ 116,000		

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Aker Technology Co., Ltd.
Statement of Accounts Payable
December 31, 2024

Statement 6 Unit: NTD Thousands

Vendor Name	Summary	Amount	Note
Vendor A		$ 6,773	
Vendor B		6,284	
Vendor C		4,420	
Vendor D		3,015	
Vendor E		2,900	The balance of each sporadic supplier did not exceed 5% of the amount of this account.
Others		11,222	
		$ 34,614	

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Aker Technology Co., Ltd.
Statement of Operating Revenue
January 1, 2024 to December 31, 2024

Statement 7 Unit: NTD Thousands

Product name	Unit	Quantity	Amount	Note
SMD quartz oscillator	thousand pieces	89,895	$ 257,978	
SMD quartz oscillator	thousand pieces	17,959	151,563	The balance of each product did not exceed 10% of the amount of this account.
Others	thousand pieces	9,457	38,481	
			448,022	
Less: Sales returns and discounts			(449)	
Net operating revenue			$ 447,573	

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Aker Technology Co., Ltd.
Statement of Operating Cost
January 1, 2024 to December 31, 2024

Statement 8 | Unit: NTD Thousands

	Amount	Note
Opening raw materials	$ 119,750	
Add: Materials purchased	140,786	
Less: Ending raw materials	(118,339)	
Sale of raw materials	(83)	
Expenses transferred	(6,937)	
Raw material consumption	135,177	
Direct labor	53,085	
Manufacturing expenses	122,333	
Manufacturing cost	310,595	
Add: Work in process at beginning of period	40,665	
Current purchases	787	
Less: Work-in-progress at end of period	(46,836)	
Expenses transferred	(1,057)	
Cost of finished goods	304,154	
Add: Finished goods at beginning of period	51,628	
Current purchases	8,820	
Less: Finished goods at end of period	(45,460)	
Expenses transferred	(5,065)	
Cost of production and sales	314,077	
Merchandise inventory at beginning of period	6,909	
Add: Purchase of goods	21,283	
Less: Merchandise inventory at end of period	(6,675)	
Expenses transferred	(8)	
Cost of goods sold	21,509	
Cost of purchases and sales	21,509	
Cost of raw materials sold	83	
Gain on reversal of inventory obsolescence	(535)	
Income from sale of scraps	(192)	
Operating cost	$ 334,942	

Aker Technology Co., Ltd.
Statement of Manufacturing Expenses
January 1, 2024 to December 31, 2024

Statement 9 Unit: NTD Thousands

Item	Summary	Amount	Note
Various depreciation		$ 37,800	
Consumables expense		27,720	
Indirect labor		26,446	
Utility bills		13,328	The balance of each account did not exceed 5% of the amount of the account
Other manufacturing expenses		17,039	
		$ 122,333	

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Aker Technology Co., Ltd.
Statement of Sales and Marketing Expenses
January 1, 2024 to December 31, 2024

Statement 10 Unit: NTD Thousands

Item	Summary	Amount	Note
Wages and salaries		$ 17,922	
Insurance premium		2,958	The balance of each account did not exceed 5% of the amount of the account
Others		9,814	
		$ 30,694	

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Aker Technology Co., Ltd.
Statement of Administrative Expenses
January 1, 2024 to December 31, 2024

Statement 11 Unit: NTD Thousands

Item	Summary	Amount	Note
Wages and salaries		$ 21,820	
Utility bills		5,268	
Depreciation		4,084	
Insurance premium		2,956	
Labor service expense		2,297	The balance of each account did not exceed 5% of the amount of the account
Others		9,596	
		$ 46,021	

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Aker Technology Co., Ltd.
Statement of R&D expenses
January 1, 2024 to December 31, 2024

Statement 12 Unit: NTD Thousands

Item	Summary	Amount		Note
Wages and salaries		$	18,697	
Sample fee			6,479	
Insurance premium			2,371	
Depreciation			2,294	The balance of each account did not exceed 5% of the amount of the account
Others			7,102	
		$	36,943	

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Aker Technology Co., Ltd.

Chairman: Lin Yi-Lun