Stock Code：6693

inergy Technology Inc.

2024 Annual Report

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inergy Technology Inc.

- **The name, title, telephone number, and e-mail address of the spokesman or acting spokesman:**

	Spokesman	Acting spokesman
Name	Angel Pan	Wan-Ting Chiu
Title	Director of Management Office	Project Vice Manager of President’s Office
Telephone number	(03) 5525766	(03) 5525766
E-mail address	IR@inergy.com.tw	IR@inergy.com.tw

2. The address and telephone number of the Company's headquarters, branch offices, and factories

Address and telephone number of headquarters: 8F-3, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County; (03) 5525766

Address and telephone number of branch: None

Address and telephone number of factory: None

3. The name, address, website, and telephone number of the agency handling shares transfer

Name: Stock Affairs Agency of Yuanta Securities

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da’an District, Taipei City

Website: http: //www.yuanta.com.tw

Telephone number: (02) 2586-5859

4. The names of the CPAs who duly audited the annual financial report for the most recent year, and the name, address, website and telephone number of the accounting firm to which they belong

Name of Accounting Firm: KPMG Taiwan

Address: 68F, No. 7, Sec. 5, Xinyi Rd., Taipei City

Website: http: //www.kpmg.com.tw

Telephone number: (02) 8101-6666

5. The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

6. The address of the company's website: http: //www.inergy.com.tw/

inergy Technology Inc.

Contents

I. Report to the shareholders

To all of our dear shareholders:

First, we would like to express our gratitude on behalf of inergy Technology Inc. and all of its employees to each and every one of our shareholders, for your unwavering support for the Company.

We would like to present the 2024 operating results and future operating plans, as follows:

1. 2024 operating results

(1) Execution results from business operating plan

The Company's net operating revenue in 2024 was NT$1,094,185,000, representing a growth of 13.93% compared to NT$960,374,000 in 2023. The gross profit in 2024 increased by NT$157,343,000, or 88.89%, compared to 2023. The net operating profit increased by NT$100,131,000, or 483.65%, compared to 2023. The net profit after tax for 2024 was NT$152,417,000, an increase of NT$136,109,000, or 834.61%, compared to 2023.

Unit: NT$1,000

Item	2024	2023	Amount increased / decreased	Variation ratio(%)
Operating revenue	1,094,185	960,374	133,811	13.93%
Gross profit	334,359	177,016	157,343	88.89%
Net operating profit	120,834	20,703	100,131	483.65%
Non-operating revenue and expense	69,856	3,295	66,561	2,020.06%
Net profit before tax	190,640	23,998	166,642	694.40%
Net profit for current period	152,417	16,308	136,109	834.61%

(2) Budget execution status

The Company has not given external financial forecasts for 2024.

(3) Financial income, expenses, and profitability analysis

Unit: %

Analysis	Item	2024	2023
Financial structure	Debt to assets ratio	33.09	27.94
	Ratio of long-term capital to property, plant and equipment	441.76	424.10
Solvency	Current ratio	356.48	523.14
	Quick ratio	248.66	392.53
Profitability	Return on assets	9.38	1.17
	Return on equity	13.21	1.43
	Ratio of net profit before tax to paid-in capital	41.70	5.25
	Net profit margin	13.93	1.70
	Basic earnings per share (NT$)	3.33	0.36

(4) R&D status

The Company has core technologies in Power Semiconductor Devices, BLDC Motor Driver Solution integration modules, and Digital-Analog Programmable SoC Fan Driver ICs. Our key devices are all developed, designed, produced, and marketed in-house. Our development strategy is to constantly improve on the current products' efficiency and characteristics, while at the same time actively developing new products, new markets, and new applications. We are meeting new, standardized international regulations for energy-conservation and carbon-reduction, while also gradually raising the standard for technology, thus expanding our market share and working to become a leader in industry technologies.

2. Overview of operating plan in 2024

(1) Operating policies

1.R&D strategy

inergy has three major product lines: our Highly Efficient BLDC Control Modules; Digital-Analog Monolithic ICs; and High Performance Power Devices. These three are either marketed separately, or integrated into energy-saving motor integration modules that are currently used in cloud database servers, 5G communication system cooling modules, EV charging stations, energy-saving appliance motor drivers, energy storage systems, mobile devices, and other related applications. In terms of horizontal applications, we will continue to integrate our extant chips and software into control systems, and expanded them into more products and platforms, including vehicular motors, HPC cooling, high efficiency electricity, etc., to broaden our range of applications. Vertically, we will continue to integrate our extant control ICs as systems on a chip (SoC), to provide our clients with complete, competitive advanced chip products.

The new R&D projects for the Highly Efficient BLDC Control Module include 24–48V sensorless cooling motor drivers. The next-generation Digital-Analog Monolithic IC product line will be extended to driver currents of 24V and higher. Both of these product lines will be applied to high-end AI server computations, water-cooled heat dissipation, and automotive-grade motor drivers. Some of these products have already been certified by major server manufacturers and entered mass production, which will be an important factor for inergy's growth in the coming years. The special PowerMOSFET with ultra-high current (>300 A) and ultra-low impedance (<0.7 mohm) is applied to battery storage and has entered mass production in Taiwan and India. The energy storage market is expected to grow rapidly over the next few years, which, coupled with the continuous introduction of more PowerMOSFET products with ultra-high current and ultra-low impedance features, should lead to considerable revenue growth for the Company.

2.Managing supply chains and collaboration

In response to the increase in client short- and medium-term demand, as well as our long-term plan for growth over the next three to five years, inergy will be continuing our longstanding strategic collaboration with chip manufacturers and packaging plants; signing contracts guaranteeing inventory with chip foundries; and gradually allocating more investment for better facilities. This will allow us to keep up with requirements from growing revenue, and to ensure sufficient production capacity.

3.Future prospects

inergy has long invested in developing driver ICs and systems used in highly efficient energy saving BLDCs, with applications that meet market demand for green energy, energy conservation, carbon reduction, energy storage systems, and electric vehicles. We continue to assist clients in increasing their products' energy utilization rates and ensure the development of green technology. We bring the public friendly living environments. The Company will also remain committed to our social responsibility to comply with our corporate ESG goals and sustainability; as demand for energy saving products grows in vehicles, energy storage, and across the market, inergy's long term revenue and profits certainly look great.

(2) Expectations for sales and basis for such

The Company has taken into consideration the market analysis of major research organizations, considering the overall production capacity plan in accordance with the clients' projected needs, also using the operating results of the past as the basis for making annual goals for product shipment; however, the Company has not made external financial predictions in 2024.

(3) Important production and marketing strategies

1.Production strategies

To remain true to the principle of selecting excellent collaborative partners like chip foundries and packaging plant, including world class IC foundries such as TSMC, Vanguard International Semiconductor Corporation, Powerchip and others, to establish long term collaborative partnerships to ensure reliable and stable production, advanced process technology, consistent quality and cost advantages to build a production supply chain that is capable of reacting rapidly.

2.Marketing strategies

Continuing the operation of existing markets and at the same time, expanding on market shares within the existing client pool, further cultivating the partnerships with clients in order to have an accurate grasp of the market's fluctuations and the clients' requirements for the products, progressing to a tighter-knit collaboration with clients on researching and developing new products that meet the expectations of both the market and clients, all the while utilizing the complete sales and distribution system in operation currently, to continue developing new areas, new markets and new clients, to accelerate the expansion of market size for new products.

3. Company's future development strategies

(1) Integrating strategies and technology needs with major clients, utilizing top-notch IC development capacities, with digital control software as the foundation, coupled with analog driven and high performance power devices to provide clients with customized products with width, depth and foresight, also providing diverse product lines to meet client requirements, steadying the market positioning of core products and expanding on the operation scale to increase product revenue and profit rate.

(2) Beefing up the Company's operation system as a response to the market and product lines' needs, strengthening organization efficacy and the management system for marketing sales, to grasp the market changes and the pulse of product development,

boosting the Company's brand reputation that is integrated from its software, hardware, firmware, solution technology and design services, actively developing international brands to become clients and gradually expanding into the international market to increase market shares in the world.

(3) Continue to maintain long term collaborations with chip wafer foundries, packaging testing and printed circuit assembly manufacturers, and progress into strategic partnerships, ensuring access to production capacity and stay on top of delivery dates, at the same time working together to develop manufacturing processes that are advanced and with special features, to assist the lowering of costs and the development of products with more competitive efficacy.

(4) The Company continues to focus on developing and boosting energy usage efficiency in motor driven IC and highly efficient power semiconductor devices, expanding the application in the energy saving field to that used in vehicles, energy storage batteries, solar energy inverters, cooling systems for cloud computing, cloud database and communication cell sites, and can expect to contribute greatly in future revenue growth.

4. Due to the influence of the external competitive environment, legal environment and overall operation environment

In 2024, inergy's operations resumed growth following the previous 2 years of operational adjustments. The Company's total inventory fell from NT$510 million in Q4 2022 to NT$200 million in Q4 2024, with inventory destocking coming to an end in Q4 2023. Additionally, starting in Q3 2024, new products such as AI server cooling products and energy storage applications progressively emerged, leading to increased sales for the entire new product line and yielding a steady rise in revenue-reaching more than NT$90 million per month. It is expected that the revenue generated by the new product lines will continue to grow in 2025–2026.

We are confident that, with the entire management team's endeavors, inergy will be able to top our records this year, and give back to each and every one of our shareholders for their unwavering support and encouragement.

Finally, allow me to wish you all the best of health and fortune.

Chairman and President Dr. John Lin [with seal]

II. Corporate Governance Report

1. Profiles of Directors, Supervisors, President, Vice President, Deputy Vice President, Division Heads, and Branch Heads

(1) Directors

1. Profiles of Regular Directors and Independent Directors

April 8, 2025; Unit: Shares; %

Title	Nationality or place of registration	Name	Gender Age	Election (Appointment) Date	Term of Office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer, directors or supervisors with a spousal or other 2nd degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	R.O.C.	John Lin	Male 41—50	June13,2022	3 years	June 2, 2009	1,294,540	2.83	1,294,540	2.83	416,000	0.91	–	–	Ph.D. in Electronics, National Chiao Tung University	President, inergy Technology Inc. Executive Director and President, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	–	–	–	Note 1
Director	R.O.C.	Motech Industries Inc.	–	June13,2022	3 years	October 5, 2007	8,558,750	18.72	8,558,750	18.72	–	–	–	–	–	Director, Motech Energy System Company Limited Director, Think Global Enterprises Limited Director, Teco-Motech Company Limited Director, Power Islands Limited	–	–	–	–
Director	R.O.C.	Representative: Jheng-cing Wu (note 2)	Male 71—80	Sep. 30, 2022	Note 2	October 5, 2007	–	–	3,000	0.01	–	–	–	–	EMBA, Finance, National Taiwan University Chairman, China Bills Finance Corporation Independent Director, Member of Audit Committee and Remuneration Committee, Motech Industries Inc.	Director, C-TECH Director, Jentech Precision Industrial Co., Ltd.	–	–	–	–
Director	R.O.C.	Representative: Fred Yeh(Note 2)	Male 51—60	Sep. 30, 2022	Note 2	May 31, 2010	–	–	–	–	–	–	–	–	Master, MBA, CEIBS	President, Motech Industries Inc. Director, Subsidiary of Motech Industries Inc.	–	–	–	–
Director	R.O.C.	DIODES TAIWAN S.A R.L., TAIWAN BRANCH (LUXEMBOURG)	–	June13,2022	3 years	June 7, 2011	3,380,000	7.39	3,380,000	7.39	–	–	–	–	–	–	–	–	–	–
Director	R.O.C.	Representative: Tony Huang	Male 51—60	June13,2022	3 years	June 7, 2011	–	–	–	–	–	–	–	–	Ph.D., Department of Electrical Engineering, University of Texas Mixed-Signal Test Manager at Texas Instruments, Inc.(Dallas) R&D VP at Viditec/Infinite,Inc.(Plano/Shanghai) MOSFET BU Manager at Diodes, Inc.	MOSFET & Discrete Power BD Manager at Diodes, Inc.	–	–	–	–

Title	Nationality or place of registration	Name	Gender Age	Election (Appointment) Date	Term of Office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer, directors or supervisors with a spousal or other 2nd degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Director	R.O.C.	William Liao	Male 41—50	June13,2022	3 years	May 31, 2010	1,120,220	2.45	1,120,220	2.45	336,503	0.73	–	–	Ph.D. in Electronics, National Tsing Hua University	Vice President, inergy Technology Inc. Supervisor, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	–	–	–	–
Director	R.O.C.	Frank Huang	Male 51—60	June13,2022	3 years	June 13, 2022	227,000	0.50	227,000	0.50	22,000	0.05	–	–	Bachelor of Applied Physics, Tamkang University Vice Chairman of SEMI PV Public Advocacy Committee Director of PVGSA Chairman, SUNRISE PV THREE CO. Chairman, SUNRISE PV FOUR CO. Chairman, Sunrise PV Electric Power Two	Director, DYNACARD CO., LTD. President, SAS-Sunrise Branch, Sino-American Silicon Products Inc.	–	–	–	–
Independent director	R.O.C.	Jason Hsu	Male 61—70	June13,2022	3 years	Sep. 25, 2018	–	–	–	–	–	–	–	–	MS in Computer Science, Stevens Institute of Technology President, IBM Taiwan President, GE Taiwan	Adjunct Professor of NTU Leadership Program Adjunct Professor, NTHU ITM Independent Director, Alexander Marine Co., Ltd. Independent Director, Pou Chen Corporation	–	–	–	–
Independent director	R.O.C.	Jacy Chen	Male 51—60	June13,2022	3 years	Sep. 25, 2018	–	–	–	–	–	–	–	–	Master, Institute of Business Management, National Sun Yat-sen University Special Assistant, Chairman's Office, Motech Industries Inc. Chief Financial Officer, China Communications Media. Group Co., Ltd.		–	–	–	–
Independent director	R.O.C.	Jaene-Long Jiang	Male 41—50	June13,2022	3 years	Sep. 23, 2021	–	–	–	–	–	–	–	–	Master, Institute of Electronics, National Chiao Tung University Director Representative and President, Forcelead Technology Corp.	Chairman, Hsuan Cheng Han Investment Co., Ltd.	–	–	–	–

Note 1: This Company's President and chairman are the same person, with its reasoning, rationale, necessity and measures for response as explained below:

1. Mr. John Lin has assumed the position of President ever since the Company's founding in November 2007, and was elected as a director in June 2009. On the other hand, in order to enhance the Company's plans for strategic decisions and the overall operation efficiency in execution, the Board of Directors elected Mr. John Lin as the Chairman in June 2016, with his current familiarity with operations affairs and the boost in the execution of board meeting decisions, the Company's expansion and growth in operation scale can be clearly seen.
2. In addition to participating in Board of Directors meetings, the Company's Chairman also remains in good communication with each director on an everyday basis. However, to bolster the independence of the board, in addition to concrete measures that are already in practice, there will be added independent director seats in the future, as a way to boost and strengthen the supervision function of the Board of Directors.

(1) Over half of the directors on the board are not doubling in managerial positions or as employees.

(2) There are nine seats on the Board of Directors, including the chairman, five regular directors and three independent directors, who are experienced and well-versed in the fields of the semiconductor industry, operation and management,

finance and auditing respectively, and are all able to communicate thoroughly, make proposals and carry out their decisions to ensure that the Board of Directors is operating effectively.

(3) The three independent directors have already formed an audit committee and remuneration committee, both of which will call meetings regularly to effectively carry out its supervision duties.

Note 2: The Company received on September 30, 2022 the reassignment letter from corporate director - Motech Industries Inc. regarding their newly assigned representative, Mr. Jheng-cing Wu and Mr. Fred Yeh will become the new representatives starting September 30, 2022, with the same period in office as the incumbent 6th Board of Directors, until June 12, 2025.

2.Major shareholder of the corporate shareholder

April 8, 2025

Corporate shareholder name	Major shareholder of the corporate shareholder (10% or 10 largest shareholders)
Motech Industries Inc.	Invesco Solar ETF under the custody of HSBC(3.08%)
	Yung-Hui Tseng(2.84%)
	i Shares II Co., Ltd. under the custody of Standard Chartered(2.18%)
	Cheng Fu-Tien Culture & Education Foundation(1.89%)
	iShares Global Clean Energy Index under the custody of Standard Chartered(1.52%)
	James Lee(1.11%)
	Buddhist Compassion Relief Tzu Chi Foundation(1.02%)
	KBCEco Fund under the custody of Standard Chartered(0.93%)
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (0.80%)
	Ming-Hsiao Lu(0.69%)
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Diodes Holdings UK Limited(100%)

Source of information: Annual Report from the Motech Industries Inc. Shareholders Meeting and the company registration case and data inquiry system, Ministry of Economic Affairs, Taiwan

3.Major shareholders of the Company's major corporate shareholder

April 8, 2025

Corporate name	Corporate's major shareholder (10% or 10 largest shareholders)
Diodes Holdings UK Limited	Diodes Incorporated(100%)

Source of information: The company registration case and data inquiry system, Ministry of Economic Affairs, Taiwan

4.Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 8, 2025

Conditions / Name	Professional qualification (note 1)	Experience	Independent status (note 2)	Number of other public companies in which the individual is concurrently serving as independent director
John Lin	Having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D. in Electronics, National Chiao Tung University President, inergy Technology Inc. Executive Director and President, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	(5)(6)(7)(8)(9)(10)(11)(12)	None
Motech Industries Inc. Representative: Jheng-cing Wu	Having the work experience in fields such as commerce, law, finance, accounting and company business	EMBA, Finance, National Taiwan University Chairman, China Bills Finance Corporation Independent Director, Member of Audit Committee and Remuneration Committee, Motech Industries Inc. Director Representative, C-TECH Director Representative, Jentech Precision Industrial Co., Ltd.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)	None
Motech Industries Inc. Representative: Fred Yeh	Having the work experience in fields such as commerce, law, finance, accounting and company business	Master, MBA, CEIBS President, Motech Industries Inc. Director, Subsidiary of Motech Industries Inc.	(1)(2)(3)(4)(6)(7)(8)(9)(10)(11)	None
Frank Huang	Having the work experience in fields such as commerce, law, finance, accounting and company business	Bachelor of Applied Physics, Tamkang University Vice Chairman of SEMI PV Public Advocacy Committee Director of PVGSA Chairman, SUNRISE PV THREE CO. Chairman, SUNRISE PV FOUR CO. Chairman, Sunrise PV Electric Power Two Director, DYNACARD CO., LTD. President, SAS-Sunrise Branch, Sino-American Silicon Products Inc.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None

Conditions / Name	Professional qualification (note 1)	Experience	Independent status (note 2)	Number of other public companies in which the individual is concurrently serving as independent director
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) Representative: Tony Huang	Having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D., Department of Electrical Engineering, University of Texas Mixed-Signal Test Manager at Texas Instruments, Inc.(Dallas) R&D VP at Viditec/Infinite,Inc.(Plano/Shanghai) MOSFET BU Manager at Diodes, Inc. MOSFET & Discrete Power BD Manager at Diodes, Inc.	(1)(2)(3)(4)(6)(7)(8)(9)(10)(11)	None
William Liao	Having the work experience in fields such as commerce, law, finance, accounting and company business	Ph.D. in Electronics, National Tsing Hua University Vice President, inergy Technology Inc. Supervisor, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	(5)(6)(7)(8)(9)(10)(11)(12)	None
Jason Hsu	An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company, at a public or private junior college, college, or university; having the work experience in fields such as commerce, law, finance, accounting and company business	MS in Computer Science, Stevens Institute of Technology President, IBM Taiwan President, GE Taiwan Adjunct Professor of NTU Leadership Program Adjunct Professor, NTHU ITM Independent Director, Member of Audit Committee and Remuneration Committee, Alexander Marine Co., Ltd. Independent director, member of Remuneration Committee, Nomination Committee, Audit Committee, Consumer Protection Committee, Credit Final Review Committee, Risk and Related Transaction Control Committee of Fubon Bank (China) Independent Director, Pou Chen Corporation	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	2
Jacy Chen	Having the work experience in fields such as commerce, law, finance, accounting and company business	Master, Institute of Business Management, National Sun Yat-sen University Special Assistant, Chairman’s Office, Motech Industries Inc. Chief Financial Officer, China Communications Media. Group Co., Ltd.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None

Conditions / Name	Professional qualification (note 1)	Experience	Independent status (note 2)	Number of other public companies in which the individual is concurrently serving as independent director
Jaene-Long Jiang	Having the work experience in fields such as commerce, law, finance, accounting and company business	Master, Institute of Electronics, National Chiao Tung University Director Representative and President, Forcelead Technology Corp. Chairman, Hsuan Cheng Han Investment Co., Ltd.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	None

Note 1: None of the above-mentioned directors and independent directors has any of the conditions listed in Article 30 of the Company Act.

Note 2: Directors and supervisors who meet the following conditions during the two years prior to the selection as well as the term of office, please tick "✓" in the space below each condition code."

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or through nominees, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top ten in holdings.

(4) Not a manager in preceding subparagraph (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding subparagraph (2) and (3).

(5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or designates its representative to serve as a director or supervisor of the Company under Article 27(1) or (2) of the Company Act. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

(6) Not a director, supervisor or employee of other company such that a majority of the Company's director seats or voting shares are controlled by the same person. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

(7) The chairman, president, or a person holding an equivalent position of the Company is not a director (or governor), supervisor, or employee of other company or institution, or are spouses. (Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

(8) Not a director (or governor), supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (Not applicable in cases where the specified company or institution holds at least twenty percent but not exceeding fifty percent of the total number of issued shares of the Company, and the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

(9) Not a professional, sole proprietorship, partnership, business owner of a company or institution, partner, director, supervisor, manager, and the spouse thereof that provides audit or business, legal, financial, accounting, or other related services for which the cumulative amount of remuneration received in the last two years is less than NT$ 500,000 for the Company or its affiliated companies. However, this shall not apply to the members of the Compensation and Remuneration Committee, the Public Tender Offer Review Committee or the Special Committee on Mergers and Acquisitions who perform their functions and responsibilities in accordance with relevant provisions of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) Those who do not have the spouse relationship or are not within the 2nd degree of kinship with any other directors.

(11) Those who are not subject to any of the conditions listed in Article 30 of the Company Act.

(12) Those who are not in the circumstance regulated in Article 27 of the Company Act where the government agency, corporate or their representative is elected.

5. The diversity and independence of the Board of Directors

(1) The Board of Directors' Diversity Policy, Objectives, and Implementation

In accordance with Article 3 of the Company's Procedures for Director Elections, the election of a director will take into consideration the overall configuration of the Board of Directors. The composition of the board's members should be diverse, and consider diversifying as needed when it comes to its operation, way of operating and development, it is advised to include but not limited to standards stated in the two major aspects listed below:

1. Basic criteria and values: gender, age, nationality and culture etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industrial, finance, marketing or technology), professional skills and experiences in the industry, etc.

The members of the board are to possess the knowledge, skills and literacy necessary for executing their responsibilities, with the overall skills necessary as listed below:

1. The ability for judgment in operation matters.
2. Accounting and financial analysis abilities.
3. The ability to operate and manage.
4. Crisis management abilities.
5. Knowledge in the industry.
6. Perspectives for an international market.
7. Leadership skills.
8. Decision making skills.

The Company currently has nine director positions in its Board of Directors, with two of the members being directors who are also employees, which is 22% of the board, and another three allotted for independent directors, at 33%. Regular directors and independent directors both possess a complete and rich array of professional qualifications and experiences, ensuring that the Company meets the criteria for diversity when it comes to its board members, as illustrated below.

April 8, 2025

Title/Name		Gender	Nationality	Age	Professional qualification and experience (Have more than 5 years of experience and professional qualifications)		concurrently as the company employee	Period served as director of the company	
					An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company, at a public or private junior college, college, or university	Work experience in fields such as commerce, law, finance, accounting or company business		0- 9 Years	More than 10 years
Chairman	John Lin	Male	R.O.C.	50 - 60		V	V		V
(Motech) Corporate Director Representative	Jheng-cing Wu	Male	R.O.C.	71 - 80		V		V	
(Motech) Corporate Director Representative	Fred Yeh	Male	R.O.C.	51 - 60		V		V	
Director	Frank Huang	Male	R.O.C.	51 - 60		V		V	
(Diodes) Corporate Director Representative	Tony Huang	Male	R.O.C.	51 - 60		V		V	
Director	William Liao	Male	R.O.C.	50 - 60		V	V		V
Independent director	Jason Hsu	Male	R.O.C.	61 - 70	V	V		V	
Independent director	Jacy Chen	Male	R.O.C.	51 - 60		V		V	
Independent director	Jaene-Long Jiang	Male	R.O.C.	41 - 50		V		V	

(2) Independence of the Board of Directors

The Company has nine members in its Board of Directors, with three being independent directors and taking up one-third of the total number of seats. For the board of director’s independence, please see 3-2-1-1. Information of regular and independent directors, and 3-2-1-4. The professional qualification for directors and information of independent directors’ independence.

The Company has established an audit committee as of September 25, 2018, and hence it will not need the supervisor system. At the same time, there are no spouses or relatives within the second degree of kinship between the nine members of the Board of Directors, therefore without any issues as stated in Subparagraphs 3 and 4, Paragraph 3, Article 26 of the Securities and Exchange Act.

(3) If the number of directors of either gender does not reach one-third of the total seats on the Board, please specify the reasons and the measures adopted to improve gender diversity among directors:

Due to the characteristics of the industry, most professionals are male; hence, the Company's board members are predominantly male.

However, the Company places great emphasis on gender equality in the composition of the Board of Directors, and aims to increase the proportion of female directors to above one-third.

The current term of the Board of Directors will expire in June 2025, at which time a full re-election will take place. It is expected that at least one female director will be elected in the upcoming term, resulting in the proportion of female directors reaching approximately 10% to 20%. The Company will continue to increase the number of female directors in the future to achieve its target.

(2) Profiles of President, Vice President, Deputy Vice President, Division Heads, and Branch Heads

April 8, 2025; Unit: Shares; %

Title (note 1)	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications (note 2)	Position(s) held concurrently in the company and/or in any other company	Managerial officer with a spousal or other 2nd degree of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C.	John Lin	Male	Nov. 1, 2007	1,294,540	2.83	416,000	0.91	—	—	Ph.D. in Electronics, National Chiao Tung University Manager, R&D Department, Anpec Electronics Corporation	Executive Director and President, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	—	—	—	Note 3
Vice President	R.O.C.	William Liao	Male	Feb. 21, 2008	1,120,220	2.45	336,503	0.73	—	—	Ph.D. in Electronics, National Tsing Hua University Deputy Manager, R&D Department, Anpec Electronics Corporation	Supervisor, inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	—	—	—	—
Vice President of Power Device Affairs Office	R.O.C.	Victor Lin	Male	July 1, 2022	232,000	0.51	49,250	0.11	—	—	Master, Institute of Electronic Engineering, Huafan University Senior Engineer, R&D Department, Anpec Electronics Corporation	—	—	—	—	—
Director of Management Office	R.O.C.	Angel Pan	Female	Nov. 12, 2007	76,000	0.17	—	—	—	—	Bachelor, Department of Finance, Chung Hua University Senior Leader, Audit Division, Moores Rowland CPAs Senior Manager of Psitech Information Technology Co., Ltd. Chief Accountant, Kulicke and Soffa Industries, Inc.	—	—	—	—	—

Note 1: This should include information on the president, the vice president, deputy vice president, and division heads, and branch heads, as well as those who hold positions parallel to that of the president, vice president and deputy vice president, all are to be reported.

Note 2: If one's experience is relevant to the position they are currently holding, such as having once held a position in an accounting firm that conducted the auditing and attesting business for the Company's financial report or in an affiliated enterprise, they are to describe the position's title and responsibilities within.

Note 3: This Company's president and chairman are the same person, with its reasoning, rationale, necessity and measures for response as explained below:

1. Mr. John Lin has assumed the position of president ever since the Company's founding in November 2007, and was elected as a director in June 2009. On the other hand, in order to enhance the Company's plans for strategic decisions and the overall operation efficiency in execution, the Board of Directors elected Mr. John Lin as the Chairman in June 2016, with his current familiarity with operations affairs and the boost in the execution of board meeting decisions, the Company's expansion and growth in operation scale can be clearly seen.
2. In addition to participating in Board of Directors meetings, the Company's Chairman also remains in good communication with each director on an everyday basis. However, to bolster the independence of

the board, in addition to concrete measures that are already in practice, there will be added independent director seats in the future, as a way to boost and strengthen the supervision function of the Board of Directors.

(1) Over half of the directors on the board are not doubling in managerial positions or as employees.
(2) There are nine seats on the Board of Directors, including the chairman, five regular directors and three independent directors, who are experienced and well-versed in the fields of the semiconductor industry, operation and management, finance and auditing respectively, and are all able to communicate thoroughly, make proposals and carry out their decisions to ensure that the Board of Directors is operating effectively.
(3) The three independent directors have already formed an audit committee and remuneration committee, both of which will call meetings regularly to effectively carry out its supervision duties.

2. Remuneration paid during the most recent year to directors, supervisors, president and vice president

(1) Remuneration to regular directors and independent directors

December 31, 2024; Unit: NT$1,000; %

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net profit after tax		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
																The Company		All companies mentioned in the financial statements				
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	Cash	Stock	Cash	Stock	The Company	All companies mentioned in the financial statements	
Chairman	John Lin	–	–	–	–	460	460	30	30	490 0.32%	490 0.32%	4,167	4,702	–	–	502	–	502	–	5,159 3.38%	5,694 3.73%	None
Director (note 1)	Motech Industries Inc. Representative: Jheng-cing Wu	–	–	–	–	230	230	30	30	260 0.17%	260 0.17%	–	–	–	–	–	–	–	–	260 0.17%	260 0.17%	None
Director (note 1)	Motech Industries Inc. Representative: Fred Yeh	–	–	–	–	230	230	30	30	260 0.17%	260 0.17%	–	–	–	–	–	–	–	–	260 0.17%	260 0.17%	None
Director	Frank Huang	–	–	–	–	230	230	30	30	260 0.17%	260 0.17%	–	–	–	–	–	–	–	–	260 0.17%	260 0.17%	None
Director	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) Representative: Tony Huang	–	–	–	–	230	230	30	30	260 0.17%	260 0.17%	–	–	–	–	–	–	–	–	260 0.17%	260 0.17%	None
Director	William Liao	–	–	–	–	230	230	30	30	260 0.17%	260 0.17%	3,181	3,181	108	108	388	–	388	–	3,937 2.58%	3,937 2.58%	None
Independent director	Jason Hsu	280	280	–	–	230	230	82	82	592 0.39%	592 0.39%	–	–	–	–	–	–	–	–	592 0.39%	592 0.39%	None
Independent director	Jacy Chen	280	280	–	–	230	230	82	82	592 0.39%	592 0.39%	–	–	–	–	–	–	–	–	592 0.39%	592 0.39%	None
Independent director	Jaene-Long Jiang	280	280	–	–	230	230	82	82	592 0.39%	592 0.39%	–	–	–	–	–	–	–	–	592 0.39%	592 0.39%	None

1. Please describe the remuneration policy, system, standards and structure regarding independent directors, along with the relevance of the remuneration paid to the independent directors' responsibilities, risks involved and time invested etc.:
   (1) In regard to the directors' base compensation, the Company follows the regulations listed in the Articles of Incorporation, and in accordance with Article 17-1 and Article 20 of the Articles of Incorporation, summarized as follows: All of the directors are remunerated regardless of the Company's profits or losses, authorizing the Board of Directors to agree on the level of their participation in the Company's operations and the value of their contributions, and with reference to the standard of the same trade concerned. And if the Company records a profit in a year, the Company shall appropriate no more than 5% of the profit for director profit-sharing compensation. The director's remuneration can only be in cash. Additionally, the Company passed via the Board of Directors in November 2019 the Rules for Board of Directors and Functional Committee Performance Evaluations, setting within regulations of how the Company's evaluation of individual board directors can be used as the basis of their individual remuneration, with the evaluation to begin in 2020.
   (2) The Company's independent directors have been active participants in each functional committee meeting and actively played a role in the operations of the Board of Directors, fulfilling their relevant responsibilities in accordance with the Company's Rules and Scope of Responsibility for Independent Directors, the Audit Committee Charter, and the Remuneration Committee Charter, giving their all selflessly when it came to the discussion of operating results and that of decision making. The remuneration for the Company's independent directors in 2022 includes the fixed monthly salary as a means of compensation agreed to by the Remuneration Committee and approved by the Board of Directors, and transportation fees for when conducting business, as well as remuneration distributed from the annual profits.
2. Aside from the aforementioned remuneration, there have been no remuneration collected for the services the Company's current directors have provided to all companies included in the financial reports (i.e. acting as consultants to the parent enterprise/all companies mentioned in the financial reports/trans-investments in which are not employees).

Note 1: The Company received on September 30, 2022 the reassignment letter from corporate director - Motech Industries Inc. regarding their newly assigned representative, Mr. Jheng-cing Wu and Mr. Fred Yeh will become the new representatives starting September 30, 2022, with the same period in office as the incumbent 6th Board of Directors, until June 12, 2025.

Classification of remuneration paid to directors

Classification of Remuneration paid to each director	Name of Director			
	Sum of the 4 Remunerations (A+B+C+D)		Sum of the 7 Remunerations (A+B+C+D+E+F+G)	
	The Company	All companies mentioned in the financial statements E	The Company	All companies mentioned in the financial statements E
Less than NT$1,000,000	John Lin; Jheng-cing Wu; Fred Yeh; Frank Huang; Tony Huang; William Liao; Jason Hsu; Jacy Chen; Jaene-Long Jiang	John Lin; Jheng-cing Wu; Fred Yeh; Frank Huang; Tony Huang; William Liao; Jason Hsu; Jacy Chen; Jaene-Long Jiang	Jheng-cing Wu; Fred Yeh; Frank Huang; Tony Huang; Jason Hsu; Jacy Chen; Jaene-Long Jiang	Jheng-cing Wu; Fred Yeh; Frank Huang; Tony Huang; Jason Hsu; Jacy Chen; Jaene-Long Jiang
NT$1,000,000(inclusive) —NT$2,000,000(exclusive)	–	–	–	–
NT$2,000,000(inclusive) —NT$3,500,000(exclusive)	–	–	–	–
NT$3,500,000(inclusive) —NT$5,000,000(exclusive)	–	–	William Liao	William Liao
NT$5,000,000(inclusive) —NT$10,000,000(exclusive)	–	–	John Lin	John Lin
NT$10,000,000(inclusive) —NT$15,000,000(exclusive)	–	–	–	–
NT$15,000,000(inclusive) —NT$30,000,000(exclusive)	–	–	–	–
NT$30,000,000(inclusive) —NT$50,000,000(exclusive)	–	–	–	–
NT$50,000,000(inclusive) —NT$100,000,000(exclusive)	–	–	–	–
Over NT$100,000,000	–	–	–	–
Total	9 persons	9 persons	9 persons	9 persons

(2) Remuneration for the supervisors

The Company has established an audit committee as of September 25, 2018, hence it will not need the supervisor's system.

(3) The remuneration for the President and vice President (Company Management Evaluation System 3.21 Remuneration is individually reported.)

December 31, 2024; Unit: NT$1,000; %

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				The sum of A, B, C and D and ratio to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements	
								Cash	Stock	Cash	Stock			
President	John Lin	3,451	3,987	—	—	716	716	502	—	502	—	Sum: 4,669 Ratio: 3.06	Sum: 5,205 Ratio: 3.41	None
Vice President	William Liao	2,711	2,711	108	108	470	470	388	—	388	—	Sum: 3,677 Ratio: 2.41	Sum: 3,677 Ratio: 2.41	None
Vice President, Power Device Affairs Office (note 1)	Victor Lin	4,155	4,155	108	108	737	737	479	—	479	—	Sum: 5,479 Ratio: 3.59	Sum: 5,479 Ratio: 3.59	None

Note 1: He was promoted to the Vice President of the Company's Power Device Affairs Office on July 1, 2022.

Classification of remuneration paid to president and vice president

Classification of Remuneration paid to president and vice president	Name of president and vice president	
	The Company	All companies mentioned in the financial statements
Less than NT$1,000,000	—	—
NT$1,000,000(inclusive) —NT$2,000,000(exclusive)	—	—
NT$2,000,000(inclusive) —NT$3,500,000(exclusive)	—	—
NT$3,500,000(inclusive) —NT$5,000,000(exclusive)	John Lin; William Liao	William Liao
NT$5,000,000(inclusive) —NT$10,000,000(exclusive)	Victor Lin	John Lin; Victor Lin
NT$10,000,000(inclusive) —NT$15,000,000(exclusive)	—	—
NT$15,000,000(inclusive) —NT$30,000,000(exclusive)	—	—
NT$30,000,000(inclusive) —NT$50,000,000(exclusive)	—	—
NT$50,000,000(inclusive) —NT$100,000,000(exclusive)	—	—
Over NT$100,000,000	—	—
Total	3 persons	3 persons

(4) Names of and distribution to managerial officers distributing employee compensation

December 31, 2024; Unit: NT$1,000

Title		Name	Stock	Cash	Total	Ratio of total to net profit after tax (%)
Managerial officers	Chairman and President	John Lin	—	1,614	1,614	1.06
	Director and vice president	William Liao				
	Vice president of Power Device Affairs Office	Victor Lin				
	Director of Management Office	Angel Pan				

(5) Provide a comparative analysis of the total amount of remuneration paid to the directors, supervisors, president, and vice president of the company and all the companies included in the consolidated financial statements, separately, as a proportion of total to net profit after tax for the most recent two years. Also explain the policy, standards and composition of remuneration, the process of determining remuneration, and the relationship between management performance and future risks:

1. State the total remuneration, as a proportion of total to net profit after tax stated in the company and all the companies included in the consolidated financial statements, as paid by this company and by each other company included in the consolidated financial statements during the past 2 years to directors, supervisors, president, and vice presidents

Unit: %

Title	2023		2024	
	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements
Director	51.53	54.76	7.81	8.17
President and vice president	69.29	72.52	9.07	9.42

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

The main remuneration for the Company’s directors is the transportation costs for when they conduct business, and independent directors are additionally given a fixed remuneration each month, Presidents and vice Presidents are given remuneration that includes their salary and bonuses. The remuneration policy regarding directors and employees has been stated in the Articles of Incorporation, and remuneration is allocated and given in accordance with Article 17-1 and Article 20 of the Articles of Incorporation after being evaluated by the Remuneration Committee and given to the Board of Directors for approval. The remuneration for the Company's directors and employees in 2024 have been voted and approved by the Board of Directors on February 21, 2025 in accordance with "the Remuneration Policy and Method of Payment for Directors, Functional Committee Members and Managerial Officers", and having distributed the remuneration after the Remuneration Committee and the Board of Directors have taken into consideration each director and managerial officer's position, their responsibilities taken in the Company's operations and the value of their contributions.

(1) Remuneration Policies, Standards, and Packages:

A. Independent directors of the Company receive fixed monthly remuneration. All directors (including independent directors) receive transportation allowances for each Board meeting attended. Additionally, if the Company reports net income for the year, a maximum of 5% of the current year's earnings may be allocated as directors' remuneration in accordance with Article 20 of the Company's Articles of Incorporation. The Company regularly evaluates directors' performance and remuneration in accordance with the Rules for Performance Evaluation of the Board of Directors and Functional Committees and the Policy and Procedures for Compensation of Directors, Functional Committee Members, and Managerial Officers. The reasonableness of performance evaluations and remuneration is reviewed by the Compensation Committee and approved by the Board of Directors, then submitted to the shareholders' meeting for approval.

The key evaluation items for directors' remuneration are as follows:

(a) Operating Performance: In 2024, compared to 2023, the Company achieved the following results:

Operating revenue increased by 13.86%, operating profit increased by 483.65%, and net profit after tax increased by 834.61%. Operating performance accounts for 80% of the total evaluation.

(b) Corporate Governance and Sustainability Performance: This includes the Company's corporate governance evaluation scores and rankings, as well as the achievement rate of sustainability performance. This accounts for 20% of the total evaluation.

Based on the comprehensive evaluation above and the overall strong performance in each category, directors' remuneration increased by 204% compared to the previous year, accounting for 2.34% of the net profit after tax.

B. The appointment, dismissal, and remuneration of the Company's managerial officers are handled in accordance with the Company's internal regulations. In addition to monthly salary, allowances, and meal stipends, the remuneration of managerial officers also includes various bonuses, which are determined based on the Company's annual operating performance, financial condition, business status, and individual work performance. Furthermore, if the Company generates profit in the current year, between 1% and 15% of the profit may be allocated as employee compensation in accordance with Article 20 of the Company's Articles of Incorporation. The results of performance evaluations conducted under the Company's Performance Evaluation Management Regulations serve as the basis for determining bonuses for managerial officers. The performance evaluation criteria for managerial officers are as follows:

(a) Financial Indicators: In line with the operating performance described in point (A) above and based on the overall evaluation, managerial remuneration for 2024 increased by 14% compared to the previous year.

(b) Non-Financial Indicators: These include operational management capabilities, sustainable operations, and participation in corporate governance. The calculation of performance-based remuneration takes these factors into account, and the remuneration system is reviewed and adjusted as needed based on actual operational conditions and relevant regulations.

C. The Company's remuneration package includes cash compensation, stock options, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The scope is consistent with the requirements regarding directors' and managerial officers' remuneration as stipulated in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for Determining Remuneration:

A. To regularly evaluate the remuneration of directors and managerial officers, the Company bases its assessments on the results of evaluations conducted in accordance with the Rules for Board of Directors and Functional Committee Performance Evaluations, and the Rules for Managing Performance Evaluations applicable to managerial officers and employees.

B. In 2024, the self-evaluation results of all directors and members of the functional committees significantly exceeded the established standards. Moreover, the Company's assessments of annual operating indicators and profitability reflected performance that met expectations.

C. The performance evaluations and the reasonableness of remuneration for directors and managerial officers are reviewed and assessed annually by the Remuneration Committee and the Board of Directors. The actual remuneration amounts paid to directors and managerial officers in 2024 were submitted to the Board of Directors for resolution after deliberation by the Remuneration Committee.

(3) Correlation with Operating Performance and Future Risks:

A. The Company reviews its remuneration policies, payment standards, and related systems primarily based on overall operational performance. Remuneration standards are determined with reference to financial indicators, non-financial indicators, sustainability performance achievement rates, and contribution levels, with the aim of enhancing the overall team efficiency of the Board of Directors and the management departments. Industry remuneration benchmarks are also taken into consideration to ensure that the compensation offered to the Company's management remains competitive and conducive to retaining outstanding managerial talent.

B. The performance goals for the Company's managerial officers are closely linked to risk control, to ensure that potential risks within the scope of their responsibilities can be effectively managed and mitigated. Remuneration ratings are determined based on actual performance, and are tied to the Company's human resources and compensation policies. Major decisions made by the Company's management are carried out after careful consideration of various risk factors. The performance outcomes of such decisions are reflected in the Company's profitability, and managerial remuneration is therefore directly correlated with the effectiveness of risk management.

3. Implementation of Corporate Governance

(1) The function of the Board

There were five board of director meetings held in 2024 and up to the date of publication of the annual report in 2025, and the attendance status of the directors is shown as follows:

Title	Name	Actual number of attendance (note)	Attend through proxy	Actual Attendance rate (%)	Note
Chairman	John Lin	5	0	100	
Director	Motech Industries Inc. Representative: Jheng-cing Wu	5	0	100	
Director	Motech Industries Inc. Representative: Fred Yeh	5	0	100	
Director	Frank Huang	5	0	100	
Director	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) Representative: Tony Huang	5	0	100	
Director	William Liao	5	0	100	
Independent director	Jason Hsu	5	0	100	
Independent director	Jacy Chen	5	0	100	
Independent director	Jaene-Long Jiang	5	0	100	

Other items to be recorded

1. Should any of the below occur in the Board of Directors' operations, the date, period, content of discussions, the opinions of all the independent directors and how the Company has handled their opinions of the board meetings should be described;
   (1) The items listed in Paragraph 3, Article 14 of the Securities and Exchange Act
   The Company has elected three independent directors starting September 25, 2018, and established an audit committee, therefore making it exempt from the regulations of Paragraph 3, Article 14 of the Securities and Exchange Act. Additionally, in regard to items stated in Paragraph 5, Article 14 of the Securities and Exchange Act, please see 3-4-2-1. The operation status of the audit committee, in this Annual Report.
   (2) Aside from the items mentioned above, other items on the agenda of the Board of Directors meeting where independent directors expressed objections or reservations and have minutes or physical statements: please see 3-4-2-1. The operation status of the audit committee, in this Annual Report.
2. If a director is recused due to being an interested party in relation to an agenda item, the director's name, agenda discussion items and the reason for the recusal and their participation in any votes should be stated

Date of the Board of Directors Meeting (term/session)	Proposal	Director name	Reason for recusal	Participation in voting
Mar. 5, 2024 (The 8th Board Meeting of the 6th Term)	Appointment of members to the 1st term of the Company's Sustainable Development Committee.	John Lin, William Liao, Angel Pan	Due to the director's involvement in the appointment proposal, they were recused from the meeting in accordance with law.	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed to stand in as acting chair by Chair John Lin. When queried by the acting chair, the directors present unanimously approved the resolution of the Remuneration Committee meeting that was held on the same day as the Board Meeting.
May 2, 2024 (The 9th Board Meeting of the 6th Term)	Report on 2023 managerial officer performance evaluation results.	John Lin, William Liao	The director concurrently holds the position of managerial officer. Due to their personal stake in the proposal under discussion, they were recused and were not allowed to participate in discussion or voting on the proposal in accordance with law.	Director John Lin and Director William Liao voluntarily recused themselves from the discussion and voting, and Director Jheng-Cing Wu was appointed to stand in as acting chair by Chair John Lin. When queried by the acting chair, the directors present unanimously approved the resolution of the Remuneration Committee meeting that was held on the same day as the Board Meeting.
	Adjustment to 2024 managerial officer remuneration.			
	Distribution of 2023 director and managerial officer compensation.			
	Adjustment of the monthly	Jason Hsu, Jacy Chen,	Monthly remuneration for	As the monthly remuneration

	remuneration for the Company's independent directors and the transportation allowances for meeting attendance by directors, independent directors, and members of the functional committees, along with the proposed amendments to certain provisions of the Policy and Procedures for Compensation of Directors, Functional Committee Members, and Managerial Officers.	Jaene-Long Jiang	independent directors is a matter involving the interests of the independent directors. Due to their personal stake in the proposal under discussion, they were recused and were not allowed to participate in discussion or voting on the proposal in accordance with law.	of independent directors involves their own interests, the three independent directors recused themselves in accordance with the law. When queried by the chair, the directors present unanimously approved the proposal as submitted. The transportation allowance for each director (including independent directors) attending Board meetings, as well as the policies and payment measures regarding remuneration for directors, members of functional committees, and managerial officers, were revised with reference to industry peers. When queried by the chair, the directors present unanimously approved the proposal as submitted.

3. TWSE/TPEx listed companies are to disclose how the board performance evaluation has been conducted each year, including information covering at least evaluation cycle, evaluation period, scope of evaluation, evaluation method, and what is to be evaluated, whether it is self-evaluation by the Board of Directors itself or peer-evaluation, and fill in the form of evaluation below:

The Execution of Board of Directors' Evaluation

Evaluation cycle	Evaluation period	Scope of Evaluation	Evaluation method	Content of evaluation
The Company's Board of Directors carries out once every year internal performance evaluations of its Board of Directors and functional committees	January 1, 2024- December 31, 2024	Performance evaluation of the Board of Directors and functional committees	The Board of Directors and functional committees will conduct self-evaluations by way of internal surveys	1. The items in the evaluation of the Company's Board of Directors and functional committees include a minimum of the aspects below: (1) Participation in the Company's operations (2) Improvement of the quality of the Board of Director's decision making(Improvement of the quality of the Functional committee's decision making) (3) Composition and structure of the Board of Directors

				(4) Election and continuing education of the directors (composition and election of the functional committees) (5) Awareness of the duties of the functional committee (6) Internal controls 2. The evaluation of directors' performances include a minimum of the aspects below: (1)Alignment with the goals and missions of the Company (2)Awareness of the duties of a director (3)Participation in the Company's operations (4)Management of internal relationships and communication (5)Professionalism and continuing education of the directors (6)Internal controls

4.The recent and current yearly goals to strengthen the Board of Directors' functions (such as establishing an audit committee and increasing the transparency of information) and the evaluation of the execution

(1) The establishment of an audit committee

In accordance with Paragraph 14-4 of the Securities and Exchange Act, the Company established an audit committee in replacement of supervisors on September 25, 2018, with the three independent directors becoming members of the audit committee, all of whom equipped with knowledge and experiences involving finances or business, and draft the Audit Committee Charter for the audit committee to independently carry out its responsibilities in order to ensure the supervision of the Company's internal control is being executed, as well as the making of the financial report forms.

(2) The establishment of the remuneration committee

In accordance with Paragraph 14-6 of the Securities and Exchange Act, the Company established a remuneration committee on August 7, 2018, with the three independent directors becoming members of the audit committee and drafted the Remuneration Committee Charter, reviewing relevant meeting discussion and approved by the Board of Directors, to bolster a healthy supervising function and strengthen the management function.

(3) Increase information transparency

Information such as the Company's financial data, decisions from major meeting agendas etc. have been published on the TWSE MOPS in accordance with relevant regulations, for shareholders and parties of benefit to peruse the Company's financial and business information.

(4)The directors' and important employees' liability insurance

In order to ensure the risk faced by directors and important employees when conducting the responsibilities their jobs entail is met with protection, each year the Company purchases liability Insurance for Directors and Important Employees, and regularly reviews the contents of the insurance policies to ensure that the scope of insurance and the insurance payout amount are up to requirements.

(5) Evaluation of Board of Directors performances

The Company conducts self-evaluations for the Board of Directors and the functional committees in accordance with the "Rules for Board of Directors and Functional Committee Performance Evaluations", held once each year. The evaluation results for year 2024 has been sent to the Board of Directors to be reported on February 21, 2025.

Note: The format of the list is actual number of participants/Participation frequency during time in office.

(2) The state of operations of the audit committee or the state of participation in board meetings by the supervisors

1. The state of operations of the audit committee

There were six Audit Committee meetings held in 2024 and up to the date of publication of the annual report in 2025, and the attendance status of the Committee members is shown as follows:

Title	Name	Actual number of attendance	Attend through proxy	Actual Attendance rate (%)	Note
Independent director	Jacy Chen	6	0	100	Convenor
Independent director	Jason Hsu	6	0	100	
Independent director	Jaene-Long Jiang	6	0	100	

Other items to be recorded:

1. Should one of the circumstances stated below occur in the state of operations of the audit committee, the date, period, contents of the discussions, contents of suggestions or opposing opinions from the independent directors, the decision results by the audit committee and the Company's handling of the committee's opinions in the audit committee meetings should be stated.

(1) Items listed in Paragraph 5, Article 14 of the Securities and Exchange Act

Audit Committee Date and session	Proposal	Audit Committee resolution	Company handling of Audit Committee's opinion
Mar. 5, 2024 The 7th Audit Committee Meeting of the 3rd Term	1. Proposal for the 2023 Business Report and Financial Statements of the Company. 2. Proposal for evaluating the independence and competency of the Company's certified public accountants for 2023, with reference to Audit Quality Indicators (AQIs). 3. Proposal for the appointment of certified public accountants for 2024. 4. Proposal for the 2023 Earnings Distribution Plan of the Company. 5. Proposal for cash distribution from capital surplus for 2023. 6. Proposal for the "Assessment of the Effectiveness of the Internal Control System" and the "Statement on Internal Control" for 2023. 7. Proposal for partial amendments to the "Procedures for Acquisition or Disposal of Assets." 8. Proposal for adding the "Internal Audit System - Guidelines for the Operation and Management of the Sustainability Committee."	Approved by all Audit Committee members present.	Approved by all directors present.

May 2, 2024 The 8th Audit Committee Meeting of the 3rd Term	1. Proposal for the Company's financial statements for the first quarter of 2024. 2. Proposal for partial amendments to the "Regulations Governing Risk Management and Crisis Handling."	Approved by all Audit Committee members present.	Approved by all directors present.
Aug. 1, 2024 The 9th Audit Committee Meeting of the 3rd Term	1. Proposal for the Company's financial statements for the second quarter of 2024.	Approved by all Audit Committee members present.	Approved by all directors present.
Nov. 6, 2024 The 10th Audit Committee Meeting of the 3rd Term	1. Proposal for the Company's financial statements for the third quarter of 2024. 2. Proposal for the Company's budget plan for the year 2025. 3. Proposal to abolish "iCA – Other Control Operations" and adopt the "Internal Control System – Other Control Operations." 4. Proposal to establish the "Hierarchical Responsibility Management Guidelines," "Sustainability Information Management Guidelines," "Sustainability Report Preparation and Assurance Procedures," and the "Financial Statement Preparation Process Management Guidelines." 5. Proposal for the 2025 Audit Plan of the Company. 6. Proposal for approval of the audit report, annual audit plan, audit implementation status report, and the statement on improvements to internal control deficiencies and irregularities.	Approved by all Audit Committee members present.	Approved by all directors present.
Feb. 21, 2025 The 11th Audit Committee Meeting of the 3rd Term	1. Proposal for the 2024 Business Report and Financial Statements of the Company. 2. Proposal for the 2024 Earnings Distribution Plan of the Company. 3. Proposal for the "Assessment of the Effectiveness of the Internal Control System" and the "Statement on Internal Control" for 2024. 4. Proposal for partial amendments to the "Procedures for Acquisition or Disposal of Assets." 5. Proposal for partial amendments to the "Rules of Procedure for Shareholders' Meetings." 6. Proposal for evaluating the independence and competency of the Company's certified public accountants for 2023, with reference to Audit Quality Indicators (AQIs). 7. Proposal for the appointment of certified public accountants for 2025. 8. Proposal for the revision of the Company's	Approved by all Audit Committee members present.	Approved by all directors present.

	pre-approved non-assurance service policy list. 9. Proposal for the definition of “Basic-Level Employees” of the Company. 10. Proposal for partial amendments to the Company’s “Articles of Incorporation.”		

Note 1: After the proposal was held to a vote by the entire body, all three members of the audit committee, independent director Mr. Jacy Chen expressed reservations, while the other two members expressed their approval, thus passing the proposal with the majority of votes.

Note 2: The proposal was voted upon by all nine members of the Board of Directors, with the two representatives of corporate director Motech Industries Inc. and independent director Mr. Jacy Chen expressing reservations and the remaining six members voted in favor, thus passing the proposal with a majority of votes in favor. The Company announcing material news in accordance with regulations.

(2) Aside from the issues mentioned above, there were no other items that were not passed by the audit committee but approved by two-thirds of all the directors on the board: there was no such incident.

2. If an independent director is recused due to being an interested party in relation to an agenda item, the independent director’s name, agenda discussion items and the reason for the recusal and their participation in any votes should be stated. Response: there was no such incident.

3. The communication between independent directors, internal audit managers and CPAs (to include communications on material issues, methods and results in regard to the Company’s financial and business status).

(1) The Company’s audit managers are to regularly turn in audit reports for the perusal of the independent directors and attend all audit committee meetings, report on the internal audit tasks and communicate thoroughly with independent directors.

(2) The Company had established the audit committee on September 25, 2018, with the audit committee members communicating well with CPAs. The CPA of 2024 attended the audit committee meetings held on March 5, 2024, May 2, 2024, August 1, 2024 and November 6, 2024 respectively, and explained to the audit committee members the process of evaluation or inspecting the Company’s financial reports and how the amendment of various relevant laws affects the Company’s financial records, with the committee members and CPAs having conducted thorough communication in person.

Note: The listing method is to list the actual number of times participated/the number of participation opportunities during time in office.

2. Information on supervisors’ attendance of Board of Directors operations

Not applicable as the Company had established an audit committee on September 25, 2018, in place of having supervisors.

(3) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its corporate governance practices based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established the Corporate Governance Best Practice Principles and published on the TWSE MOPS, as well as the Company's website.	There were no material differences.
2. Equity structure and shareholders' equity (1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and compied with the procedure properly?	✓		(1) The Company has employed a spokesperson and professional staff who can act as spokesperson, and has installed an email box for investors. Additionally, it has also entrusted a professional stock agency to handle suggestions, queries or disputes, etc. from/with the shareholders.	There were no material differences.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	✓		(2) The Company has entrusted a professional stock agency to assist in handling stock relevant affairs, and will retain a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders as provided by the agency when the Company approached the closing date.	There were no material differences.
(3) Has the Company established and implemented the risk control mechanism and firewall between the Company and the affiliates?	✓		(3) The Company has established the Operating Procedures for Trading with Group Enterprises, Specific Corporations, and Affiliated Parties, in order to regulate trading and exchanges with affiliated enterprises, stating clearly within that transactions such as the purchase and sale of goods, acquisition and disposal of assets, loans, endorsement guarantees are to be handled in accordance with the Company's Sales and Collection Cycle, Purchase and Payment Cycle, Handling Procedures for the Acquisition and Disposal of Assets, Operating Procedures for Lending Funds to Others, Operating Procedures for Endorsement Guarantees etc., and when encountering a major transaction, should comply with the standards regulated in the content of the regulations above, to be voted for	There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
(4) Has the Company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		approval by the Board of Directors and even reported to the shareholders meeting for approval, in order to protect the Company's rights and benefits. (4) The Company has established the Management Operations to Prevent Insider Trading and the Operating Procedures for Handling Material Internal Information, to prevent the Company's internal staff from taking advantage of undisclosed market information to trade marketable securities.	There were no material differences.
3. Composition and Responsibilities of the Board of Directors (1) Has the Board established a diversity policy, specific management goals and implemented accordingly?	✓		(1) The Company's Procedures for Director Elections and Corporate Governance Best Practice Principles have regulated that the composition of the board's members should be diverse, with currently nine director positions in its Board of Directors, with two of the members being directors who are also employees, which is 22% of the board, and another three allotted for independent directors, at 33%. All regular directors and independent directors possess comprehensive professional qualifications and abundant experience. The Company has achieved the goal of diversification of the Board of Directors; for details, please see the explanation the diversity of the Board of Directors and independent directors in the annual report.	There were no material differences.
(2) Further to the establishment of the Remuneration Committee and the Audit Committee, has the Company voluntarily established other functional committees?	✓		(2) The Company has established various functional committees including: 1. Remuneration Committee on August 7, 2018. 2. Audit Committee on September 25, 2018. 3. Sustainable Development Committee on March 5, 2024 Other functional committees will be established according to the actual needs of the Company.	There were no material differences.
(3) Has the Company established a	✓		(3) The Board of Directors passed the	There were no

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?			"Regulations Governing the Performance Evaluation of the Board of Directors and Functional Committees" on November 21, 2019. Performance evaluations have been periodically conducted starting from 2020, where the performances of the Board of Directors, individual Board members, and functional committees are evaluated by all Board members. An external performance evaluation of the Board as a whole is conducted at least once every 3 years by a third-party organization. The Company's criteria for evaluating the performance of the Board of Directors, individual Board members, and functional committees covers, at a minimum, the following aspects or other items required or adjusted in accordance with law: 1. Performance evaluation of Board of Directors: Participation in the Company's operations, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal controls. 2. Performance evaluation of individual Board members: Alignment with the goals and missions of the Company, awareness of the duties of a director, participation in the Company's operations, management of internal relationships and communication, professionalism and continuing education, and internal controls. 3. Performance evaluation of functional committees: Participation in the Company's operations, awareness of the duties of the functional committee, improvement of quality of the functional committee's decision making, composition and election of the functional committee, and internal controls. The performance evaluation results of the Company's Board of Directors is	material differences.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>used as a basis for electing or nominating directors, whereas the performance evaluation results of individual Board members serves as a reference for determining their respective remuneration.
The results of the most recent (2024) internal performance evaluation of the Board of Directors (including the Board as a whole, functional committees, and individual Board members) are summarized below:

1. Evaluation of the Board of Directors’ operations:
<table>
<tr><th>Aspects of self-evaluation</th><th>No. of evaluation items</th><th>(2024) Evaluation results</th></tr>
<tr><td>Participation in the Company’s operations</td><td>12</td><td>4.67</td></tr>
<tr><td>Improvement of the quality of the Board of Director’s decision making</td><td>12</td><td>4.69</td></tr>
<tr><td>Composition and structure of the Board of Directors</td><td>7</td><td>4.94</td></tr>
<tr><td>Election and continuing education of the directors</td><td>7</td><td>4.83</td></tr>
<tr><td>Internal controls</td><td>7</td><td>4.97</td></tr>
</table>
2. Self-evaluation of individual Board members:
<table>
<tr><th>Aspects of self-evaluation</th><th>No. of evaluation items</th><th>(2024) Evaluation results</th></tr>
<tr><td>Alignment with the goals and missions of the</td><td>3</td><td>4.93</td></tr>
</table></td><td></td></tr>
</table>

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	

Company		
Awareness of the duties of a director	3	4.96
Participation in the Company's operations	8	4.90
Management of internal relationships and communication	3	4.93
Professionalism and continuing education of the directors	3	5.00
Internal controls	3	5.00

3. Evaluation of audit committees' operations:

Aspects of self-evaluation	No. of evaluation items	(2024) Evaluation results
Participation in the Company's operations	4	4.92
Awareness of the duties of the functional committee	5	5.00
Improvement of the quality of the functional committee's decision making	7	5.00
Composition and election of the functional committee	3	5.00
Internal controls	3	5.00

4. Evaluation of Remuneration Committee's operations:

Aspects of self-evaluation	No. of evalu	(2024) Evaluation results

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th></th><th>ation items</th><th></th></tr>
<tr><td>Participation in the operation of the Company</td><td>4</td><td>4.92</td></tr>
<tr><td>Awareness of the duties of the functional committee</td><td>5</td><td>5.00</td></tr>
<tr><td>Improvement of the quality of the functional committee’s decision making</td><td>7</td><td>5.00</td></tr>
<tr><td>Composition and election of the functional committee</td><td>3</td><td>5.00</td></tr>
</table>
Details of the performance evaluation mentioned above were submitted to the Board of Directors on February 21, 2025. The Company will constantly review the performance evaluation related regulations for further improvements.
</td><td></td></tr>
<tr><td>(4) Has the Company evaluated the independence of the commissioned CPAs regularly?</td><td>✓</td><td></td><td>
(4) In accordance with Article 29 of the Company’s Corporate Governance Best Practice Principles, the Company’s Audit Committee and Board of Directors regularly (at least once per year) evaluate the appointed CPAs for their independence and suitability based on the AQIs as reference, with the most recent evaluation conducted on February 21, 2025.
The items for evaluating the CPA’s independence and suitability:
<table>
<tr><th>Evaluation item</th><th>Evaluation results</th><th>Conformity with independence requirements</th></tr>
<tr><td>1. As of the most recent attestation of the Company’s financial statements,</td><td>ˇ</td><td>ˇ</td></tr>
</table>
</td><td>There were no material differences.</td></tr>
</table>

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	

there has been no occurrence of the CPA having remained unchanged for 7 consecutive years.		
2. The CPA has no material financial interest in the trustee.	ˇ	ˇ
3. The CPA avoids any inappropriate relationship with the trustee.	ˇ	ˇ
4. The CPA ensures that their assistants act with integrity, objectivity, and independence.	ˇ	ˇ
5. The CPA does not permit others to practice under their name.	ˇ	ˇ
6. The CPA does not own any shares of the Company or its affiliates.	ˇ	ˇ
7. The CPA has never engaged in the borrowing/lending of funds with the Company.	ˇ	ˇ
8. The CPA has never had a joint investment or profit-sharing relationship with the Company or its affiliates.	ˇ	ˇ
9. The CPA has not been employed by the Company or its affiliates to perform routine work for which they received a fixed salary.	ˇ	ˇ
10. The CPA is not involved in the management functions of the Company or its	ˇ	ˇ

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>affiliates in decision making.</td><td></td><td></td></tr>
<tr><td>11. The CPA is not engaged in any other duty that could jeopardize the independence.</td><td>ˇ</td><td>ˇ</td></tr>
<tr><td>12. The CPA is not a spouse, direct blood relative, direct relative by marriage, or blood relative within the second degree of kinship to the Company’s management.</td><td>ˇ</td><td>ˇ</td></tr>
<tr><td>13. The CPA has not received any commissions in connection with their duty.</td><td>ˇ</td><td>ˇ</td></tr>
<tr><td>14. As of the present, the CPA has never received any disciplinary action or been in any situation that would jeopardize their independence.</td><td>ˇ</td><td>ˇ</td></tr>
</table></td><td></td></tr>
<tr><td>4. Does the TWSE/TPEX Listed Company have a qualified and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders’ meeting related matters; and preparing the minutes for board meetings and shareholders’ meeting in accordance with the law, etc.)?</td><td>✓</td><td></td><td>The Company’s management department is responsible for handling the Board of Directors meetings, with the Corporate Governance Senior Officer appointed to manage the affairs related to corporate governance as follows:
(1) The making of the meeting agenda and the provision of meeting information and agenda minutes for a Board of Directors meeting, to register online the date of holding the shareholders meeting by the regulated deadline, and draft the notification for shareholders meetings for reporting, as well as the meeting handbooks and meeting minutes etc.
(2) Assisting the directors in taking office, advancing their studies and remaining in compliance with the law.
(3) Provide information that the directors may need when conducting business.
(4) Reporting to the Board of Directors on whether the qualifications for an independent director’s nomination,</td><td>There were no material differences.</td></tr>
</table>

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			election and term in office meet the criteria as stated by relevant regulations and the results of an examination thereof. (5) Report to the Ministry of Economic Affairs should there be amendments to the Articles of Incorporation, a re-election of directors or any changes to the paid-in capital (shares) and other differences. (6) Continuing education status of the Corporate Governance Senior Officer in 2024 (Note 1.).	
5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	✓		The Company has appointed a spokesperson and an acting spokesperson and set up a contact mailbox as channels of communication with stakeholders. The relevant communication channels and the status of communication with stakeholders are disclosed on the Company's website.	There were no material differences.
6. Has the Company appointed a professional shareholder services agent to deal with shareholder affairs?	✓		The Company's shareholders meeting affairs have been entrusted to be handled by a professional stock agent organization - Yuanta Securities.	There were no material differences.
7. Disclosures (1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance? (2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesman system, and the minutes of the investor conference on record posted on the website)? (3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and	✓ ✓ ✓		(1) The Company has put up a website (www.inergy.com.tw) with an investors' page for the disclosure of financial and business information, as well as information on the Company's governing. (2) The Company has appointed a spokesperson and an acting spokesperson to take charge of the collection and disclosure of corporate information. In an investor conference held at least twice each year, they are responsible for handling the announcement and reporting of material information in compliance with relevant laws and regulations and uploading relevant documents from the conference. (3) The Company handles the announcement and reporting of financial reports, approved by the Board of Directors and audited and signed by the CPAs, in compliance with the law, and will announce and	There were no material differences. There were no material differences. There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?			report before the legal deadline each quarter's financial reports and the operation status of each month.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' and supervisors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	✓		(1) Employee rights and benefits: Handled in accordance with the Labor Act and relevant laws, in order to safeguard the employees' rights and benefits. (2) Care of employees: The planning of employee group insurance policies, regular health check-ups, and holding a variety of educational training for employees. (3) Investor relations and rights of stakeholders: The Company has employed a spokesperson and professional staff who can act as spokesperson, who are in charge of the Company's external relations and the communications within, in order to guarantee and protect the rights and benefits of investors and stakeholders. (4) Relationship with suppliers: The Company regularly holds evaluations of manufacturers, and maintains good collaborative partnerships with the manufacturers. (5) The directors' continuing education : The Company shall hold periodical advancement courses for all directors to partake in. (**Note 2**) (6) The execution of risk management policies and risk evaluation standards: Establish an internal control system and regulations in compliance with the law, to conduct risk management and evaluation, with the internal audit unit to verify the execution of the internal control system. (7) The implementation of client policies: Based on contracts signed with the clients and relevant regulations, the Company provides products and services of excellent quality, and ensures that the Company and clients' rights and benefits are protected. (8) The Company's purchase of liability insurances for the directors: The Company has purchased liability insurance policies for all of the directors, in order to bolster the protection of shareholders' rights and	There were no material differences.

Evaluation item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			benefits.	

9. State of corrective action taken for responding to the results of the corporate governance assessment announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and the priority for improvement on issues pending further corrective action and related measures. (Company not included in the evaluation does not need to fill in)

The Company's performance in the most recent Corporate Governance Evaluation has improved as follows:

2023 Evaluation Indicators	Improvements Made
Has the Company simultaneously disclosed material information in English?	Material information was simultaneously disclosed in English in 2024.
Has the Company established an English website containing financial, business, and governance information?	An English website containing relevant information was launched in 2024.

Priority enhancement items and improvement measures for Corporate Governance Evaluation indicators not yet achieved in the most recent year are as follows:

2023–2024 Evaluation Indicators	Priority Enhancement Items and Improvement Measures
Has the Company established a Board diversity policy?	The Company plans to appoint additional female directors during the board re-election in 2025.
Has the Company disclosed the resources invested in cyber security management?	The Company plans to disclose resources allocated to cyber security management on its website and in the 2025 annual report.
Has the Company disclosed communication channels for stakeholders?	The Company plans to disclose the communication channels for various stakeholders on its website in 2025.

Note 1: The continuing education status of the Corporate Governance Senior Officer in 2024 is as follows:

No.	**Organized by**	**Course Name**	**Course Period**		**No. of Hours**
			Start	**End**	
1	Accounting Research and Development Foundation	Latest ESG Sustainability Policies, Regulations for Annual Report Preparation, and Practical Analysis of Net Zero Carbon Emission Impacts on Finance	May 29, 2024	May 29, 2024	6.0
2	Taiwan Project Management Association (TPMA)	Director Training Course for TWSE/TPEx-Listed Companies – Operation and Evaluation of Corporate	June 27, 2024	June 27, 2024	3.0

		Governance Performance Management Systems			
3	Taipei Exchange	Seminar on Insider Shareholding for TPEx and Emerging Stock Companies	Sep. 11, 2024	Sep. 11, 2024	3.0
4	Accounting Research and Development Foundation	2024 ESG Summit: Net Zero in All Aspects, a Sustainable Future	Sep. 18, 2024	Sep. 18, 2024	6.0
5	Corporate Operating and Sustainable Development Association	Promoting Corporate Sustainability through Risk Management	Sep. 26, 2024	Sep. 26, 2024	3.0

Note 2: Courses taken by the Company's directors in 2024 and 2025 up to the date of publication of the annual report are as follows:

Title	Name	Course Date	Organized by	Course Name	No. of Hours
Director	John Lin	July 26, 2024	Taiwan Corporate Governance Association	Starting from TIPS: How Enterprises Can Establish IP Risk Prevention Mechanisms	3.0
		August 7, 2024	Securities and Futures Institute	Director and Governance Officer Series – Carbon Trading Mechanism and Carbon Management Applications	3.0
Corporate Director Representative	Jheng-cing Wu	April 19, 2024	Taiwan Corporate Governance Association	Directors' Responsibilities in Corporate Control Disputes – Focusing on Shareholder Rights	3.0
		May 24, 2024	Taiwan Corporate Governance Association	The Value of Corporate Non-Financial Performance and Climate-Related Disclosure – Global Trends and Response Strategies	3.0
		August 20, 2024	Taiwan Corporate Governance Association	The Era of Carbon Pricing: How Should Enterprises Respond?	3.0
Corporate Director Representative	Fred Yeh	May 24, 2024	Taiwan Corporate Governance Association	The Value of Corporate Non-Financial Performance and Climate-Related Disclosure – Global Trends and Response Strategies	3.0
		July 5, 2024	Taiwan Corporate Governance Association	Understanding the Latest Developments in Corporate Governance Through Evaluation Indicators	3.0
Corporate Director Representative	Tony Huang	May 28, 2024	Taiwan Corporate Governance Association	The New AI Era: How ChatGPT is Reshaping Industry Trends	3.0
		August 16, 2024	Taiwan Corporate Governance Association	Data Centers Evolving: Development Trends in Silicon Photonics and AI Servers	3.0
Director	Frank Huang	August 16, 2024	Securities and Futures Institute	Director and Governance Officer Series – Post-Merger Integration Issues and Management Mechanisms	3.0
		Sep. 11, 2024	Taipei Exchange	Seminar on Insider Shareholding for TPEx and Emerging Stock Companies – Hsinchu Session	3.0
Director	William Liao	August 16, 2024	Taiwan Corporate Governance Association	Data Centers Evolving: Development Trends in Silicon Photonics and AI Servers	3.0

Title	Name	Course Date	Organized by	Course Name	No. of Hours
		September 11, 2024	Securities and Futures Institute	Director and Governance Officer Series – Sustainability Strategies and Planning for TWSE/TPEx-Listed Companies	3.0
Independent Director	Jason Hsu	June 25, 2024	Taiwan Corporate Governance Association	Post-Pandemic Era: How Taiwanese Enterprises Should Position Themselves to Address the Challenges and Opportunities of Transformation (Part I)	3.0
		July 23, 2024	Taiwan Corporate Governance Association	Emerging Technology Risks in the Cloud Era	3.0
Independent Director	Jacy Chen	October 9, 2024	Accounting Research and Development Foundation	Latest Regulations on Annual Reports/Sustainability/Financial Reporting and Internal Control Practices	6.0
Independent Director	Jaene-Long Jiang	July 30, 2024	Taiwan Investor Relations Institute	Key Strategies for Enhancing Corporate ESG Performance	3.0
		August 1, 2024	Taiwan Investor Relations Institute	Opportunities and Challenges for Taiwanese Businesses in China	3.0
		August 7, 2024	Securities and Futures Institute	Director and Governance Officer Series – Carbon Trading Mechanism and Carbon Management Applications	3.0
		August 16, 2024	Taiwan Corporate Governance Association	Data Centers Evolving: Development Trends in Silicon Photonics and AI Servers	3.0

(4) If the company has a remuneration committee or nomination committee in place, the composition and operation of such committee shall be disclosed

1.Information on members of Remuneration Committee

By identity	Conditions / Name	Professional qualification and experience	Indendency	Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies	Remark
Independent director	Jason Hsu	Please see 3-2-1-4. "The professional qualifications of directors and the disclosure of information on the independence of independent directors" for relevant information.	Please see 3-2-1-4. "The professional qualifications of directors and the disclosure of information on the independence of independent directors" for relevant information.	None	Convener
Independent director	Jacy Chen			None	
Independent director	Jaene-Long Jiang			None	

2. The operation status of the remuneration committee

(1) The Company has a remuneration committee with three members.

(2) The office term for this round's remuneration committee

The Company has established a remuneration committee on August 7, 2018, and the current term will run from June 19, 2019 to the end of the same Board of Directors. The remuneration committee held a total of four meetings in 2024 and in 2025, up to the date of publication of the annual report , with the participation as follows:

Title	Name	Actual number of attendance	Attend through proxy	Actual Attendance rate (%)	Note
Convener	Jason Hsu	4	0	100	
Member	Jacy Chen	4	0	100	
Member	Jaene-Long Jiang	4	0	100	

Other matters to be recorded:

1. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Remuneration Committee, the date of the Board meeting, session, contents of proposals, results of meeting resolutions, and the Company's disposition of opinions provided by the Remuneration Committee shall be described in detail: None
2. For the decisions made by the Remuneration Committee, if there are members who hold objection or reservation to a resolution and such objection or reservation is on record or raised through a written statement, the date, session, contents of proposals, all members' opinions, and ways in handling these opinions shall be elaborated: None

3. The member information of the nomination committee members and committee operation status: not applicable as the Company does not have a nomination committee in place.

(5) **Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons**; **a company that meets certain conditions shall disclose climate-related information**

1. Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
1. Has the Company established a governance structure to advocate sustainable development and set up a dedicated (concurrently) unit, which is headed by a senior executive at the authorization of the Board and is supervised by the Board, to advocate sustainable development? (The status of implementation should be filled out by TWSE/TPEX Listed Companies, not as compliance or explanation)	✓		The scope of the Company's overall plan for sustainability development includes the three major issues of environment, society and corporate governance, with the relevant execution to be led and promoted by the President, the staff body will be participating in accordance to each person's scope of responsibilities within their respective positions. The Sustainable Development Committee was established upon approval of the Board of Directors on March 5, 2024. Senior management is authorized by the Board of Directors to take charge of the Committee's relevant operations, and the work is overseen by the Board of Directors. Regarding the environmental aspect, energy conservation is key. Aside from regular business operation, the Company has been conducting examination and verification of greenhouse gasses since 2022, with the management department at the head of the execution structure, with assistance from the quality assurance department and the audit office. On the social issue aspect, the human resources unit of the management department will be keeping an eye on things, and for corporation governance, the Board of Directors will be ensuring the implementation with the help of meeting agenda units. The scheduling for greenhouse gas inventory and verification, as well as sustainability information disclosure, is detailed in Note 1. The progress is reported to the Board of Directors on a quarterly basis and subject to monitoring and control. In addition to reviewing the content and progress of each quarterly report, the Board also provides oversight, guidance, and recommendations to the management team. The Company's management has proactively initiated greenhouse gas inventory and	No significant differences

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			verification planning ahead of the statutory deadlines.	
2. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the Company's operations, and has the Company established the relevant risk management policies or strategies based on the materiality principle? (The status of implementation should be filled out by TWSE/TPEX Listed Companies, not as compliance or explanation)	✓		The Company already has in place Practical Principles for Sustainability Development, to be used for the management of how environmental, societal and corporation issues impacts the Company, and carrying out risk management or strategies relevant to company operation, as listed below: Environmental issues: The Company is an IC design company that does not have factories, and therefore does not fall under the category of the high energy-consumption industry, and has not built or used facilities that cause major emissions of greenhouse gas. On the professional aspect of operating the Company, the Company has continued to invest in the development of highly efficient products in hopes of achieving energy conservation by way of improving products and product application, to lessen the impact caused on the environment and fulfill its environmental protection responsibilities as a corporation. Societal issues: In an employer-labor relationship, the Company follows relevant labor laws and guarantees the legal rights and benefits of the employees, also exercising Work Principles to ensure the existence of a good working environment, hiring, training and promoting employees based on equality, to safeguard the rights and benefits of employees. Corporate governance issues: The Company already has in place Corporate Governance Best Practice Principles, announced on the TWSE MOPS and the Company website, and has purchased liability insurance policies for all the Board of Directors members to ensure protection of the shareholders' rights and benefits. The Rules for Board of Directors and Functional Committee Performance Evaluations passed by the Board of Directors on November 21, 2019, with self-evaluation of the Board of Directors and functional committees held once a year regularly since 2020. The evaluation results for year 2024 has been sent to the Board of Directors to be reported on February 21, 2025, and at least once every three years, an external evaluation by a	No significant differences

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			professional, independent organization will be held, the Company has entrusted in 2022 the Taiwan Corporate Governance Association to conduct the evaluation for the directors' performances between November 1, 2021 to October 31, 2022, to receive an analysis report for the external evaluation, and have sent the results of the evaluation to the Board of Directors to be reported on March 8, 2023.	
3. Environmental Issues (1) Has the Company established an appropriate environmental management system in accordance with its industrial characteristics?	✓		(1) As the Company is an IC design company that does not have factories, it therefore does not have special sources of pollution. In order to maintain the cleanliness of the environment, the Company's employees each have a designated work area they are responsible for, and the Company has also hired specialists in keeping the employees' overall working environment and common areas clean, also entrusting the recycling and handling of waste with qualified professionals.	No significant differences
(2) Has the Company made efforts to enhance the efficient use of energy and used regenerated materials that have a low impact on the environment?	✓		(2) In the professional aspect of the Company's operations, its main goal ever since its founding has been to develop products while conserving energy and cutting back on carbon emissions, the Company will continue to work on assisting clients in developing products with a higher rate of energy usage, ensuring green technology is being developed. The Company has accumulated shipments of over 40 million BLDC driver IC and system solutions to replace the traditional AC motors, in comparison saving up to an average of 60% in energy consumption, which adds up to some 2 billion kWh every year. The amount of energy saved is 50% of the annual electricity generated by a pair of 500MW coal-fired units at the Taichung thermal power plant, or the equal of 25% the annual energy generated by a pair of 1000MW generators at Taiwan's nuclear power plants. In order to ensure that all resources are thoroughly used in the everyday work environment, the Company has promoted and implemented the use of sorting through items for recycling, ensuring that the Company recycles paper and increases its efficacy in using all types of resources,	No significant differences

<table>
<thead>
<tr><th rowspan="2">Items for advocacy</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
</thead>
<tbody>
<tr><td></td><td></td><td></td><td>ultimately reaching the goal to recycle and reuse.</td><td></td></tr>
<tr><td>(3) Has the Company assessed the potential current and future risks and opportunities from climate change for the Company, and has the Company taken measures to address climate-related issues?</td><td>✓</td><td></td><td>(3) In terms of operations in specialized fields, the Company continues to invest in the R&D of high-efficiency products, aiming to achieve energy conservation to reduce the environmental impact through product enhancement and utilization, while fulfilling corporate social responsibility commitments.</td><td>No significant differences</td></tr>
<tr><td>(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total volume of waste materials for the past two years, and has the Company formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction, and other waste management?</td><td>✓</td><td></td><td>(4)
1. GHG emissions inventory:
The Company completed the GHG emissions inventory for 2023 in accordance with the international standard ISO14064-1: 2018, with 2023 as the base year and the organizational boundary set to include the Company (excluding subsidiaries). In the future, the Company will periodically disclose its GHG emissions inventory results every year, set targets for improvement, and review the effectiveness of carbon reduction on a yearly basis.
The greenhouse gas inventory data for 2023 and 2024 are shown in the table below. The 2024 data represent consolidated self-assessed figures, which will be updated based on verified carbon emissions from third-party verification bodies. The Company aims to reduce energy intensity by 1% within three years.
Unit: metric tons of CO_2e/year
<table>
<tr><th>Category</th><th>Emission source</th><th>2023</th><th>2024</th></tr>
<tr><td>Category 1</td><td>Direct emissions</td><td>26.1926</td><td>29.0107</td></tr>
<tr><td>Category 2</td><td>Indirect emissions from imported energy</td><td>288.0890</td><td>318.0828</td></tr>
<tr><td>Category 3</td><td>Indirect emissions from transportation</td><td>33.1864</td><td>65.7219</td></tr>
<tr><td>Category 4</td><td>Indirect emissions from products used by the organization</td><td>158.4455</td><td>255.6875</td></tr>
<tr><td colspan="2">Total</td><td>505.914</td><td>668.503</td></tr>
<tr><td colspan="2">Energy intensity ratio</td><td>52.67%</td><td>61.10%</td></tr>
</table></td><td>No significant differences</td></tr>
</tbody>
</table>

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			2. Water consumption: The Company's water use stems from domestic consumption. The Company is located in Tai Yuen Hi-Tech Industrial Park, where a wastewater treatment facility is installed for domestic wastewater recycling and mainly used for watering plants in the Park. Domestic wastewater enters the domestic wastewater treatment facility in the Park first for treatment before being discharged into natural bodies of water, which does not have much impact on the water source. <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Total Water Consumption</td><td>1,944.10</td><td>2,046.54</td></tr><tr><td>Water Intensity</td><td>2.0215</td><td>1.8704</td></tr></table> 3. Waste: The Company's waste is mainly categorized into domestic waste, engineering experimental material, and computer peripheral equipment waste, with no hazardous waste generated. Domestic waste is further divided into general and recyclable waste; general waste is gathered in the garbage collection and distribution facility in Tai Yuen Hi-Tech Industrial Park, and subsequently transported to the waste incineration plant by the Park, whereas recyclable wastes are gathered in the Company's temporary waste storage zone by our colleagues, and are incinerated or reused by qualified waste disposal companies. Domestic waste has only been tracked since Q4 2023. From 2023 to 2024, the majority of the waste generated consisted of recyclable materials (including engineering test materials and discarded computer peripheral equipment). The data are as follows: Engineering waste treatment: <table><tr><th>Treatment Method</th><th>2023</th><th>2024</th></tr><tr><td>Incineration</td><td>0.2090</td><td>0</td></tr></table>	

<table>
<tr><th rowspan="2">Items for advocacy</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>

	metric tons	metric tons
Recycling and Reuse	0.23 metric tons	0.4474 metric tons
Total	0.439 metric tons	0.4474 metric tons
Recycling and Reuse Rate	52.39%	100%

Domestic waste treatment:

Type	2023	2024
General waste	532.0kgs	2,139.9kgs
Recyclable waste	1,076.3kgs	3,921.4kgs
Total	1,608.3kgs	6,061.3kgs

Note: The statistical period for domestic waste in 2024 was from January 1 to December 31; the statistical period for domestic waste in 2023 was from October 1 to December 31. In response to global energy conservation and carbon reduction policies, the Company has adopted the following measures:

1. Greenhouse Gas Emissions:

The Company has designated 2023 as the base year for greenhouse gas (GHG) inventory. The organizational boundary covers the Company (excluding subsidiaries). The 2023 GHG inventory was completed based on the international standard ISO 14064-1: 2018. GHG inventory results are disclosed annually, improvement targets are set, and carbon reduction effectiveness is reviewed year by year. The goal is to reduce energy intensity by 1% within 3 years based on 2023 GHG data.

2. Energy Management:

Office lighting is managed by zones, with scheduled shutdowns for 30 minutes during the lunch break. Employees are encouraged to turn off air conditioning and lighting when not in use, especially in office and public areas. Indoor air conditioning temperature is set between 26–28°C to minimize energy waste.
</td><td></td></tr>
</table>

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			3. Water Resource Management: inergy Technology is located in the Tai Yuen Hi-Tech Industrial Park and uses only general domestic water. The park is equipped with wastewater recycling facilities; recycled water is used for irrigating greenery within the park. All domestic wastewater is treated by the park's treatment system before being discharged, causing minimal impact on natural water sources. The Company promotes water conservation by installing water-saving devices to regulate water flow and replaces old equipment with faucets bearing the Water-Saving Label. Regular inspections are conducted on water pumps, tanks, faucets, pipe joints, wall pipes, and underground pipelines to detect leakage. In 2023, the total water consumption was 1,944.10 m³ and water intensity was 2.0215 m³ per million NTD in revenue (individual entity). The Company aims to reduce water intensity by 1% within 3 years. 5. Waste Management: The majority of the Company's waste consists of domestic waste, engineering test materials, and obsolete computer peripherals. No hazardous industrial waste is produced. (1) Strengthen advocacy for waste separation and recycling. (2) Weigh general waste daily to calculate waste reduction performance. (3) The Company does not provide disposable tableware and encourages employees to use reusable utensils to reduce waste generation.	
Social issues (1) Has the Company established related management policy and procedure in accordance with applicable legal rules and international conventions on human rights?	✓		(1) In order to work towards the protection of employees' basic human rights, the Company (including all subsidiaries) has built an environment that fully safeguards human rights, and will be following global conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, the International Labor Organization Convention, etc., as well as the labor and private information protection acts where the business operations are based, to prevent any violation of human rights, endeavoring to	No significant differences

<table>
<tr><th rowspan="2">Items for advocacy</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>create a work environment that is dignified, safe, equal and free of discrimination and harassment. The Company’s chairman Dr. John Lin specifically chose December 10, 2022 (International Human Rights Day) to establish the Company’s Human Rights Principles, which are published on the Company’s website (www.inergy.com.tw/investor/companygovernance)
The Company held lectures on gender equity and legal issues in 2024 and will continue to increase the number and hours of relevant lectures in the future.
<table><tr><th>Date</th><th>Lecture</th><th>Hours</th></tr><tr><td>Oct. 9, 2024</td><td>Human Rights & Anti-Corruption/Anti-Bribery Awareness – Tax-Saving Strategies for Inherited Property</td><td>2H</td></tr><tr><td>Nov. 15, 2024</td><td>Prevention and Response to Insider Trading</td><td>3H</td></tr></table></td><td></td></tr>
<tr><td>(2) Has the Company established and implemented reasonable employee benefit measures (including compensation, paid leave, and other benefits), and are operational performance and results appropriately reflected in employee compensation?</td><td>✓</td><td></td><td>(2) The Company has established Work Principles, the contents of which include the implementation of an employee benefits plan (including compensation, paid leave and other benefits), with Rules for Managing Performance Evaluations in place as well, to ensure that the award and penalty system is being carried out.
The Company’s Articles of Incorporation stipulates that, if the Company makes a profit (i.e., net profit before tax, without deducting the amount of employee and director compensation) for the financial year, 1–15% of the profit will be set aside for employee compensation. The performance of each employee will be evaluated in accordance with the Regulations Governing Performance Evaluations, and the relevant remuneration and compensation will be positively correlated with the Company’s operational results in order to share the achievements with employees.</td><td>No significant differences</td></tr>
</table>

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
(3) Has the Company provided a safe and health work environment for the employees, and provided education on labor safety and health regularly?	✓		(3) To enter the Company's points of entrance, one needs to swipe their card key for access, and the work environment is subject to fire safety evaluations each year, with regular cleanup services and disinfecting as well. In addition to having labor and health insurances, employees are also granted a group insurance policy that is entirely at the expense of the Company, to ensure that the employees receive well-rounded protection, complete with an employee physical examination held regularly once every year. In 2024, the Company engaged professional massage therapists to provide weekly onsite services, helping employees relax both physically and mentally. To effectively implement occupational safety and health (OSH) management and ensure a safe working environment, inergy Technology has designated full-time OSH officers, first aid personnel, and fire safety managers, all of whom receive regular retraining. In light of several recent occupational accidents in Taiwan that have resulted in injuries and fatalities, the Company has not only promoted disaster prevention knowledge through seminars but has also placed strong emphasis on practical fire safety drills. These drills aim to strengthen emergency response teams and ensure employee familiarity with evacuation procedures. In summary, the Company remains committed to maintaining a safe and hygienic working environment, promoting employee health, and minimizing occupational hazards in the workplace. The Company's occupational safety and health training record is as follows: Type of Drill / Required Frequency / Actual Frequency / Number of Participants Fire Safety Team Drill / 2 / 2 / 4 Emergency Evacuation / 1 / 1 / 66 Total / 3 / 3 / 70	No significant differences
(4) Has the Company established the training program for the	✓		(4) The Company conducts an orientation of educational training for each newly hired	No significant

<table>
<tr><th rowspan="2">Items for advocacy</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>effective planning of career development for the employees?</td><td></td><td></td><td>employee, and encourages each department to participate in external continuing education that align with their work, to improve their professional competency.
Employee Training Hours for the Past 3 years
<table>
<tr><th>Year</th><th>In-House Training</th><th>External Training</th><th>Total Training Hours</th><th>Total Attendance</th></tr>
<tr><td>2022</td><td>153</td><td>93</td><td>246</td><td>149</td></tr>
<tr><td>2023</td><td>398.5</td><td>372</td><td>770.5</td><td>185</td></tr>
<tr><td>2024</td><td>449.5</td><td>320.5</td><td>770</td><td>284</td></tr>
</table></td><td>differences</td></tr>
<tr><td>(5) Does the Company comply with laws, regulations, and international standards when handling issues such as customer health and safety, customer privacy, and marketing and labeling of products and services? Has the Company established a policy and complaint procedure to protect consumer and customer rights and interests?</td><td>✓</td><td></td><td>(5) The Company follows the relevant intellectual property laws and international standards when it comes to product and service marketing and labeling, in order to safeguard relevant rights and benefits, and has established the Operating Procedures for Customer Complaints as a basis for handling complaints from customers.</td><td>No significant differences</td></tr>
<tr><td>(6) Has the Company established a supplier management policy that requires suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights issues? Has the Company established an implementation method for such?</td><td>✓</td><td></td><td>(6) In regards to the suppliers the Company is collaborating with, all affairs are handled in accordance with the Supplier Management rules, and although the Company has not specifically demanded that the suppliers follow regulations relevant to environmental protection, work safety and hygiene or labor rights issues, but when the suppliers’ actions have a significant impact on the environment or society as a whole, the Company will take into consideration the severity of the situation and determine whether the partnership will be stopped or terminated.
The Company has requested its suppliers to sign the Supplier Code of Conduct and the Commitment to Human Rights/Ethical Corporate Management and Environmental Sustainability. In the future, the signing of these documents will be mandatory for qualified suppliers.
<table>
<tr><th>Supplier Sustainability Management Performance</th><th>Supplier Implementation Status as of December 2024</th></tr>
<tr><td>Signing of the Supplier Code of Conduct</td><td>35 suppliers/71%</td></tr>
</table></td><td>No significant differences</td></tr>
</table>

Items for advocacy	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			Signing of the Commitment to Human Rights/Ethical Corporate Management and Environmental Sustainability: 37 suppliers/76%	
5. Does the Company refer to international standards or guidelines in the preparation of its reports, such as Sustainability Report/ESG Report, that disclose non-financial information? Has the Company obtained a third-party verification or assurance opinion on previously-disclosed reports?	✓		The Company prepared its first Sustainability Report in 2023 based on internationally recognized reporting frameworks and guidelines for non-financial information. The report has been disclosed on the Market Observation Post System (MOPS) and the Company's official website. However, it has not yet obtained assurance or verification opinions from a third-party assurance provider. The Company has established the Practical Rules for Sustainable Development and published it on both the TWSE MOPS and the Company's website. These rules aim to implement sustainability in day-to-day operations and activities by actively promoting the Company's governance and providing employees with a good work environment. The data collection and preparation of the 2024 Sustainability Report are currently underway. The report will adopt internationally recognized frameworks or guidelines to disclose the Company's sustainability practices. The Company will also strive to complete third-party assurance or verification to enhance the reliability of non-financial information disclosure.	No significant differences
6. If the Company has established the sustainable development principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: The Company has established the Practical Rules for Sustainable Development, and continues to push for the implementation of sustainable development for corporations, which is largely similar with the principles.				
7. Other important information to facilitate better understanding of the Company's sustainable development practices: (1) The Company occasionally participates in charitable activities as a way to give back to the community. In 2023, the Company provided NT$200,000 in funding to the Grown-up with Hands Family of the Hsinchu County Catholic Shih-Kuang Nursing Home, subscribed to farm products from the Grown-up with Hands Family – Gen-Hsin Farm for 1 year at NT$20,000, and donated 14 used computer monitors. (2) In 2024, the Company continued to support the Grown-up with Hands Family of the Hsinchu County Catholic Shih-Kuang Nursing Home by providing NT$200,000 in funding and subscribing to farm products from the Grown-up with Hands Family – Gen-Hsin Farm for 1 year at NT$20,000.				

Note 1:

1.Greenhouse Gas Inventory Plan for 2024 for the Parent and Subsidiary Companies

<table>
<tr><th>Year</th><th>Item No.</th><th>Task Description</th><th>Implementation Status</th><th>Voluntary Disclosure and Expected/Actual Completion Date</th><th>Regulation Enactment and Implementation/Disclosure Date</th></tr>
<tr><td rowspan="6">2024</td><td>1</td><td>Greenhouse Gas Inventory Process: Initiation of GHG Inventory
Inventory Boundary: Hsinchu Headquarters/ Mainland China Subsidiaries</td><td>Collection of annual activity data and supporting evidence</td><td>February 2024 to February 2025</td><td rowspan="3">2026</td></tr>
<tr><td>2</td><td>Compilation of GHG Emission List and Preparation of Inventory Report</td><td>Planned timeline for information consolidation</td><td>March 2025</td></tr>
<tr><td>3</td><td>Internal Verification</td><td>Formulation of internal verification plan
Initiation of internal verification</td><td>April 2025</td></tr>
<tr><td>5</td><td>Disclosure at Annual Shareholders Meeting Report</td><td>Disclosure of data in the Annual Report following internal verification</td><td>April 2025</td><td>2027</td></tr>
<tr><td>4</td><td>External Assurance (Limited Assurance)</td><td>Formulation and initiation of external verification plan
Tentative verification body: KPMG Carbon Resource Assurance and Advisory Services Co., Ltd.</td><td>April–May 2025</td><td rowspan="2">Disclosure of Assured Information in 2029</td></tr>
<tr><td>6</td><td>Completion of GHG Verification</td><td>Obtain the 2024 ISO 14064-1 Greenhouse Gas Verification Statement</td><td>June 2025</td></tr>
</table>

2.2024 Sustainability Work Plan for the Company and Its Subsidiaries

<table>
<tr><th>Year</th><th>Item No.</th><th>Task Description</th><th>Implementation Status</th><th>Voluntary Disclosure and Expected/Actual Completion Date</th><th>Regulation Enactment and Implementation/Disclosure Date</th></tr>
<tr><td rowspan="3">2024</td><td>1</td><td>Cloud Platform Training</td><td>1.1 Platform operation training (virtual training)
1.2 Linking the GRI Standards to the platform</td><td>August–October 2024</td><td rowspan="3">All TPEx-listed companies are required to submit a Sustainability Report by August 2025.</td></tr>
<tr><td>2</td><td>Data Collection by Functional Teams</td><td>Collect relevant data for each item and review associated processe</td><td>January 2024 – January 2025</td></tr>
<tr><td>3</td><td>Periodic Reporting on Operational Status</td><td>(1) Data collection by each functional team</td><td>April 30, 2024
July 22, 2024</td></tr>
</table>

			(2) Progress reporting for short-, medium-, and long-term goals	October 28, 2024	
2024	4	Internal Control Audit	Sustainability management data and process audits	March–April 2025	**All TPEx-listed companies are required to submit a Sustainability Report by August 2025.**
	5	Sustainability Report Prepared in accordance with GRI Standards and SASB Standards	4.1 Formation of functional teams 4.2 Conducting reviews and proofreading 4.3 Verification of greenhouse gas inventory data 4.4 Board reporting and ESG platform submission	January–March 2025 April 2025 May 2025 August 2025	
	6	Stakeholder Engagement Material Issue Identification Formulation of Short-, Medium-, and Long-Term Goals	6.1 Stakeholders: Based on the 2023 engagement outcomes, applicable through 2025 6.2 Material issue identification: Timeline aligned with 6.1. 6.3 Short-, medium-, and long-term goals: To be presented to the Board of Directors in Q1 2025.	February 2025	

2. Implementation Status of Climate-Related Disclosures by TWSE/TPEx-Listed Companies

Item	Implementation Status
1. Climate-Related Information Implementation Status	
(1). Description of the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	In response to the high uncertainty of climate change and the rapid shifts in policy and market conditions, the Company regularly convenes senior management from various departments to identify significant climate-related risks and opportunities. This approach enables the Company to proactively monitor and assess potential impacts of climate change, stay attuned to market dynamics, and incorporate a more comprehensive perspective into its overall business strategy planning. In March 2024, the Company established the ESG Sustainable Development Committee under the Board of Directors as the primary decision-making and execution body for sustainability at inergy Technology. The Committee is chaired and convened by the Chairperson of the Board and holds regular quarterly meetings. It is responsible for formulating, promoting, and strengthening action plans and capital expenditures related to key sustainability policies across the Group's entities—including climate-related issues. The Committee also reviews, monitors, and revises the implementation and effectiveness of sustainability initiatives and reports the results to the Board of Directors. Under the ESG Sustainable Development Committee, an executive unit—the Management Center—has been established to incorporate sustainability into the Company's operations and key strategic decision-making. The Management Center leads four working groups: the Environmental, Safety, and Health Group; the Employee Relations and Social Engagement Group; the Corporate Governance Group; and the Product and Service Group. It coordinates the implementation of sustainability initiatives across various dimensions and convenes meetings at least twice a year. Since 2023, in addition to regularly overseeing the performance of corporate sustainability-related activities, the ESG Sustainable Development Committee of inergy Technology has supervised the Sustainability Execution Task Force. This task force is responsible for gathering issues of concern from stakeholders and monitoring domestic and international regulatory and policy developments. Meetings are held semi-annually, during which each working group reports on their implementation progress. The Committee also regularly reviews inergy Technology's sustainability strategies and short- to medium-term plans, making adjustments as necessary in response to actual circumstances. It reports to the Board of Directors on matters such as sustainability

<table>
<tr><th>Item</th><th colspan="4">Implementation Status</th></tr>
<tr><td></td><td colspan="4">management strategies and goals, annual sustainability project performance, and greenhouse gas inventory results, while also committing to the continued promotion and execution of the Company's sustainability management strategies and objectives.</td></tr>
<tr><td rowspan="2">2. Description of how the identified climate-related risks and opportunities impact the Company's business, strategy, and financial planning over the short, medium, and long term.

3. Description of the financial impacts of extreme weather events and transition actions.</td><th>Risk/Opportunity</th><th>Climate-Related Risks and Opportunities</th><th>Potential Impact on Operations and Finance</th><th>Response Strategies and Management Policies</th></tr>
<tr><td>Transition Risk</td><td>Policy and Legal</td><td>➢The global implementation of carbon taxes and carbon border adjustment mechanisms, along with Taiwan's alignment with the carbon neutrality roadmap, is expected to increase operational costs. As the low-carbon era approaches, companies must accelerate their low-carbon transition.
➢In response to the Climate Change Response Act, companies must account for the energy use of its data center facilities, operational sites, and even employee commuting. If suppliers pass on the cost of carbon taxes due to regulatory compliance, it may lead to increased operating costs and reduced gross profit margins.</td><td>➢The Financial Supervisory Commission (FSC) requires all TWSE/TPEx-listed companies to complete greenhouse gas (GHG) inventory and third-party verification by 2027 and 2029, respectively. inergy Technology proactively conducted an entity-level GHG inventory in 2023 and completed its initial verification in 2024, obtaining the ISO 14064-1 Greenhouse Gas Inventory Verification Statement.
➢inergy Technology regularly reports the progress and outcomes of its GHG inventory and verification schedule, as well as related internal policies, to the Board of Directors.</td></tr>
</table>

Item	Implementation Status			
		Technology	➢ Whether there is corresponding technical and production model support for the development of low-carbon products. ➢ Investment in technological innovation and development.	➢Development of miniaturized chips to reduce carbon emissions during production. ➢Advancement of battery storage IC technologies and improvement in energy efficiency. ➢Introduction of qualified manufacturers that adopt low-carbon and low-power-consumption processes.
		Market	➢Market demand for energy-saving and low-carbon products is growing stronger. Many industries are aligning with international regulations regarding the energy efficiency and carbon footprint of end products. To enhance competitiveness and meet market expectations, customers are significantly reducing their procurement of non-energy-efficient and high-carbon products. If the Company’s products fail to meet customer requirements, it may result in declining revenue and the inability to recover early-stage R&D investments.	➢Continue developing high-performance and low-carbon emission products to meet the needs of end-use products and align with international energy-saving trends. ➢Strengthen customer relationship management: Enhance customer loyalty and purchasing intention through proactive communication and engagement to mitigate revenue loss. ➢Reduce the risk of supply chain disruption: Explore the possibility of adopting a

Item	Implementation Status			
			➢Suppliers and manufacturers may experience increased production costs due to carbon taxes and emissions trading schemes. The transfer of these additional costs to the Company would lead to a rise in operating expenses.	diversified supplier strategy to stabilize raw material sources and meet supply needs; negotiate with suppliers to increase buffer stock levels and improve inventory turnover.
	Physical Risk	Immediate Risk	➢Increased severity of disasters caused by global extreme weather events, such as typhoons, hurricanes, heavy rainfall, extreme heat, and earthquakes, may result in power outages; disruptions in land, sea, and air transportation; and employee absenteeism. These events could reduce or halt production capacity and delivery, directly or indirectly affecting operations.	➢To prevent operational losses caused by sudden power outages, an uninterruptible power supply (UPS) system capable of providing power for up to 20 minutes has been installed for the servers. ➢Additional disaster prevention equipment has been procured and upgraded, along with enhanced disaster awareness training and drills for personnel.
		Long-term Risk	➢The rise in average annual temperatures and the increase in electricity consumption across Taiwan may result in rolling blackouts or even total power outages. If electricity is interrupted, all operational equipment and server rooms will cease to function, preventing employees from performing their	➢Continue to utilize the intelligent management system to monitor air conditioning, lighting, and temperature and humidity levels in real time. ➢Implement various energy management measures to promote a low-carbon lifestyle, including:

Item	Implementation Status			
			duties and thereby causing business disruptions. ➢Prolonged periods of high temperatures and heatwaves lead to increased electricity consumption, resulting in higher operating costs. ➢Insufficient rainfall may cause regional water shortages, which can affect the stability of supply chain processes and even interrupt production. This could damage products currently in production, leading to losses and insufficient production capacity.	a. Using appliances and lighting equipment certified with Grade 1 energy efficiency labels. b. Promoting awareness of water and electricity conservation.
	Opportunities	Increase in low-carbon products and services, as well as research and innovation	➢ In response to the global trend of carbon reduction, the Company has expanded its portfolio of low-carbon products, including high-efficiency and low-power chips, cloud-based or AI-related application chips, smart energy-saving chips, and battery storage chips. By developing low-carbon products, the Company aims to enhance market competitiveness, increase market share, and boost revenue. ➢ Invest resources in new product development to ensure alignment	➢Enhance energy efficiency and reduce power consumption across the entire product line, strengthen low-carbon design and processes, and expand product application scenarios. ➢Seek advanced packaging technologies that improve chip performance while achieving low-carbon and plastic reduction goals, and promote the adoption of a low-carbon supply chain. ➢Expand the application of

Item	Implementation Status			
			with customer expectations. ➢ Ensure that new designs can be supported by corresponding suppliers with low-carbon manufacturing processes.	products into new low-carbon and carbon-reduction related fields ➢Increase product demand and revenue.
		Market	➢ Under the trend of green and low-carbon development, customer and consumer demand for energy-efficient products has increased. The adoption of a green supply chain and green manufacturing processes can enhance customer and investor confidence, thereby boosting the Company's reputation, competitiveness, and overall corporate value.	➢ Low power and energy saving have become critical global issues. inergy Technology was founded with a focus on energy-saving ICs, and continues to be pursue that mission to this day. ➢ Develop low-carbon products to increase market share: The global trend toward carbon reduction has led to increased demand for low-power and carbon-reducing products. Through the development of such products, the Company can enhance market competitiveness, increase market share, and boost revenue.
		Energy Efficiency	➢ In response to global climate change and regulatory requirements on corporate carbon emissions, the government has announced the Sustainable Development Action Plans for	➢inergy Technology has proactively planned for GHG emissions inventory and management. ➢With green energy as its core

Item	Implementation Status			
			TWSE- and TPEx-listed Companies, which aims to achieve net-zero emissions by 2050.	focus, inergy Technology continues to develop high-efficiency, low-power, and low-carbon ICs. ➢An intelligent management system is utilized to monitor air conditioning, lighting, and temperature and humidity throughout the premises. Outdated and high-energy equipment is gradually replaced, and regular maintenance is conducted to ensure optimal energy efficiency and performance. ➢Energy-saving awareness is continuously promoted among employees.
4. Description of how climate-related risk identification, assessment, and management processes are integrated into the Company's overall risk management framework.	The Board of Directors serves as the highest decision-making body for the Company's risk control and directly oversees the risk governance framework. To strengthen risk assessment and enhance management capabilities, the Board resolved in 2024 to establish the Sustainable Development Committee, which is responsible for identifying and managing risks related to business operations, including both physical and transitional risks associated with climate change, and for leading the planning of corresponding response measures. The Company is committed to keeping risks arising from business activities within acceptable levels by establishing sound risk management principles. A Risk Management Task Force conducts risk identification and analysis across seven major aspects—operations, finance, geopolitical, legal compliance, ESG, human resources, and information security—based on the scope of each department's responsibilities. The task force also updates the annual key risk identification matrix. Based on the identified risks, each department formulates response strategies, and the task force integrates and manages risks that may affect the Company's operations and profitability. At least once a year, the task force reports to the Board of Directors on the status of risk management implementation and			

Item	Implementation Status
	control, and it monitors and reviews the performance of the management team in executing risk management, with the goal of strengthening the Company's organizational resilience.
5. If scenario analysis is used to assess the resilience of the Company in the face of climate change risks, the applied scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.	Not applicable.
6. If there is a transition plan to manage climate-related risks, the content of the plan should be described, along with the metrics and targets used to identify and manage physical and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for determining the price should be disclosed.	
8. If climate-related targets have been set, information should be disclosed regarding the covered activities, greenhouse gas emission scopes, planning timelines, and annual progress toward achievement. If carbon	

Item	Implementation Status
offsets or Renewable Energy Certificates (RECs) are used to meet the targets, the sources and quantities of the offsets or the number of RECs used should also be disclosed.	
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and action plans (Additional details to be provided in Sections 1-1 and 1-2)	Please provide a description of the Company's greenhouse gas inventory and assurance status for the past 2 years.
Greenhouse Gas Inventory and Assurance Status for the Past 2 Years	
1. Disclosure of greenhouse gas emissions (metric tons CO_2e), emission intensity (metric tons CO_2e per NT$1 million), and data coverage scope for the past 2 years	The greenhouse gas (GHG) inventory data for the past 2 years have been compiled based on the operational control approach (or other approaches adopted by the Company, such as the equity share approach or financial control approach). The data include GHG emissions from the Company and all subsidiaries included in the consolidated financial statements. The details are as follows:

Inventory Boundary	**Scope**	2023		2024	
		Emissions (metric tons CO_2e)	Emission Intensity (metric tons CO_2e/NT$1 million revenue)	Emissions (metric tons CO_2e)	Emission Intensity (metric tons CO_2e/NT$1 million revenue)
The Company	Scope 1 Direct GHG Emissions	26.1926	Not applicable.	27.1260	Not applicable.

Item	Implementation Status

	Scope 2 Indirect GHG Emissions (from energy consumption)	288.0890		310.9437	
	Scope 3 – Other Indirect Emissions	191.6319		311.9431	
	Subtotal	505.914	0.5267	650.013	0.5941
All subsidiaries included in the consolidated financial statements	Scope 1 Direct GHG Emissions	Not applicable.	Not applicable.	1.8847	Not applicable.
	Scope 2 Indirect GHG Emissions (from energy consumption)	Not applicable.		7.1391	
	Scope 3 – Other Indirect Emissions	Not applicable.		9.4663	
	Subtotal	Not applicable.	Not applicable.	18.490	0.0169

Note 1: Direct emissions (Scope 1) refer to GHG emissions from sources that are owned or controlled by the Company. Energy indirect emissions (Scope 2) refer to GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed by the Company. Other indirect emissions (Scope 3) refer to emissions that are a consequence of the Company’s activities, but occur from sources not owned or directly controlled by the Company.

Note 2: The coverage of direct emissions and energy indirect emissions must comply with the timeline specified in Article 10, Paragraph 2 of the applicable regulation. Information on other indirect emissions may be disclosed voluntarily.

<table>
<tr><th>Item</th><th colspan="4">Implementation Status</th></tr>
<tr><td></td><td colspan="4">Note 3: GHG inventory standards are based on either the Greenhouse Gas Protocol or ISO 14064-1 as published by the International Organization for Standardization (ISO).
Note 4: Emission intensity may be calculated per unit of product/service or revenue. However, at a minimum, emission intensity calculated based on revenue (NT$1 million) shall be disclosed.</td></tr>
<tr><td rowspan="11">2. Disclosure of the assurance status for the past 2 years as of the date of publication of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.</td><td colspan="4">The following outlines the GHG assurance status over the past 2 years for the Company and its subsidiaries included in the consolidated financial statements:</td></tr>
<tr><td colspan="2">Scope of Assurance</td><td>2023 Emissions (metric tons CO_2e)</td><td>2024 Emissions (metric tons CO_2e)</td></tr>
<tr><td rowspan="5">The Company</td><td>Scope 1
Direct Greenhouse Gas Emissions</td><td>26.1926</td><td>Note</td></tr>
<tr><td>Scope 2
Indirect Greenhouse Gas Emissions</td><td>288.0890</td><td>Note</td></tr>
<tr><td>Scope 3
Other Indirect Emissions</td><td>191.6319</td><td>Note</td></tr>
<tr><td>Total</td><td>505.914</td><td>Note</td></tr>
<tr><td>Percentage of Total Emissions Disclosed in Section 1-1-1</td><td>100%</td><td>Note</td></tr>
<tr><td rowspan="4">All subsidiaries included in the consolidated financial statements</td><td>Scope 1
Direct Greenhouse Gas Emissions</td><td>Not applicable</td><td>Note</td></tr>
<tr><td>Scope 2
Indirect Greenhouse Gas Emissions</td><td>Not applicable</td><td>Note</td></tr>
<tr><td>Total</td><td>Not applicable</td><td>Note</td></tr>
<tr><td>Percentage of Total Emissions Disclosed in Section 1-1-1</td><td>Not applicable</td><td>Note</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><td>Assurance Provider</td><td>UNIVERSAL CERTIFICATION SERVICE CO., LTD</td><td>Note</td></tr>
<tr><td>Description of Assurance Scope</td><td>ISO 14064-3: 2019
CNS 14064-3: 2022
Reasonable assurance</td><td>Note</td></tr>
<tr><td>Assurance Opinion / Conclusion</td><td>Reasonable assurance for Scope 1 and Scope 2 emissions; limited assurance for Scope 3 emissions.</td><td>Note</td></tr>
</table>
Note: As the Company had not yet obtained the complete GHG assurance opinion as of the date of publication of this annual report, the full assurance information will be disclosed in the Sustainability Report and included in the following year’s annual report.</td></tr>
<tr><td>3. Disclosure of the base year and data for GHG emission reduction, reduction targets, strategies and action plans, and progress toward achieving the targets.</td><td>Base Year and GHG Emission Reduction Targets
The Company has designated 2023 as the base year for its GHG emissions inventory. The organizational boundary for the inventory includes the Company only (excluding subsidiaries). The Company completed its GHG inventory for 2023 in accordance with the international standard ISO 14064-1: 2018. GHG inventory results are disclosed annually, and improvement targets are established accordingly. The Company reviews carbon reduction performance on a yearly basis and has set a target to reduce energy intensity by 1% within 3 years.
GHG Emission Reduction Strategies and Action Plans
In response to global energy-saving and carbon-reduction policies, the Company has implemented the following measures:
1. Introduce intelligent energy-saving systems to monitor the usage and flow of energy related to air conditioning, lighting, and temperature and humidity control.
2. Promote energy-saving practices such as turning off lights, air conditioning, and computers after work, and regularly shutting down unnecessary energy-consuming equipment.</td></tr>
</table>

Item	Implementation Status
	3. Conduct regular inspections of energy-related office equipment and prioritize the procurement of high-efficiency products with environmental and energy-saving certifications. 4. Encourage employees to use public transportation, electric vehicles, or carpooling to help reduce energy intensity. **Progress Toward Emission Reduction Target: None**

(6) Implementation of Ethical Corporate Management and Explanation of Differences, If Any, from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Thereof

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
1. Establishment of Ethical Corporate Management Best Practice Principles and programs				
(1) Has the Company established an ethical corporate management policy that has been approved by the Board of Directors, and clearly stated the ethical corporate management policy and practices, as well as the commitment of the Board of Directors and the top management to actively implementing the management in the Articles of Incorporation and external documents?	✓		(1) The Company has in place Ethical Corporate Management Best Practice Principles and Principles for Ethical Actions, both acting as guidance for the Company’s Board of Directors and managing leaders to operate with honesty and integrity. The managing team follows the Company Act, the Securities and Exchange Act and other laws relevant to commercial actions while grounded in the spirit of running the Company with honesty and integrity, and ensuring to remain so when managing operations internally and in handling external commercial activities.	No significant differences
(2) Has the Company established a mechanism to assess unethical conduct risks? Does that Company regularly analyze and evaluate the business activities within its scope of business that have a higher risk of unethical conduct? Has the Company accordingly formulated a plan to prevent unethical conduct, covering at a minimum the preventive measures for the acts mentioned in Article 7-2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The Company’s Ethical Corporate Management Best Practice Principles states that committing bribery and receiving bribes, inappropriate charity donations or sponsors, the provision or acceptances of unreasonable gifts, services or other inappropriate benefits, the infringement of business secrets, trademark rights, patent rights, copyrights and other intellectual property rights, acts or products of unfair competition, directly or indirectly damaging consumers’ rights, health and safety or that of stakeholders while doing R& D, purchase, manufacturing, providing or selling services are all prohibited. The Company has also established Work Principles and Methods for Reporting Dishonest and Illegal Actions, and along with the rest of the internal control system, are all means of prevention.	No significant differences

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
(3) Whether the Company has stipulated the operating procedures, conduct guidelines, disciplinary actions against violations as well as grievance system in the plan to prevent unethical conducts, implemented the execution thereof, and regularly reviewed and revised the aforementioned plan?	✓		(3) The Company's Ethical Corporate Management Best Practice Principles and Principles for Ethical Actions prohibit actions that are dishonest, and on top of these guidelines, there is also Methods for Reporting Dishonest and Illegal Actions in place, with an email for reporting, to be published on the Company website, providing the means and channels for dishonest or illicit actions to be reported and handled accordingly. The Company will also be monitoring the most recent laws, regulations or updates at all times, for reflection and amendments.	No significant differences
2. The Materialization of Ethical Management				
(1) Has the Company evaluated the record on ethical practices of its counterparties, and has specified the clause of business ethic in the agreements binding the Company and its counterparties?	✓		(1) The Company has signed the Supplier Code of Conduct and the Commitment to Ethical Corporate Management and Environmental Sustainability with its clients and suppliers. It has also established the Customer Credit Management Guidelines and Supplier Management Procedures as the basis for conducting credit investigations on clients and supplier evaluations, respectively. These measures are implemented to carefully select trading counterparts and to prevent unethical business activities.	No significant differences
(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management, and to report to the Board of Directors on a regular basis (at least once a year) regarding Ethical Corporate Management Best Practice Principles and plans, in order to prevent unethical conduct and to monitor their implementation?	✓		(2) The Management Office is designated as the responsible unit for ethical corporate management. It has established the Code of Ethical Conduct and the Ethical Corporate Management Best Practice Principles, which are incorporated into the Company's employee regulations. The Management Office also takes the lead in overseeing legal compliance matters. The promotion and implementation of ethical corporate management and the prevention of unethical conduct are led by the President. The implementation status is reported to the Board of Directors annually to ensure the Company's commitment to ethical corporate practices. Additionally, the Audit Office conducts regular audits of the Company's internal control system in accordance with the annual audit plan to ensure effective supervision of ethical	No significant differences

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>corporate management implementation.
Reports concerning the Company’s ethical corporate management policies, programs for the prevention of unethical conduct, and the status of supervision and implementation were presented to the Board of Directors at the following meetings:
<table><tr><th>Date</th><th>Meeting Title</th></tr><tr><td>February 21, 2025</td><td>12th Meeting of the 6th Board of Directors</td></tr><tr><td>March 5, 2024</td><td>8th Meeting of the 6th Board of Directors</td></tr><tr><td>March 8, 2023</td><td>4th Meeting of the 6th Board of Directors</td></tr></table>The Board of Directors provided recommendations and guidance to the management team based on the content and implementation status of the reports presented at the aforementioned meetings. This input was offered for the management team’s reference and consideration in decision-making processes.</td><td></td></tr>
<tr><td>(3) Has the Company mapped out the policy for the avoidance of the conflict of interest and has provided suitable channels for such purpose, and properly pursued the policy?</td><td>✓</td><td></td><td>(3) The Company’s Ethical Corporate Management Best Practice Principles and Principles for Ethical Actions prohibit actions that are dishonest. If a director or managerial officer of the Company is an interested party in relation to an agenda item concerning a material decision or transaction in a Board of Directors meeting, they are to be recused and refrain from participating in discussions or votes due to being an interested party.</td><td>No significant differences</td></tr>
<tr><td>(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management? Has the internal auditing unit prepared an audit plan based on the assessment results for unethical conduct risks, and checked compliance with the unethical conduct</td><td>✓</td><td></td><td>(4) In order to reasonably ensure the results and efficiency of operations, and the reliability, timeliness, transparency of reports and the compliance of relevant regulations and laws, the Company has an accounting system and internal control system in place (several parts relevant to directors, trading partners and employees are listed in the following summarization), in addition to the internal auditing carried out by the audit office in accordance with the annual audit plan, professional accounting firms are entrusted to conduct evaluations regularly, all in the spirit of operating the Company with honesty and integrity.
1.Article 15 of the Company’s Rules of Procedure for Board of Directors Meetings mentions the recusal procedure for</td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>prevention plan accordingly, or appointed a CPA to conduct the audit?</td><td></td><td></td><td>directors who are stakeholders; when the director or the corporation they represent is likely to prejudice the interest of this Corporation regarding items on the Board of Directors meeting agenda, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.
2. The Company has in place the Rules for Managing Client Credit Operations and the Rules for Managing Supplier Operations respectively, to be used as a basis when conducting credit checks for clients and evaluating suppliers, to choose transaction partners with caution and avoid commercial activity that is dishonest and without integrity.
3. Article 8 of the Company’s Work Principles state that the employees’ handling of official business must adhere to the principles of honesty and integrity, and states in the employees’ hiring contract that they are not to be involved in corruption and malpractices, accept gifts from others or other violations, and has arranged in the educational training for new hires a briefing titled Information Security. Additionally, all employees have signed an Employee Non-disclosure Agreement.</td><td></td></tr>
<tr><td>(5) Has the Company organized internal and external training on ethical management?</td><td>✓</td><td></td><td>(5) The Company has published the Ethical Corporate Management Best Practice Principles and the Principles for Ethical Actions, as well as relevant regulations, on the TWSE MOPS and the Company website for employees and stakeholders’ perusal at all times, to publicize the Company’s ideals and principles in operating with honesty and integrity.
2024 training courses
<table><tr><th>Date</th><th>Lecture</th><th>Hours</th><th>Number of person</th></tr><tr><td>Oct. 9, 2024</td><td>Human Rights & Anti-Corruption/Anti-Bribery Awareness – Tax-Saving Strategies for Inherited Property</td><td>2H</td><td>42</td></tr><tr><td>Nov. 15, 2024</td><td>Prevention and Response to Insider Trading</td><td>3H</td><td>18</td></tr></table></td><td>No significant differences</td></tr>
<tr><td>3. The reporting system of the Company in action</td><td></td><td></td><td></td><td></td></tr>
</table>

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
(1) Has the Company established a reporting and reward system and the channels for facilitating the report on unethical practices, and has appointed designated personnel to handle the subject of reporting?	✓		(1) The Company has in place "Methods for Reporting Dishonest and Illegal Actions", with an email for reporting, to be published on the Company website, providing the means and channels for dishonest or illicit actions to be reported and handled accordingly.	No significant differences
(2) Has the Company created a standard operating procedure (SOP) for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and relevant confidentiality mechanisms?	✓		(2) The Company has in place "Methods for Reporting Dishonest and Illegal Actions" for dishonest or illicit actions to be reported and handled accordingly, and the identities of whistleblower or the investigators involved in the matter, as well as the contents of the report, the relevant evidence etc., will be kept confidential and protected.	No significant differences
(3) Has the Company taken protection measures to protect the whistleblower from improper treatment after whistleblowing on unethical practices?	✓		(3) The Company has in place "Methods for Reporting Dishonest and Illegal Actions" for dishonest or illicit actions to be reported and handled accordingly, with the promise to protect the whistleblower from being punished unjustly due to the reporting.	No significant differences
4. Enhancing Information Disclosure Has the Company disclosed the content of Ethical Corporate Management Best Practice Principles and the result at its official website and MOPS?	✓		The Company has published the Ethical Corporate Management Best Practice Principles and the Principles for Ethical Actions, as well as relevant regulations, on the TWSE MOPS and the Company website.	No significant differences
5. If the company has established its Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"; please describe any discrepancy between the policies and their implementation: The Company has established the Ethical Corporate Management Best Practice Principles, and continues to follow the principles of honesty and integrity, which is largely similar with the principles established.				
6. Other important information to facilitate a better understanding of the company's Ethical Corporate Management Best Practice Principles (e.g., review and amendment of the company's Ethical Corporate Management Best Practice Principles).: The Company will also be constantly monitoring the most recent domestic and international developments				

Evaluation item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
in honest operations to improve on the current operating policies in place and measures being promoted, and will publish the Company's material financial information on the TWSE MOPS for reporting and announcing each month, for the perusal of investors and stakeholders.				

(7) Other important information sufficient to facilitate the understanding of the operation of corporate governance may be disclosed together: None.

(8) The following items regarding the implementation of the internal control system shall be disclosed:

1. Internal Control System Statement: Please refer to appendix 1
2. If a CPA is appointed to review the internal control system, the review report shall be disclosed: not applicable

(9) Major resolutions of a shareholders' meeting, Board of Directors meeting, audit committee meeting and remuneration committee meeting during the most recent year or during the current fiscal year up to the date of publication of the annual report.

1. Major resolutions and execution status of the Company's Shareholders' Meeting in 2024.

Date	Major Resolutions	Implementation Status
June 14, 2024 (general meeting)	1. Proposal to approve the 2023 Business Report and Financial Statements.	Resolution approved.
	2. Proposal to approve the 2023 Earnings Distribution Plan.	The resolution was passed to distribute a cash dividend of NT$0.46 per share. The ex-dividend date was set as July 8, 2024, and the cash dividend was distributed on July 17, 2024.
	3. Proposal to approve the distribution of cash from capital surplus.	The resolution was passed to distribute a cash dividend of NT$0.46 per share. The ex-dividend date was set as July 8, 2024, and the cash dividend was be distributed on July 17, 2024.
	4. Proposal to approve the amendment of certain provisions in the Procedures for Acquisition or Disposal of Assets.	Resolution approved.

2. Major resolutions and implementation status of the Board of Directors, Audit Committee, and Remuneration Committee of the Company in 2024 and early 2025 (until February 21, 2025):

Date (term and session)	Major Resolutions	Implementation Status
March 5, 2024 8th Meeting of the 6th Board of Directors	1. Proposal for the distribution of 2023 remuneration to directors and employees. (Note 2) 2. Proposal to approve the 2023 Business Report and Financial Statements. (Note 1) 3. Assessment of the independence and competency of the Company's CPA, with reference to Audit Quality Indicators (AQI). (Note 1) 4. Proposal for the appointment of the CPA for 2024. (Note 1) 5. Proposal to approve the 2023 earnings distribution plan. (Note 1) 6. Proposal for cash distribution from capital surplus for 2023. (Note 1) 7. Proposal to establish the Sustainable Development Committee under the Board of Directors and to adopt the Organizational Charter of the Sustainable Development Committee. 8. Proposal to appoint the members of the 1st Sustainable Development Committee. (Note 2) 9. Proposal for the Assessment of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2023. (Note 1) 10. Proposal to amend certain provisions of the Procedures for	Implemented in accordance with the resolution

Date (term and session)	Major Resolutions	Implementation Status
	Acquisition or Disposal of Assets. (Note 1) 11. Proposal to add a new provision titled Internal Audit System – Operational Procedures for the Sustainability Committee. (Note 1) 12. Proposal for the date and agenda of the 2024 Annual General Shareholders' Meeting. 13. Proposal for credit line arrangements with financial institutions.	
May 2, 2024 9th Meeting of the 6th Board of Directors	1. Proposal to approve the Company's consolidated financial statements for Q1 2024 (Note 1) 2. Proposal to amend certain provisions of the Risk Management and Crisis Response Procedures. (Note 1) 3. Proposal to approve the 2023 performance evaluation report for managerial officers. (Note 2) 4. Proposal for the 2024 salary adjustments for managerial officers. (Note 2) 5. Proposal for the distribution of 2023 directors' remuneration and employee compensation for managerial officers. (Note 2) 6. Proposal to adjust the monthly remuneration of independent directors and the attendance fees for directors, independent directors, and members of functional committees, along with amendments to certain provisions of the Policy and Regulations on Remuneration for Directors, Functional Committee Members, and Managerial Officers. (Note 2) 7. Proposal for credit line arrangements with financial institutions.	Implemented in accordance with the resolution
August 1, 2024 10th Meeting of the 6th Board of Directors	1. Proposal to approve the Company's consolidated financial statements for Q2 2024. (Note 1) 2. Proposal to approve the 2023 Sustainability Report. 3. Proposal to renew the Directors' and Officers' liability insurance. 4. Proposal for credit line arrangements with financial institutions.	Implemented in accordance with the resolution
November 6, 2024 11th Meeting of the 6th Board of Directors	1. Proposal to approve the Company's consolidated financial statements for Q3 2024 (Note 1) 2. Proposal to approve the 2025 annual budget. 3. Proposal to abolish the iCA – Other Control Procedures. (Note 1)	Implemented in accordance with the resolution

Date (term and session)	Major Resolutions	Implementation Status
	4. Proposal to establish the Internal Control System – Other Control Procedures. (Note 1) 5. Proposal to amend the Approval Authority Matrix. (Note 1) 6. Proposal to establish the Delegation of Authority Management Guidelines, Sustainability Information Management Guidelines, Sustainability Report Preparation and Assurance Procedures, Financial Statement Preparation Process Management Guidelines, and Insider Trading Prevention Guidelines. (Note 1) 7. Proposal to approve the 2025 Annual Audit Plan. 8. Proposal for the approval and sign-off of the Company's audit report, annual audit plan, audit implementation status declaration, and improvement status report on deficiencies and irregularities in the internal control system. 9. Proposal for credit line arrangements with financial institutions.	
February 21, 2025 12th Meeting of the 6th Board of Directors	1. Proposal to approve the 2024 performance evaluation report for managerial officers and the head of internal audit. (Note 2) 2. Proposal for the distribution of 2024 directors' and employees' remuneration. (Note 2) 3. Proposal to approve the 2024 Business Report and Financial Statements. (Note 1) 4. Proposal to approve the 2024 earnings distribution plan. (Note 1) 5. Proposal to approve the Assessment of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2024. (Note 1) 6. Proposal to amend certain provisions of the Procedures for Acquisition or Disposal of Assets. (Note 1) 7. Proposal to amend certain provisions of the Rules of Procedure for Shareholders' Meetings. (Note 1) 8. Assessment of the independence and competency of the Company's CPA, with reference to Audit Quality Indicators (AQI). (Note 1) 9. Proposal to appoint the CPA for 2025 (Note 1)	Implemented in accordance with the resolution

Date (term and session)	Major Resolutions	Implementation Status
	10. Proposal to amend the Company's pre-approval policy list of non-assurance services. (Note 1) 11. Proposal for full reelection of the Board of Directors. (Note 1) 12. Proposal to release the newly elected directors from non-competition restrictions. (Note 1) 13. Proposal for the nomination and qualification review of candidates for the reelection of directors (including independent directors). (Note 1) 14. Proposal to define the term "basic-level employees" in the Company. (Note 1) 15. Proposal to amend certain provisions of the Company's Articles of Incorporation. (Note 1) 16. Proposal to set the date and agenda of the 2025 Annual General Shareholders' Meeting. (Note 1) 17. Proposal to discuss matters regarding the acceptance of written proposals from shareholders and the nomination rights for director (including independent director) candidates for 2025. (Note 1) 18. Proposal for credit line arrangements with financial institutions.	

Note 1: In accordance with Article 14-5 of the Securities and Exchange Act, the proposals approved by the Audit Committee meeting were submitted to the Board of Directors meeting for resolution on the same day.

Note 2: In accordance with Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, the proposals approved by the Remuneration Committee meeting, were submitted to the Board of Directors meeting for a resolution on the same day.

(10) Where, during the most recent year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None

4. Information on the professional fees of the attesting CPAs

(1) Professional fess of the CPAs

Unit: NT$1,000

Accounting Firm	Names of CPAs	Duration of Audit	Audit fee	Non-Audit fee (note)	Total	Note (Service option/amount of public expenses)
KPMG Taiwan	Yun-Chu Yang	January 1, 2024 - December 31, 2024	2,270	529	2,799	Non-audit public expenses include the following: 1 Non-audit public expenses include the following: 1. Transfer pricing deeds / 100 2. Tax compliance audit and the compensation examination form for full-time employees who are not in managing positions /310 3. Industry and business registration / 0 4. Provisional payment of income tax / 0 5. Reimbursements for travel, paperwork, printing expenses etc. /119
	Ya-Lin Chen					

Note: The list of non-audit fee is shown in the note column, with the service options listed as well.

(2) If there is a change in the accounting firm, and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change: There is no such situation.

(3) When the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more: There is no such situation.

5. Information on replacement of CPA

(1) Regarding the former CPA

<table>
<tr><td>Date of Replacement</td><td colspan="3">March 5, 2024</td></tr>
<tr><td>Reason and Description for Replacement</td><td colspan="3">In order for KPMG Taiwan to ensure the CPA’s independence, internal job rotations are carried out regularly, and starting March 5, 2024, the certified public accounts in charge of evaluating the Company’s financial reports have switched from KPMG’s CPAs Chia-Chien Tang and Ya-Lin Chen to Yun-Chu Yang and Ya-Lin Chen.</td></tr>
<tr><td rowspan="2">Please indicate whether the client or the CPA terminated/refused the contractual engagement.</td><td>Subject
Circumstance</td><td>CPA</td><td>Client</td></tr>
<tr><td>Engagement termination not under demand</td><td>Not applicable</td><td>Not applicable</td></tr>
</table>

<table>
<tr><td></td><td colspan="2">Dismissal from (continuing) engagement</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Audit Report being given opinions other than "unqualified opinion" had been issued in the last two years, and the reason(s) for the opinion(s)</td><td colspan="4">There is no such situation.</td></tr>
<tr><td rowspan="6">Having different opinions with the issuer</td><td rowspan="4">Yes</td><td>Not applicable</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>Not applicable</td><td colspan="2">Financial report disclosure</td></tr>
<tr><td>Not applicable</td><td colspan="2">Auditing scope or procedure</td></tr>
<tr><td>Not applicable</td><td colspan="2">Other</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Explanation: None</td></tr>
<tr><td>Other disclosures</td><td colspan="4">None</td></tr>
</table>

(2) Regarding the successor CPA:

Name of accounting firm	KPMG Taiwan
Names of CPAs	CPA Yun-Chu Yang and CPA Ya-Lin Chen
Date of Engagement	March 5, 2024
Consultation prior to contractual engagement regarding accounting treatment approaches or accounting principles for specific transactions, and opinions that may be issued for financial reports, and the consultation results	There is no such situation.
Successor CPA's written disagreement on Former CPA's opinions	There is no such situation.

(3) Reply from predecessor CPAs on the matters listed in Article 10, Subparagraph 6, Items 1 and 2-3 of these Guidelines: Not applicable

6. Where the company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise of such accounting firm

There is no such situation.

7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent

(1) Instances in which a major quantity of shares belonging to directors, supervisors, managerial officer or shareholders holding greater than a 10 percent stake in the Company is transferred or otherwise changes hands in recent years up to the date of publication of the annual report

Unit: Shares

Title	Name	2024		As of April 8, 2025	
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares
Chairman and President	John Lin	—	—	—	—
Director	Motech Industries Inc.	—	—	—	—
	Representative: Jheng-cing Wu (Note 1)	—	—	—	—
	Representative: Fred Yeh (Note 1)	—	—	—	—
Director	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	—	—	—	—
	Representative: Tony Huang	—	—	—	—
Director	Frank Huang	—	—	—	—
Director and vice president	William Liao	—	—	—	—
Independent director	Jason Hsu	—	—	—	—
Independent director	Jacy Chen	—	—	—	—
Independent director	Jaene-Long Jiang	—	—	—	—
Vice president of Power Device Affairs Office	Victor Lin	(45,000)	—	(45,000)	—
Senior Manager of Management Office	Angel Pan	—	—	—	—
Major Shareholder	Motech Industries Inc.	—	—	—	—

Note 1: The Company received on September 30, 2022 the reassignment letter from corporate director - Motech Industries Inc. regarding their newly assigned representative, Mr. Jheng-cing Wu and Mr. Fred Yeh will become the new representatives starting September 30, 2022.

(2) Information on the counterparty in the any transfer of equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent is a related party: There is no such situation.

(3) Information on the counterparty in any such pledge of equity interests is a related party: There is no such situation.

8. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 8, 2025; Unit: Shares; %

Name	Own shareholdings		Shares Held by Spouse & minor children		Shareholdings held through nominees		If there are related parties, spouses, kindred within the 2nd degree of kinship among the 10 largest shareholders, give the names and affiliations of such shareholders		Note
	Number of Shares	Ratio of share-holding	Number of Shares	Ratio of share-holding	Number of Shares	Ratio of share-holding	Title (or name)	Relation	
Motech Industries, Inc.	8,558,750	18.72	—	—	—	—	—	—	—
Representative: Yung-Hui Tseng	—	—	—	—	—	—	—	—	—
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg), under the custody of Yuanta Commercial Bank	3,380,000	7.39	—	—	—	—	—	—	—
Representative: Yu-Shu Yu	—	—	—	—	—	—	—	—	—
Ti-Yu Hsiao	1,769,520	3.87	—	—	—	—	—	—	—
John Lin	1,294,540	2.83	416,000	0.91	—	—	—	—	—
Fubon Financial Holding Venture Capital Co., Ltd.	1,209,000	2.64	—	—	—	—	—	—	—
Representative: Daniel Tsai	—	—	—	—	—	—	—	—	—
William Liao	1,120,220	2.45	359,503	0.78	—	—	—	—	—
Kuo-Ching Tseng	842,000	1.84	—	—	—	—	—	—	—
Chung-Yao Ni	741,034	1.62	—	—	—	—	—	—	—
Tsung-Lin Wu	738,000	1.61	—	—	—	—	—	—	—
Chih-Hua Jao	562,000	1.23	—	—	—	—	—	—	—

9. The total number of shares held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company; and combined overall shareholding ratio.

Unit: Shares; %

Investee (note 1)	Investment made by the Company		Investment made by directors, supervisors, managerial official and direct or indirect subsidiaries		Combined investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	Note	100%	0	0	Note	100%

Note: This is a limited company with no shares issued.

III. Capital Overview

1. Capital and Shares

(1) Sources of Capital Stock

1. Formation process of Capital Stock

Unit: 1000 shares; NT$1,000

Period	Price at issuance (NT$)	Authorized capital stock		Paid in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital Stock	Property other than cash is paid by subscribers	Other
November 2007	10	8,000	80,000	8,000	80,000	Capital stock at establishment	—	Note 1
November 2008	11	20,000	200,000	13,600	136,000	Capital increased by cash	—	Note 2
January 2010	15	20,000	200,000	20,000	200,000	Capital increased by cash and echnical know-how other than cash	Technical pricing 1,400,000 shares	Note 3
May 2011	12	35,000	350,000	26,500	265,000	Capital increased by cash	—	Note 4
May 2013	10	50,000	500,000	35,100	351,000	Capital increased by cash	—	Note 5
August 2018	10	50,000	500,000	38,140	381,400	3,040,000 shares converted into employee stock option certificates	—	Note 6
December 2018	35	50,000	500,000	40,640	406,400	Capital increased by cash	—	Note 7
March 2022	116	50,000	500,000	45,720	457,200	Initial OTC cash capital increas	—	Note 8

Effective (approval) date and document number:

Note 1: Approved by Letter Ching-shou-chung-tzu-ti-09632989370 on record dated November 1, 2007.

Note 2: Approved by Letter Ching-shou-chung-tzu-ti-09733440480 on record dated November 13, 2008.

Note 3: Approved by Letter Ching-shou-chung-tzu-ti-09835274430 on record dated January 6, 2010.

Note 4: Approved by Letter Ching-shou-chung-tzu-ti-10031998920 on record dated May 13, 2011.

Note 5: Approved by Letter Ching-shou-chung-tzu-ti-10233485700 on record dated May 15, 2013.

Note 6: Approved by Letter Ching-shou-chung-tzu-ti-10733495050 on record dated August 23, 2018.

Note 7: Approved by Letter Ching-shou-chung-tzu-ti-10733719020 on record dated December 5, 2018.

Note 8: Approved by Letter Ching-shou-chung-tzu-ti-11133140070 on record dated March 11, 2022.

2. Type of Share

April 28, 2023; Unit: Shares

Type of share	Authorized Capital Stock			Note
	Outstanding shares	Unissued share	Total	
Ordinary share	45,720,000	4,280,000	50,000,000	TPEx listed

(2) List of Major Shareholders

April 8, 2025; Unit: Shares; %

Shares / Name of major shareholder	Shareholding	Shareholding ratio
Motech Industries, Inc.	8,558,750	18.72
DIODES TAIWAN S.A R.L., TAIWAN BRANCH (LUXEMBOURG), under the custody of Yuanta Commercial Bank	3,380,000	7.39
Ti-Yu Hsiao	1,769,520	3.87
John Lin	1,294,540	2.83
Fubon Financial Holding Venture Capital Co., Ltd.	1,209,000	2.64
William Liao	1,120,220	2.45
Kuo-Ching Tseng	842,000	1.84
Chung-Yao Ni	741,034	1.62
Tsung-Lin Wu	738,000	1.61
Chih-Hua Jao	562,000	1.23

(3) The Company's dividend policy and implementation thereof

1. Stock dividend policies as stated by the Company's Articles of Incorporation

The Company is a technology enterprise characterized by high R&D intensity and is currently in a growth phase. To support long-term capital planning and ensure sustainable operations and stable growth, the Company adopts a residual dividend policy. When distributing dividends to shareholders, the Company considers factors such as capital budget planning, financial structure, and funding needs for future operational plans. Each year, no less than 10% of the accumulated distributable earnings are allocated as shareholder dividends. However, if the accumulated distributable earnings are less than 10% of the paid-in capital, the dividends may be withheld.

No dividends will be distributed in the absence of earnings. Dividends may be distributed in the form of stock dividends or cash dividends; however, cash dividends cannot be less than 10% of the total dividends distributed for the year.

2. Distribution of dividends as proposed by the shareholders' meeting

The Board of Directors meeting held on February 21, 2025, proposed the distribution of the Company's 2024 earnings as follows. After the proposal is approved by the regular shareholders meeting on June 6, 2025, authorization will be given to the Chairman to set the ex-dividend date.

inergy Technology Inc.
Earnings Distribution Table
2024

Currency: NTD

Category	Amount
Beginning undistributed earnings	**$389,526**
Add: 2024 net profit after tax	**152,416,966**
Appropriations	
Legal reserve (10%)	**(15,241,697)**
Special reserve	**2,923,217**
Accumulated distributable earnings	**140,488,012**
Dividend to shareholders - in cash (NT$2 per share)	**(91,440,000)**
Ending undistributed earnings	**49,048,012**

Chairman: **John Lin** **[With seal: John Lin]** **Manager:** **John Lin** **[With seal: John Lin]** **Chief Accountant:** **Angel Pan** **[With seal: Angel Pan]**

Note:
1. As stipulated in Decree No. 871941343 by the MOF dated April 30, 1998, the distribution of earnings shall adopt an individual identification method. Therefore, the most recent year's earnings is prioritized for the current year's distribution of earnings.
2. Dividends and bonuses to shareholders amounting to NT$91,440,000 will be distributed from 2024 earnings, with a planned cash dividend of NT$2 per share. The calculation is based on the 45,720,000 shares issued and outstanding as of February 20, 2025. The total amount of cash dividends to be distributed to each shareholder is calculated to the nearest NT$1 and rounded down. Fractional amounts of cash dividends equaling less than NT$1 will be recognized as other types of income of the company.
3. Predicted changes in dividend policies in the future: none.

(4) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: not applicable.

(5) Profit-sharing compensation of employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the Company's Articles of Incorporation.

   If the Company records a profit in a year, the Company shall appropriate 1-15% of the profit for employee's compensation, and no more than 5% of the profit for directors' compensation. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.

   The distribution of bonus to employees -- determined thus by the Board's criteria -- may be made by way of cash or shares, and only cash for directors.

   The two items mentioned above are specifically decided by the Board, and therefore a report of the distribution shall be submitted to the shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

   The Company's remuneration for employees and directors is calculated in accordance with the scale in the Articles of Incorporation, with a fixed proportion as the basis. In 2024, the profit before tax (before deducting employee and director remuneration) is handled in accordance with the Articles of Incorporation, and if there are any changes on the day of the Board of Directors meetings, the changes will be adopted and approved by the Board of Directors for implementation.

3. Information on any approval by the Board of Directors of distribution of profit-sharing compensation:

   (1) The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

   On February 21, 2025, the Company's Board of Directors approved the profit-sharing compensation for 2024, with a cash distribution of NT$7,230,000 for employees and NT$2,300,000 for directors. There were no discrepancies from the amounts approved and recognized in 2024.

   (2) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation.

   The Company's employee remuneration in 2024 has been distributed in cash, with no instances of compensation distributed in stocks.

4. Differences between the proposal for the previous year (2023) and the actual distribution of employee, director, and supervisor compensation (including the

number and price of shares and the amount distributed), and the recognized employee, director, and supervisor compensation, reasons, and the handling thereof:

Unit: 1,000 shares/NT$1,000

Item	Distribution amount as approved by the Board of Directors	Estimated figure for the year in which these expenses are recognized	Discrepancy amount	No. of shares (1,000 shares)	Price of shares (NT$)	Explanation of the discrepancy
Employee compensation	1,137	1,137	None	None	None	N/A
Director compensation	116	116	None	None	None	N/A

(6) Repurchase of Company shares: None

2. Status of Corporate bond, preferred share, global depository receipts, employee stock options, new restricted employee shares and issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies

(1) Status of Corporate bond: There is no such situation.

(2) Status of preferred share: There is no such situation.

(3) Status of the global depository receipts: There is no such situation.

(4) Status of employee stock options

1. For employee stock options that have not yet vested, the annual report must disclose the status as of the date of publication and the effect on shareholders' equity: There is no such situation.

2. Names and acquisition/subscription status of managerial officers who have obtained employee stock options as well as the top ten employees in terms of the number of stock options exercisable, cumulative to the date of publication of the annual report.

April 8, 2025; Unit: Shares; %; NT$

Title		Name	Number of Subscribable Shares Acquired	Percentage of Subscribable Shares Acquired to Total Issued Shares	Exercised				Not exercised			
					Number of Subscribable Shares	Price of Subscribable Shares	Amount of Subscribable Shares	Percentage of Subscribable Shares to Total Issued Shares	Number of Subscribable Shares	Price of Subscribable Shares	Amount of Subscribable Shares	Percentage of Subscribable Shares to Total Issued Shares
Managerial officers	Chairman and President	John Lin	735,000	1.81	675,000	10	6,750,000	1.66	–	–	–	–
	Vice President	William Liao										
	Operating Vice President	En ○ Cheng (note)										
	Manager of Management Office	Angel Pan										
Employees	Director	Cheng ○ Lin	1,992,000	4.90	1,882,000	10	18,820,000	4.63	–	–	–	–
	Director	Hao ○ Chien										
	Director	Wen ○ Hsu										
	Director	Sheng ○ Wu (note)										
	Director	Hsueh ○ Chen (note)										
	Manager	Ming ○ Liu										
	Senior Manager	Jen ○ Hsieh										
	Senior Technology Manager	Chieh ○ Lin										
	Vice Manager	Yu ○ Fu										
	Vice Manager	Wei ○ Chen (note)										

Note: Former employee

(5) Status of new restricted employee shares: None

(6) Status regarding issuance of new shares in connection with mergers or acquisitions of other companies' shares: None

3. Implementation of the Company's capital allocation plans

For the period as of the quarter preceding the date of publication of the annual report, the Company does not have any uncompleted public issue or private placement of securities, or any that were completed in the most recent 3 years but have not yet fully yielded the planned benefits.

IV. Operational Overview

1. Business Content

(1) Business scope

1. The business content is recorded as follows according to the business information registered by the Ministry of Economic Affairs

I501010	Product Designing
F113020	Wholesale of Electrical Appliances
F119010	Wholesale of Electronic Materials
F213010	Retail Sale of Electrical Appliances
F219010	Retail Sale of Electronic Materials
F401010	International Trade
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion of operation

Unit: NT$1,000: %

Year / Main product	2022		2023	
	Sales amount	Proportion of operation	Sales amount	Proportion of operation
Power semiconductor device (Power MOSFETs)	778,980	81.11	835,601	76.37
BLDC Motor Driver Control Module	136,534	14.22	164,003	14.99
Other(Digital-Analog Programmable SoC cooling fan driven IC, etc.)	44,860	4.67	94,581	8.64
Total	960,374	100.00	1,094,185	100.00

3. Current product (service) options

Product category	Product introduction
Power semiconductor device (Power MOSFETs)	20V - 650V Power MOSFETs provide the energy adaptations or the on-off switches for electrical appliances, and through the control of energy source control IC, turns the single DC power supply from batteries and power supply units into the voltage for various electric circuits, providing electric supply control and protection. The main applications for the products include smartphones, tablets, laptops, television, power supply units and other consumer electric products.

BLDC Motor Driver Control Module	By integrating the systems of digital firmware chips with driver IC, power MOSFET/IGBT semiconductor devices, control is gained over the output of DC frequency conversion motors, and can be applied to energy conserving air conditioning, energy conserving household appliances, cooling systems, machine tools etc., all products that call for DC motors.
Digital-Analog Programmable SoC cooling fan driven IC	Applied to the highly integrated power IC for cooling fan systems to boost the system’s efficiency, making the fan smaller and lowering the overall production costs for clients.

4. New products in the development plan (service)

Product category	New products planned for development
Power semiconductor devices (Power MOSFETs)	The new generation of silicon based power MOSFETs are able to lower the high breakover voltage in devices and also the energy consumed during adaptation, and is specifically to be used in vehicles with high voltage, batteries and industrial control systems.
BLDC Motor Driver Control Module	1. Continue to develop for the target of BLDC motors and for the requirements of the industrial control field, developing firmware control technology with specific torsion, rotational speed, positioning and load control. 2.High power, high efficiency energy-conserving cooling system in cloud computing databases
Digital-Analog Programmable SoC cooling fan driven IC	Highly integrated powered IC under 12V/24V 2A, to be applied to the energy-conserving cooling system in cloud computing databases

(2) Industry overview

1. Current industry overview and development

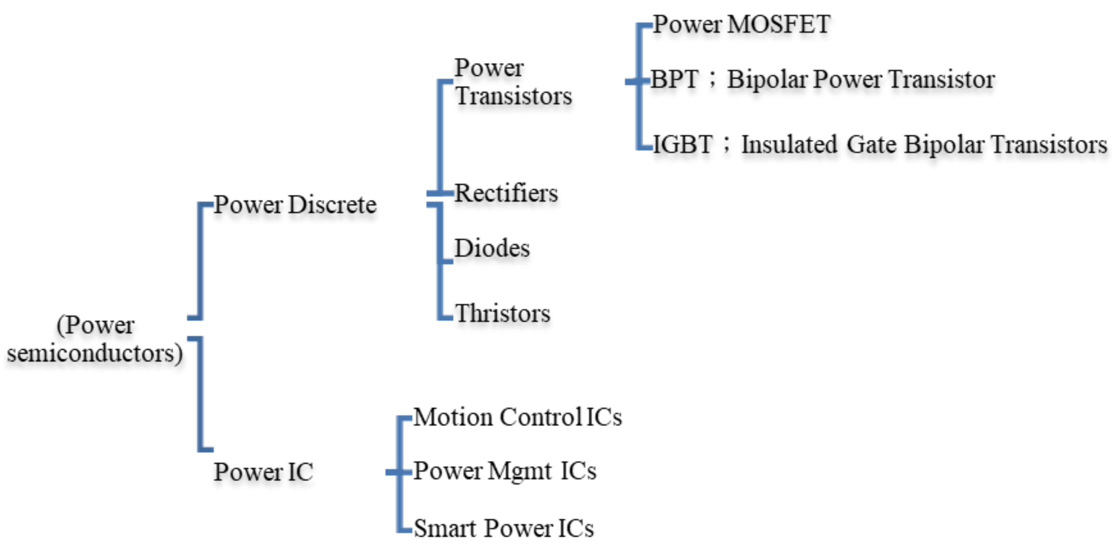
① The industry overview of power semiconductors

Power semiconductors are a part of the semiconductor industry, they are used as a switch or rectifier for power switch or circuit control in power electronics, and are the core device in electric power processing, as well as the channel of communication between light current systems and high current operations. The typical power rectification includes frequency alternation, voltage transforming, power conversion, power amplifying and management, and is effective in conserving energy while ensuring that the facilities are operating without fault. With the needs arising from the vast growth of electric vehicles in recent years, the power semiconductor devices and SiC MOSFETs are about to play a key role in the industry.

Market research organization Business Wire divides power semiconductors into two major categories: Power discrete and power IC (see graph 1), both taking up about 50% of the semiconductor market value.

Among them, the power discrete include power MOSFETs, bipolar junction transistor and insulated gate bipolar transistors, etc. The driver circuit in power MOSFETs are comparatively simpler, requires less driver power, with additional advantages like a faster switch and higher work frequency, making it most widely used in electronic products and the largest product on the market. In accordance with estimations made by the market research organization Allied Market Research, the global power MOSFET market size in 2019 is US$5.43 billion, and is estimated to grow to US$9.09 billion in 2027, with a compound annual growth rate of 6.6% from 2020 to 2027. If the need for electric vehicles continues to rise, the compound annual growth rate will be even higher.

Graph 1. Categories of power semiconductors



Source: BusinessWire

Power discrete devices are a key set of parts necessary in the transmission and switching of power, its application is highly intertwined with day to day life, with a fairly broad market for application. In the past few years, the application extended to include handheld devices and battery control, with rapidly growing needs in the future that include electric vehicle application, battery energy storage system and power frequency converter, the applications mentioned above are due to the efficiency requirements for power conversion, as the need for power semiconductor devices with lower on resistance continues to increase rapidly, the low on resistance devices use wafers larger in size, causing the wafer consumption rate to increase many times over, and demand will also continue to exceed supply, consequently seeing the market size and application to grow as well.

② The industry overview for BLDC motors

The motor is able to convert electric power into machine power, using driver machinery to spin, vibrate or move in linear motion, to be widely applied to automation control and mechatronics, such as airplanes, vehicles and motorcycles, pumps, ventilator, compressor, machine tool, home appliances and various types of facilities. The use of power motors takes up over 35% of humans' entire energy consumption, the mass introduction of BLDC motors in a market that largely uses AC motors, which is easier to use and has a lower production cost due to it having a simpler structure that does not call for a driver, using AC power to drive and create a magnetic field in the motor. As the AC motor is less efficient, for instance, only 20-30% of the input power will be converted into an AC powered household fan, with 70% of energy loss over the period of the conversion. Additionally, due to the limit on frequency, AC motors are only able to spin rapidly by using a converter, but this will subsequently cause issues such as vibration, noise and heat.

The DC motor is powered by direct currents, operating with forces produced by induced magnetic fields due to flowing current in the coil that is located on the central rotor. In a DC motor, some 75 - 85% of input energy will be utilized, giving DC motors an edge over AC motors with advantages like its lower start-up current, higher efficiency and temperature control etc. Also, the motor calls for carbon brushes as a part of the current converter, this means there is the need to regularly clean up any grime caused by the brush.

The BLDC motor consists of the motor and driver, its special trait being the electronic device that switches control and powers the motor, with the semiconductor inverter that controls the motor's rotation by controlling and managing three phase electrical power and replacing the brushed motor's mechanical commutator; due to the electric commutating, the lack of a carbon brush means there are no sparks, cutting back on the maintenance needs that arise from having a carbon brush, and also conserves energy and reduces noise. Overall, the brushless DC motor has the advantages of faster reaction, higher efficiency and lower maintenance costs, as well as less heat generated from the rotator etc., making it an ideal choice for applications such as motion control systems, as well as positioning and actuating systems etc.

Additionally, the maintenance costs for brushless DC motors are low, the motors are heat resistant and can also operate at low temperatures, thus increasing the products' reliability and durability, lessening the number of electrical contacts and mechanical inaccuracies. Considering that each product needs to meet the criteria of being highly efficient, green and environmentally friendly, the BLDC motor has become an indispensable component, its usage spanning a great variety of products, being applied to household power tools, household appliances, kitchen gadgets and cooling fans for daily use at home, or the cooling systems used by corporations in their servers and cell towers, to the industrial pumps and more.

The BLDC motor driver module is the core part of the brushless DC motor, and is composed of digital firmware wafers and driver IC, power MOSFETs in a systemic integration, providing output control over DC frequency converting motors, its key technology includes firmware control, high voltage integrated IC, power semiconductor devices, power management IC and motor design integration. The development team in charge of BLDC motor driver module products is required to work in a tight-knit relationship with the motor manufacturers, developing and producing custom-made controllers in accordance with the needs of the motor manufacturers, including custom-made control firmware and custom-made driver circuit designs, and through professional division in the semiconductor industry and motor industry, strengthening the two industries' breakthroughs in technology, material and production costs in the motor field, providing customized and prompt services that create mutual advantages amid competitors.

In accordance with predictions made in April, 2021 by research organization Grand View Research, the need for brushless DC motors' energy conservation and ability to boost operation efficiency via its improved facilities has risen in the market, with the global brushless DC motor market size at US$17.9 billion in 2021, and estimated to expand to US$26.3 billion in 2028, with a 5.7% compound annual growth rate from 2021 to 2028. In the future, cloud computing, cloud databases, information transmitting and computing in the internet of vehicles will cause the needs for cloud servers to rise vastly, as well as the demand for cooling efficiency. The Company's driver solutions are now in the mass production phase, and is predicted to bring a positive effect on sales growth in the future.

③ Future development

A. The development of products that are highly efficient, energy conserving and reduces carbon emissions

Due to the boom in various information technology products and portable products, there is much emphasis on lightweight, thinness, also being small and compact in size, and in order to reach goals such as increase product efficiency, conserve energy etc., the development of products with higher efficiency has become the focal point in the industry's future development.

In recent years, the cost of energy has been increasing, and with the growing awareness of environmental protection, consumers are finding energy conserving products more and more acceptable, also coupled with the carbon emissions and air pollution in each country and the requirement for energy efficiency, the energy efficiency standards continue to rise in energy consuming products and household appliances, hence the development of products that reduce carbon emissions and are green and earth-friendly have also become a focal point in the industry's future.

B. Establishing tight-knit partnerships across the industry's upstream and downstream operations

The core of power semiconductor products is dependent on circuit design capability, circuit layout technology, wafer manufacturing cooperative, assembly and test quality, and sales people's marketing abilities, managing the advantages in each and every section. Because of this, the Company not only focuses on the solid design abilities of the product development team, it is also intent on fostering a tight-knit collaborative partnership with wafer foundries upstream and packaging plants downstream in terms of working together on manufacturing technology. This provides steady production capacity and also allows the manufacturing technology in the process of product development to receive ample support, and thus be able to make products with high yield rates, stable delivery dates and have a competitive edge, allowing the Company to edge forward in a fiercely competitive environment. On the sales and marketing aspect, the Company's sales team has years of experience in sales channels for electrical products, and with the assistance of professional technical services and product application, is able to expand on the opportunity to foster strategic collaborations with end product manufacturers, and by participating in the clients' design-in process, speed up the product development and bolster its competitiveness in the market.

2. The connection between the industry's upstream, midstream and downstream.

Taiwan's semiconductor industry is well developed, with many professional corporations involved in IC design, wafer material, silicon wafer, reticle making, IC production, assembly, lead frame, testing and peripheral support etc., creating a situation where the vertical division of labor is obvious, with growing professionalism, allowing Taiwan's IC industry system to have a more complete structure of upstream, midstream and downstream. The Company is in the integrated circuit (IC) design industry, which is at the very front of the semiconductor industry system and is without an upstream connection; it puts its finished designs into the hands of the midstream partner, the professional wafer foundries, for manufacturing, and later the assembly and testing foundries downstream are able to assemble and test the products. The relationship between the upstream, midstream and downstream of the semiconductor industry and their definitions by the industry is as follows:

Graph 2. The relationship between the upstream, midstream and downstream of the semiconductor industry

Industry position	Business scope	Explanation
Upstream	Integrated circuit design	Design the necessary circuits or devices in accordance with the application needs of the client, and by using the production platform of the midstream wafer foundries
Mid-stream	Manufacturing of wafers	Wafers pass through the manufacturing processes of oxidation, diffusion, exposure, etching, deposition and texturing etc., giving the devices and electric circuits the functions they were designed to execute
Downstream	Assembly, testing	Slicing, connecting and packaging the wafers made by chip foundries, then testing each product for their characteristics.

3. The various development trends of products

(1) Digital program control, driver, sensor integrated circuit.

(2) High efficiency, high power density, high reliability and low prices are still key in the basis of competition.

(3) User interface with complete features.

(4) Digital wave control technology

(5) Digital-Analog integration focused IC

(6) The replacement of the professional control module in AC induction motors

with BLDC motors in the refrigeration and air conditioning market.

(7) The all-in-one integrated module of control, analog and power semiconductor devices.

(8) Improving user experience and also increasing the product’s added value with BLDC motor traits of high efficiency, miniaturization and noiselessness.

4. Competition

(1)The low probability of oligopoly in the semiconductor industry

In the development of the world’s power semiconductor field, the most advanced integration technology and the main market is still controlled by global IDM giants, such as Infineon Technologies (Germany), ON Semiconductor (USA), STMicroelectronics (Switzerland), Mitsubishi Electrics (Japan), Vishay Intertechnology (USA), Fuji Electrics (Japan) and NXP Semiconductors (the Netherlands) etc., and Taiwan’s manufacturers mostly fall under the category of integrated circuit designers. Yet, with the large number of different power analog device types, with many being customized products and each manufacturer having different strengths, the industry has not seen instances of oligopolizing like that of the digital IC market. For Taiwan’s manufacturers, the obvious choice to be made for boosting international competitiveness would be to strengthen autonomous technology breakthroughs and provide customized and timely services.

(2) Collaborate with the motor industry to boost the competitiveness for both sides

In the DC-AC inversion of the analog IC sector, the market for application calls for more customized services. The Company has invested some 10 years into clients involved in motor application, as well as in the development of relevant technology, and have already gained the recognition from major motor manufacturers in Japan and household appliance manufacturers in China, and received approval for mass production. In the field of DC motor products, not only are hardware IC and devices necessary, the Company is also required to develop customized controllers in accordance with the needs of the clients, including customizing controlling firmware and customizing driver circuit designs, meaning that the Company’s product development team has to work closely with the product team on the client’s side, and through professional division in the semiconductor industry and motor industry, strengthening the two industries’ breakthroughs in technology, material and production costs in the motor field, providing customized and prompt services that create mutual advantages amid competitors.

(3) Overview of technology and development

1. The R&D funding invested in recent years, up to the date of publication of the annual report.

Unit: NT$1,000; %

Item \ Year	2023	2024
R&D expense (A)	77,996	97,102
Net operating revenue(B)	960,374	1,094,185
Ratio to operating revenue (A)/(B)	8.12	8.87

2. Technology or products successfully developed in recent years, up to the date of publication of the annual report.

Year	Technology or products successfully developed
2024	● BLDC Motor Driver Solution introduced into AI server supply chain. ● Second-generation high-current SoC cooling fan driver IC successfully developed. ● Ultra-low impedance, high-current power component

(4) The development plan for long-term and short-term businesses

1. Short-term business development plans

(1) Development strategies

A. Continue the development of high current low on resistance power semiconductor devices, high rotational speed high efficiency servo motor driver system, highly integrated high current SoC motor driver IC.

B. Applied to battery energy storage system, vehicle battery, charging stations, communication cloud cooling system solution, gaming and CPU cooling.

(2) Marketing strategies

A. Continue to expand into the energy conserving/storage market in China, Japan, India, South Korea, Southeast Asia, the United States and Europe.

(3) Production strategies

A. Utilizing Taiwan's advantages in wafer foundry and supply chain integration to provide the most competitive products.

(4) Plans for operation and finances

A. Prioritizing employee and shareholder rights and benefits, reinforcing employees' educational training and increasing operation performances.

B. Expanding revenue performance, making the most out of business capital.

2. Long-term R&D plan

(1) Development strategies

A. Continue the development of next generation high current low on resistance power semiconductor devices, high rotational speed high efficiency servo motor driver system, highly integrated high current SoC motor driver IC.

B. Driver IC integrated Power MOSFET module.

C. High voltage SiC devices.

(2) Marketing strategies

A. Actively establish sales channels and retail locations around the world, and provide professional and timely services that are market-centric.

B. Closely monitoring changes in the industry, market trends and master key technologies, focusing on integrated products that are more advanced and with higher precision, at the same time planning to develop more products with vision and align with the Company's core advantages.

C. Foster stable, long-term partnerships with clients and work together on development of new, innovative products.

(3) Production strategies

A. Continue maintaining a good relationship with chip foundries, developing new technologies together and retaining competitiveness.

B. Collaborating strategically with assembly and testing plants to establish a distinctness in assembly and testing technology.

(4) Plans for operation and finances

A. Continue increasing revenue and management capabilities, moving in the direction of a globalized enterprise.

2. Overview of the market and production/sales

(1) Market analysis

1. Sales locations for major products (services)

Unit: NT$1,000; %

Region \ Year		2023		2024	
		Sales amount	Ratio	Sales amount	Ratio
Domestic		344,061	35.83	342,647	31.32
Export	Vietnam	12,352	1.29	20,438	1.87
	China	602,861	62.77	730,496	66.76
	Other	1,100	0.11	604	0.05
	Sub-total	616,313	64.17	751,538	68.68
Total		960,374	100.00	1,094,185	100.00

2. Market share

The Company is a design company that works on studying, designing, developing and selling power semiconductor chips; in accordance with data from market research organization Gartner, the world's power semiconductor market sales will grow at a steady 8% compound annual growth rate from US$36 billion in 2020 to US$52 billion in 2025. Using the Company's overall sales figures in 2024 as a basis for the estimation, the amount is not even at 1% of the world's semiconductor market sales amount, with still large shoes to fill and work towards in terms of performances in market share.

3. The market's supply, need and growth in the future

(1) Power MOSFETs

Power MOSFETs can be applied to the energy conversion in all electronic products, with the traits of having low on resistance, less wear and tear, simple driver circuit and heat resistance etc., is especially suitable for PCs, mobile phones, portable chargers, electric means of transportation, uninterruptible power source (UPS) and other power control functions. As the need for energy conservation and cutting carbon emissions rise, the need for applications like electric vehicles, battery energy storage systems and motor frequency converter have continued to grow, and as the need for power semiconductor devices with lower on resistance continues to increase rapidly, the low on resistance devices use wafers larger in size, causing the wafer consumption rate to increase many times over, and demand will also continue to exceed supply, consequently seeing the market size and application to grow as well.

The usage of power MOSFETS will continue to grow in the next few years. In accordance with data February 2021 made by the market research organization Allied Market Research, With a compound annual growth rate of 6.6% from 2020 to 2027, it is expected to reach US$9.09 billion by 2027.

(2) The market for brushless DC (BLDC)

With machinery being the mother of industry and motors being the core of all motion powered machinery, being widely used in pumps, ventilators, compressors, air compressors, machine tools and other relevant equipment. In accordance with studies by the Industrial Technology Research Institute's Mechanical and Mechatronics Systems Research Laboratories, motors take up 50% of the world's final energy consumption, even reaching up to 67% in Taiwan's industrial sector, ranked on top of the energy consumption list. The increase in the usage of high efficiency motors and development of motor machinery with higher efficiency and mechatronics system technology can produce major results in energy conservation. Due to it being energy conserving and having low maintenance costs, the brushless DC motor has gradually replaced the AC induction motor, with rapidly growing needs. In accordance with predictions made in April, 2021 by research organization Grand View Research, the need for brushless DC motors' energy conservation and ability to boost operation efficiency via its improved facilities has risen in the market, with the global brushless DC motor market size at US$17.9 billion in 2021, and estimated to expand to US$26.3 billion in 2028, with a 5.7% compound annual growth rate from 2021 to 2028. In the future, cloud computing, cloud databases, information transmitting and computing in the internet of vehicles will cause the needs for cloud servers to rise vastly, as well as the demand for cooling efficiency. The Company's driver solutions are now in the mass production phase, and is predicted to bring a positive effect on sales growth in the future.

4. Competition niche

(1) Professional, stable management team

The Company's management team has accumulated over 20 years of techniques and experiences, the managing staff are all seasoned professionals in the industry, with the ability to grasp the products' key technologies and are all capable of developing individually new products, considering the variables in mass production in the product's early design stages, ensuring that the product is stable in quality and in yield rate, drawing approval from the clients in regard to the Company's products.

A. The power semiconductor device development team

In the work it has done in developing power semiconductor devices, the Company's development team has over 20 years of design and manufacturing experiences, reliability and key professional technologies, allowing them to develop products with leading design techniques, including rapid switching, low packaging resistance design, chip scale package, split GaTe MOSFET, high electrostatic protection, impact resistant and has a stable yield rate, with qualities and efficiency that are lauded by clients.

B. Development team of brushless DC driver control

The Company's long accumulated motor controlling software technology is combined with half bridge driver IC, sensor Hall IC and integrated driver MOSFET technology, by way of writing in Digital-Analog software to provide clients with highly integrated SoC, and continue to develop customized motor driver control module for major clients, to increase the clients' product efficiency and save on production costs.

C. Using BLDC driver control module technology to get to Digital-Analog integrated programmable SoC cooling fan driver IC

The foundation that is the motor driver module control technology that the Company has developed and accumulated for many years integrates design with relevant software, hardware and sensor technology, and paired with advanced manufacturing technology, developed a highly integrated SoC cooling fan driver IC, including the control interface platform, digital programmable software programming, low noise wave control, driver integrated MOSFET integrated Hall IC, providing clients with highly integrated SoC IC.

(2) Manage chip foundry sources and foster long-term collaboration with assisting manufacturers

The power semiconductor devices (power MOSFETs) produced by the Company have long used Taiwan's most advanced 8 inch wafer foundries, using 0.18 um and smaller manufacturing technologies for production, making devices of excellent quality with cost advantages.

The Company, having taken into consideration the manufacturing technology, quality yield rate, facility production rate, co-development strategies and other aspects, have been collaborating on development with Taiwan's international-level wafer foundries since its founding. Said international level chip foundry is the Company's main manufacturing supplier of IC chip wafers, producing motor driver IC that has proven to be competitive worldwide.

5. The development mission's advantages, disadvantages and responding strategies

(1) Advantageous elements

A. Leading technology, steep learning curve for DC to AC conversion

The development of power semiconductor devices and brushless DC motor driver control requires long haul investment, the key being accumulating experiences and the ability to integrate across different technologies. The Company has invested ten years in brushless DC motor driver technology, in order to provide (1) firmware control, (2) highly-integrated IC, (3) power semiconductor(power MOSFET), (4) power control IC and (5) motor design integration technology, having created a competitive hurdle for second movers, and with the motor industry's requirements for highly reliable products, newcomers will not find it easy to break into this application market.

B. The rise of environmental protection and energy conservation awareness, and each country's energy conservation laws and demands

With the growing awareness in environmental protection and energy conservation, consumers are finding energy conserving products more and more acceptable, also coupled with the carbon emissions and air pollution in each country and the requirement for energy efficiency, the energy efficiency standards continue to rise in energy consuming products and household appliances, and under the inevitable trend of brushless DC motors replacing traditional AC motors in the next few years, the DC to AC driver market will see a large, steady growth.

Additionally, the large-scaled growth in power semiconductor devices (power MOSFETs) used in vehicles and in battery management means experts have predicted demand will continue to outgrow supply in the next few years, with IEK estimating that the world's power semiconductor device market scale reaching US$12 billion every single year between 2016 - 2025, with the two major markets mentioned above being one of the Company's focus on product technology development.

(2) Disadvantages and responding strategies

A. Long product introduction and approval period

Air conditioning, motor control and products relevant to battery power control requires a long approval period on the end client's side, opening a project with the client, verifying, test production, and later mass production takes 1.5-2 years or more, requiring the Company to invest a great deal of effort and resources for development.

Responding strategies

Select partnering clients and cases with caution, establish a development platform that is modularized, to speed up the scale adjustment time and also reduces development human resource costs.

B. The import and sales of products are all in foreign currency, making profit vulnerable due to fluctuations in exchange rate

The Company's purchases and sales are primarily conducted in US dollars, and while offsetting occurs, due to the amount due being larger than the amount paid, the fluctuating exchange rates will cause considerable damage to the Company.

Responding strategies

There are professionals in the Company's financial department monitoring exchange rate fluctuations at all times, collecting information on the changes in international currency and exchange rates, and is well-informed on the future trends of international currencies, also keeping in touch with partner banks and utilizing the banks' professional consultation services, conducting currency exchanges when necessary to reduce risks in accordance with the Company's capital needs. Additionally, when the Company quotes its clients, it will also take into consideration elements such as exchange rate fluctuations, to avoid the rate changes causing material impact on the Company's profits.

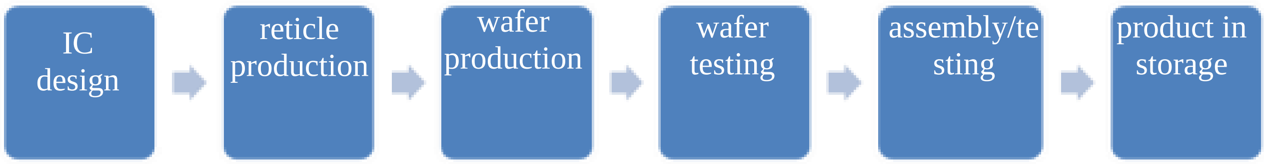
(2) Important uses of major products and the manufacturing processes

1. Important uses of major products

Major products	Important uses and functions
Power semiconductor devices (Power MOSFETs)	Power MOSFETs are primarily used in DC motor drivers, power control for lithium batteries in smartphones, servers, mobile phone chargers, laptop computer adapters and other exchangeable power suppliers, its application used for simultaneous rectification to raise efficiency, meeting the goal of being environmentally-friendly and energy conserving.
Brushless DC motor driver control module	Primarily applied to inverter energy-saving air conditioning, engine room and server facility cooling, fan filter units (FFUs), machine tools, energy-efficient refrigerators, refrigeration system cooling etc., as well as applied to facilities in which traditional AC motors are replaced.
Digital-Analog programmable full function integrated cooling fan driver IC	Applied to cooling fan systems to increase system efficiency, reducing fan size and lowering production costs for clients.

2. Manufacturing processes of main products

The Company's main business involves the design, development, application services and selling of integrated circuits, focusing on product development and market sales, and does not invest in production and manufacturing facilities. Chip manufacturing and testing are both entrusted to professional chip foundries and packaging and testing plants for manufacturing, packaging and testing; other than conducting material examinations upon purchase, the Company is not involved in any production of chips. In the manufacturing process mentioned below, the Company is responsible for laying down the scale, integrated circuit design and post-sales services etc. Reticle production, wafer manufacturing, wafer testing, wafer slicing, packaging and product testing are all conducted by professional foundries, with the main products' manufacturing process as follows:



(3) Supply of major raw materials

Major raw materials	Supply status
Epitaxial wafer	Good
Wafer foundry	Good

(4) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the Company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

1. List of main suppliers for the most recent 2 years

Unit: NT$1,000; %

Item	2023				2024				As of Q1 2025			
	Title	Amount	Percentage in net purchase amount of the year	Relationship with issuer	Title	Amount	Percentage in net purchase amount of the year	Relationship with issuer	Title	Amount	Percentage in net purchase amount as of Q1 for current year 〔%〕	Relationship with issuer
1	Powerchip Semiconductor Manufacturing Corporation	226,674	41.94	None	Vanguard International Semiconductor Corporation	281,585	33.67	None	Vanguard International Semiconductor Corporation	79,728	30.38	None
2	Vanguard International Semiconductor Corporation	156,398	28.94	None	Powerchip Semiconductor Manufacturing Corporation	203,884	24.38	None	Powerchip Semiconductor Manufacturing Corporation	67,473	25.71	None
3	Company A	44,575	8.25	None	TSMC	84,969	10.16	None	Company A	35,083	13.37	None
4	Company B	28,505	5.27	None	Company B	61,392	7.34	None	Company B	17,598	6.71	None
	Other	84,318	15.60	－	Other	204,550	15.60	－	Other	62,545	23.83	－
	Net purchase amount	540,470	100.00	－	Net purchase amount	836,380	100.00	－	Net purchase amount	262,427	100.00	－

Reason for increase/decrease: The changes were primarily due to the Company's comprehensive assessment of factors such as supplier production capacity, delivery schedules, and end-market demand, which led to adjustments in the procurement volume from individual suppliers for key raw materials.

2. List of major clients

Unit: NT$1,000; %

Item	2023				2024				As of Q1 2025			
	Title	Amount	Percentage in net sales amount of the year	Relationship with issuer	Title	Amount	Percentage in net sales amount of the year	Relationship with issuer	Title	Amount	Percentage in net sales amount as of Q1 for the current year 〔%〕	Relationship with issuer
1	Company A	179,851	18.73	None	Company A	193,429	17.68	None	Company A	52,800	16.84	None
2	Company D	107,186	11.16	None	Company D	167,718	15.33	None	Company B	46,153	14.73	None
3	Company E	85,403	8.89	None	Yangzhou Yangjie Electronic Technology Co., Ltd.	98,653	9.02	None	Company C	32,051	10.23	None
	Other	587,934	61.22	—	Other	634,385	57.98	—	Other	182,417	58.20	–
	Net sales amount	960,374	100.00	—	Net sales amount	1,094,185	100.00	—	Net sales amount	313,421	100.00	–

Reason for increase/decrease: The primary reason was that end customers had nearly completed their inventory adjustments, resulting in increased demand across product lines and the mass production of newly introduced products.

3. The number of employees, average years of service, average age, and educational background distribution over the most recent 2 years (as of the publication of the annual report) are as follows:

Unit: person

Item \ Year		2023	2024	As of March 31, 2025
Number of employees	Sales and management staff	45	51	51
	R&D staff	27	38	41
	Total	72	89	92
Average age (years)		40.31	41.68	42.07
Average period in service (year)		5 yeares and 1 month	4 years and 9 months	4 years and 10 months
Ratio of education level (%)	PhD	2.78%	2.25%	3.26%
	Masters	26.39%	24.72%	26.09%
	University (Junior college)	66.66%	69.66%	67.39%
	High school (and under)	4.17%	3.37%	3.26%

4. Disbursements for environmental protection

Any losses suffered by the Company in the most recent year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No such situation.

5. Labor relations

(1) All of the Company's employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans

The Company provides benefits including labor insurance, health insurance, employee group insurance, employee health examinations, year-end bonuses and performance bonuses. Other company benefits include annual trips, department meal outings, subsidies for marriage, funerals etc., three holiday bonuses and birthday bonuses.

2. Employees' continuing education and training

The Company has well-rounded educational training planned for its employees, including orientation for new hires, professional technique courses, personal performance courses etc.

3. Employee retirement systems and the status of implementation

In accordance with the new system as regulated by the Labor Pension Act, six percent of the worker's monthly wage should be borne by the employer and deposited to the employee’s pension account each month.

4. The status of labor-management agreements

All of the Company’s regulations follow the Labor Standards Act, holding labor-management meetings regularly, with labor representatives and management representatives communicating and deciding on agenda items involving labor rights and benefits through the meetings.

5. Measures for preserving employees' rights and interests

The Company has established Work Principles, and a variety of management regulations and systems, with the contents stating clearly employees’ rights, obligations and benefits, in order to protect employees’ rights.

(2) In recent years up to the date of publication of the annual report, losses suffered by the Company due to labor-management disputes (including labor examinations that discovered violations of the Labor Standards Act, all violations should be listed with the penalty date, penalty number, article of law violated, contents of violated article, content of penalty) and disclose the current and future estimation of potential sums incurred as well as responding measures, if the amount is beyond the scope of reasonable estimations, an explanation should be given in regard to the reason.

The Company has fostered an amicable labor-management relationship, and has not suffered any losses due to labor-management disputes, with lesser chances of something similar occurring in the future.

6. Cyber Security Management

(1) Specify the cyber security risk management framework, cyber security policies, specific management plans, and cyber security management resources.

1. Cyber security risk management framework

The Company’s information security risk management framework is established under the Management Office, with the Information Management Department responsible for its implementation. A dedicated Chief Information Security Officer and at least one full-time information security personnel are appointed. The Information Management Department oversees the planning and execution of information security systems, including network and system management, and collaborates with the internal audit unit to conduct information security audits. The Information Management Department, together with senior management of the Management Office, holds regular meetings with the President to discuss information security issues within the Company.

2. Cyber security policies

To ensure the smooth operation of the Company’s business, prevent data infringement resulting from unauthorized access to the Company's information system, and ensure data confidentiality, integrity and availability, the Company has established the Control Procedures for Handling Computerized Information as part of the internal control system. The Procedures include the division of functions and duties between the information unit and the user unit; the division of functions and duties of the information-processing unit; control of system development and program modification; control of preparing system documentation; program and data access control; data input/output control; data processing control; file and equipment security control; control of purchase, usage, and maintenance of software and hardware; control of system recovery plan and testing procedures; control of disclosure and reporting of information, control of information flow security inspection; computer storage device disposal control; and protection of personal data in computer processing, which have all been implemented by the Company.

3. Specific management plans

The Company attaches great importance to the management of information security. Specific practices have been adopted to protect and manage information security in five main aspects:

(1) Employee management

The Employee Contract between the Company and employees stipulates that the intellectual property ownership of all creations and inventions by employees during their employment belongs to the Company. Additionally, the Company also enters into a detailed confidentiality agreement with its employees, under which employees are obligated to keep confidential, both during their employment and after the termination of their employment contract, all business information, technology, manufacturing processes, programs, procedures, designs, and any other trade secrets to which they have access during their employment that can be used for the design, sale, or operation of the Company; the Company may impose penalties in accordance with the work rules and, depending on the seriousness of the case, pursue civil and criminal liability in the event of a violation of the contract. In order to ensure that employees develop correct concepts and good work habits, the Company holds periodic meetings on various subjects to disseminate ideas to employees, including the protection of trade secrets, access control rules, and the principles for disclosure of information to the public.

To enhance employees' information security awareness, the Company disseminates information on potential security threats and corresponding countermeasures to employees on an ad hoc basis—through training sessions, awareness videos, e-mails, and other communication channels. This helps prevent employees from inadvertently falling into cybersecurity traps and strengthens their awareness of security risks.

(2) Device control

All of the Company's computer equipment has antivirus software installed, and only the computers determined by the system to have met the criteria are authorized to connect to the network. The system will automatically deny network access to any detected unauthorized device in order to prevent non-compliant computer equipment from obstructing the Company's internal network and equipment.

A multi-layered defense and detection mechanism is established via network firewalls, and antivirus software is installed on all endpoint devices. Centralized monitoring and protection are implemented to reduce the risk of cyberattacks and ensure comprehensive visibility of the Company's cybersecurity status.

For critical operational services and data, both on-site and off-site backups are maintained, and regular restoration drills are conducted. This ensures that in the event of unavoidable system or database failure or service interruption, the information systems can be restored within the expected recovery time.

(3) Privilege management

Employees are required to authenticate their identity (i.e., use a system account and password) when logging into their personal computers to avoid identity theft and fraud. All R&D projects have strict access controls, where project members are required to submit an application form for access privileges and are only granted access by information management personnel after being approved by a supervisor. Additionally, access privileges are reviewed annually to ensure the accuracy of privilege management.

(4) Data management

The Company's R&D related data are stored in professional storage devices with high availability and redundancy. These data are not only protected by access control mechanisms, which only grant access to authorized members, but are also secured with full backup on a regular basis as well as remote backup to ensure the ability of disaster recovery.

(5) Output management

An application must be submitted when providing a document to customer externally. After being approved by business processing personnel and the unit director, information personnel will upload the encrypted data directly to the space designated for document downloads by the Company's customers without any manual intervention or operation. The designated space only allows access to the specific IP address provided by the customer, with the open-access time for connection set to 1 month.

4. Resources Invested in Cybersecurity Management

Since 2021, the Company has actively invested in corporate information security initiatives by allocating appropriate personnel and equipment to plan, monitor, and implement its information security system. The key measures and results are as follows:

a. A dedicated annual budget is allocated to strengthen IT infrastructure and cybersecurity measures. From 2021 to 2024, the total investment in cybersecurity management amounted to NT$8,670,000.

b. The Company has purchased cybersecurity insurance starting from 2021 to enhance protection against information security risks.

c. Employee awareness of cybersecurity has been strengthened through annual training. In addition to 12 hours of training per year for dedicated cybersecurity personnel, new hires and all employees also receive regular cybersecurity education and are briefed on the Company's information security policies.

(2) List any losses suffered by the securities firm in the most recent year due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No such situation.

7. Important contracts

Contracts that would affect shareholders' equity, where said contracts were either still effective up to the date of publication of the annual report are listed below:

Type of contract	Contracting parties	Commencement dates and expiration dates of contracts	Major content	Restrictive clauses
Loan contracts	Chang Hwa Bank	2024/10/31—2025/10/31	Material purchase and working capital turnover Short-term loan	None
Loan contracts	Chang Hwa Bank	2020/12/04—2035/12/04	Construction loan Mid to long-term loan	None
Loan contracts	First Bank	2024/2/20—2025/2/20	Material purchase and working capital turnover Short-term loan	None
Loan contracts	E.SUN Commercial Bank	2024/1/24—2025/1/24	Material purchase and working capital turnover Short-term loan	None
Loan contracts	E.SUN Commercial Bank	2021/01/21—2026/01/21	Construction loan Mid to long-term loan	None
Loan contracts	Mega International Commercial Bank	2024/12/31—2025/12/30	Material purchase and working capital turnover Short-term loan	None
Loan contracts	Bank Sinopac Company Limited	2024/3/30—2025/3/31	Material purchase and working capital turnover Short-term loan	None
Loan contracts	International Bills Finance Corporation	2024/6/7—2025/6/6	Material purchase and working capital turnover Commercial paper facilities	None
Production reservation Agreement	Company C	2023/01/01—2024/12/31 (Contract will be extended to 2025/6/30)	Advance reservation of wafers for main products	Obligation to remain confidential

Type of contract	Contracting parties	Commencement dates and expiration dates of contracts	Major content	Restrictive clauses
Production reservation Agreement	Powerchip Semiconductor Co. Ltd.	2022/01/01—2024/12/31	Wafers of main products Reserved in advance for foundry production capacity	Obligation to remain confidential If the Company has not achieved the reserved production capacity, it will be paying compensation to Powerchip Semiconductor for breach of contract.

V. Review and Analysis of Financial Position and Financial Performance and Risk Matters

1. Financial Position

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof

Unit: NT$1,000

Item \ Year	2023	2024	Increase (decrease) changes	
			Amount	Variation ratio(%)
Current assets	905,648	1,386,904	481,256	53.14
Property, plant and equipment	318,743	320,740	1,997	0.63
Intangible assets	10,646	7,706	(2,940)	(27.62)
Other assets	289,867	90,604	(199,263)	(68.74)
Total assets	1,524,904	1,805,954	281,050	18.43
Current liabilities	173,119	389,056	215,937	124.73
Long-term liabilities	180,456	165,682	(14,774)	(8.19)
Other liabilities	72,519	42,786	(29,733)	(41.00)
Total liabilities	426,094	597,524	171,430	40.23
Capital Stock	457,200	457,200	-	-
Capital surplus	594,692	570,003	(24,689)	(4.15)
Retained earnings	53,934	185,320	131,386	243.60
Other equity item	(7,016)	(4,093)	2,923	(41.66)
Total equity	1,098,810	1,208,430	109,620	9.98

For accounts with a change of more than 20% and a change in amount exceeding NT$10 million, the explanations are as follows:

1. Increase in current assets: Attributable to the increase in revenue, which led to higher bank deposits and accounts receivable, as well as the reclassification of refundable deposits.
2. Decrease in other assets: Attributable to the reclassification of non-current refundable deposits to current assets.
3. Increase in current liabilities: Attributable to an increase in short-term borrowings and accounts payable required for operations.
4. Decrease in other liabilities: Attributable to the return of refundable deposits upon maturity.
5. Increase in retained earnings: Attributable to revenue growth, which resulted in an increase in net income for the period.

2. Financial performance

(1) Comparison and analysis of financial performances: explain the reasons for any material changes over the most recent 2 years in operating revenue, operating income, and income before tax

Unit: NT$1,000

Item \ Year	2023	2024	Increase (decrease) changes	
			Amount	Variation ratio(%)
Net operating revenue	960,374	1,094,185	133,811	13.93
Operating cost	783,358	759,826	(23,532)	(3.00)
Gross operating profit	177,016	334,359	157,343	88.89
Operating expense	156,313	213,525	57,212	36.60
Net operating profit	20,703	120,834	100,131	483.65
Non-operating revenue and expense	3,295	69,806	66,511	2,018.54
Net profit before tax	23,998	190,640	166,642	694.40
Minus: income tax expense	7,690	38,223	30,533	397.05
Net profit for current period	16,308	152,417	136,109	834.61

For accounts with a change of more than 20% and a change in amount exceeding NT$10 million, the explanations are as follows:

1. Increase in gross profit: Attributable to the reversal of inventory valuation allowances during the period.
2. Increase in operating expenses: Attributable to increased recruitment and personnel costs, as well as higher R&D investment.
3. Increase in operating income: Attributable to an increase in revenue and the reversal of inventory valuation allowances under cost of goods sold.
4. Increase in non-operating income and expenses: Attributable to gains from foreign exchange.
5. Increase in profit before tax, income tax, and net income for the period: Attributable to an increase in revenue.

(2) Forecast the Company's expected sales volume and provide the basis, and describe the effect upon the company's financial operations as well as measures to be taken in response

In accordance with estimated needs of the clients, consideration of production capacity planning and the basis of operation performances of the past, the Company decides on its goal for shipping each year. Sales numbers are predicted to continue to grow in the future, and with financial cooperation, growth in sales and the balance of profit will continue to bolster a healthy, stable financial backdrop for the Company.

3. Cash flow

(1) Analysis of cash flow changes in recent years

Unit: NT$1,000; %

Item \ Year	2023	2024	Increase (decrease) changes	
			Amount	Variation ratio (%)
Cash provided by (used in) operating activities	139,264	172,459	33,195	23.84
Cash provided by (used in) investing activities	(10,570)	59,997	70,567	(667.62)
Cash provided by (used in) financing activities	(148,242)	(18,453)	129,789	(87.55)
Exchange rate effects	517	(1,126)	(1,643)	(317.79)
Net cash provided by (used in)	(19,032)	212,877	231,909	(1,218.52)

Analysis of Changes:

(1) Increase in cash provided by operating activities: Mainly due to an increase in profit for the period.

(2) Increase in cash provided by investing activities: Attributable to the return of refundable deposits and an increase in interest income.

(3) Decrease in cash used in financing activities: Due to drawdowns of short-term borrowings.

(2) Improvement plan for liquidity deficiencies

The Company has no shortage of cash, so there is no risk of liquidity deficiencies.

(3) Cash flow analysis for the next year (2025)

Unit: NT$1,000

Beginning of year cash balance	Expected net operating activities cash flow for the whole year	Expected net cash inflow (outflow) of investing and financing activities for the whole year	Estimated cash surplus (deficit)	Correction action for cash deficit	
(1)	(2)	(3)	(1)+(2)-(3)	Investment plan	Wealth plan
759,618	145,240	(135,636)	769,222	–	–

1. Analysis of Cash Flow Changes

(1) Operating activities: Cash inflows were primarily generated from increased revenue.

(2) Investing activities: Cash inflows primarily resulted from the return of refundable deposits and interest income.

(3) Financing activities: Cash outflows were primarily due to dividend payments, repayment of bank borrowings, and interest payments.

2. Remedial Measures for Projected Cash Shortfalls: Not applicable.

4. Impact of Major Capital Expenditures on Financial Operations in the Most Recent Year:

There is no such situation.

5. Policy for the Most recent year on Reinvestment in Other Companies, Main Reasons for Profits/Losses Resulting Therefrom, Plans for Improvement, and Investment Plans for the Coming Fiscal Year:

(1) Reinvestment policies

Due to operation needs or the Company's future growth, the Company will turn to re-investments and use the internal control system's Investment Cycle and the Handling Procedures for the Acquisition and Disposal of Assets as the basis for conducting reinvestment businesses, to be in control of relevant business and financial situations. To boost supervision and management of reinvestment companies, the Company's internal control system includes the Rules for Supervising and Managing Subsidiary, establishing regulations relevant to the disclosure of information, finances, businesses, inventory and financial management, allowing the Company to make the most out of its reinvestments.

(2) Reinvestment profit or loss and improvement plan

December 31, 2024; Unit: NT$1,000

Reinvestment company	Percentage held	Investment profit (loss) recognized in the most recent (2023) year	Main Reason for Profit or Loss	Improvement Plan
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	100%	(1,936)	Low gross profit margin	Adjust pricing strategy

(3) Plans for reinvestment in the next year: There are no investment plans for the next year up to the date of publication of the annual report.

6. The analysis and evaluation of items of risk

(1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

1.Interest rate

(1)The effect upon the Company's profits (losses)

Unit: NT$1,000; %

Year / Item	2023		2024	
	Amount	Ratio to net operating revenue	Amount	Ratio to net operating revenue
Interest income	10,720	1.12	21,056	1.92
Interest expense	4,038	0.42	4,736	0.43

Source: Financial reports audited by the CPAs of each period.

The Company's interest income for 2023 and 2024 was NT$10,720,000 and NT$21,056,000, respectively, accounting for 1.12% and 1.92% of the net operating revenue for each year. The impact is considered immaterial.

Moreover, the Company's interest expenses for 2023 and 2024 were NT$4,038,000 and NT$4,736,000, respectively, accounting for 0.42% and 0.43% of the net operating revenue for each year. The impact on the Company's profit and loss was also limited.

(2)Response measures in the future

As the Company's operation scale and profitability grow, it has ample private capital and increasingly relies less on loans from financial institutions, but the Company remains on good relationships with the banks and monitors interest rates at all times, also strives to get the best discounts for interest rates.

2. Exchange rates

(1)The effect upon the Company's profits (losses)

Unit: NT$1,000; %

Year / Item	2023		2024	
	Amount	Ratio to net operating revenue	Amount	Ratio to net operating revenue
Net foreign exchange gains (losses)	(5,021)	0.52	51,319	4.69

Source: Financial reports audited by the CPAs of each period

The Company's net foreign exchange gains (losses) in 2023 and 2024 are NT$(5,021,000) and NT$51,319,000 respectively, taking up 0.52% and 4.69% of the Company's annual net operating revenue in respective years. The foreign exchange gains and losses are primarily caused by ripples in the US dollar exchange rate.

(2)Response measures in the future

Financial staff are monitoring market information and changes in the exchange market at all times, making appropriate foreign currency control and adjustments with the aim to keep the impact of the exchange rate differences to a minimum for the Company.

3. The inflation

The Company's gains and losses in the past have not been majorly impacted by inflation, and it will be monitoring closely the changes in market prices in the future, adjusting its product prices to deflate the impact of inflation as necessary.

(2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives

transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company has established Operating Procedures for Lending Funds to Others, the Operating Procedures for Endorsement Guarantees, and the Handling Procedures for the Acquisition and Disposal of Assets, all fit to be used as guidelines for the Company to follow. In recent years and up to the date of publication of the annual report, the Company has not participated in high-risk, high-leverage investments and the transaction of derivatives, lending funds to others, endorsements, guarantees; the main reasons for the profits/losses generated thereby.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work.

The Company will continue to work on developing and designing power semiconductor devices (power MOSFETs) and brushless DC motor driver control modules, products expected to receive investments of R&D funding will be listed in accordance with development process, and continue to invest in professional technicians, facilities and new technologies, to ensure the Company’s advantages in competition.

(4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

In recent years and up to the date of publication of the annual report in 2025, the Company’s financial operations have not been affected by important policies adopted and changes in the legal environment at home and abroad. The Company’s operations complying with domestic and overseas laws and regulations, and its close monitoring of policy development and regulation changes and trends at home and abroad, as well as scheduling professional staff to partake in internal, external training courses, or consulting professionals or organizations when necessary, in response to policy and law changes at home and abroad, makes it less likely to be majorly affected by important policies adopted and changes in the legal environment at home and abroad.

(5) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response.

In recent years and up to the date of publication of the annual report in 2025, the Company’s financial operations have not been affected by developments in science and technology (including cyber security risks) as well as industrial change, and the Company has been closely monitoring changes and developments in technology and techniques as well as the industry’s changes, with environmental protection and energy conservation becoming a global trend and consensus, leading the Company to constantly improving its development capacity and bringing innovative concepts into the design and development of new products, actively expanding application markets in response to changes in the field of technology and how the industry’s changes will affect the Company.

In addition, on the risk control of cyber security, the Company has established an Operating Procedures for Handling and Controlling Computerized Data and the Cyber Security Management Act, to regulate the Company’s cyber security, and appropriate cyber security protection measures will be adopted to ensure the stability and security of the system, the Company will also continue to boost the current computer software, hardware and technology support, to ensure that the system and facilities are operating smoothly.

(6) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response.

In recent years and up to the date of publication of the annual report in 2025, the Company’s crisis management have not been affected by any changes in corporate image, the Company has endeavored to maintain its image since its founding, and there have not been any issues that have caused damage to the corporate image or create corporate crisis. The Company’s business philosophy is to constantly work on improving its technology and quality to satisfy client needs. In recent years, the Company’s revenue has consistently broken record highs, with ongoing internal innovations and a good corporate image; as revenue grows, the Company must - in addition to striving for employee and shareholder profits - fulfill its social responsibility as a corporation.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

The Company has no plans of mergers in recent years and up to the date of publication of the annual report in 2025.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

As the Company is an IC design company at the upstream of the semiconductor industry, and by commissioning wafer production and packaging and testing to other manufacturers, it does not have any facilities, and in recent years and up to the date of publication of the annual report in 2025, the Company has no plans for any plant expansions.

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

1. In regards to purchases, the Company is an IC design company that does not have wafer foundries, its main purchase being that of wafers, and in the manufacturing process, IC design companies need to consider the wafer foundries’ manufacturing technology, quality yield rate, production capacity and dates of delivery etc. In the interest of focusing on product development, it often is inclined to maintain long-term collaborative partnerships with a single or a few specific manufacturers. The Company and its current wafer supplier have been collaborating for many years and share a good partnership, and will continue working together on developing new products and mass production, maintaining a stable working relationship in the long run. In addition, the Company works with at least two qualified suppliers for items it purchases, to prevent inventory in short supply or supply disruption.
2. In the sales aspect, no single client reached a net sales amount of over 20% in 2024 and 2025, therefore there are no risks associated with the consolidation of sales. The Company will continue to develop products that satisfy the clients’ needs and maintain the current stable partnerships.

(10) 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, and mitigation measures being or to be taken.

There have been no events where a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands in recent years and up to the date of publication of the annual report in 2025.

(11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

There have been no changes in governance personnel or top management for the Company in recent years and up to the date of publication of the annual report in 2025.

(12) Litigious and non-litigious matters.

1. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending during the most recent 2 years or during the current fiscal year up to the prospectus publication date, the prospectus shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case:

One of the Company's end customers has initiated a patent infringement lawsuit concerning the use of MOSFET products. The customer is seeking reimbursement of litigation expenses from multiple implicated MOSFET product suppliers, including the Company. As of the date of publication of this annual report, although the jury has ruled in favor of awarding damages to the plaintiff, the end customer is still expected to file an appeal through legal proceedings. Accordingly, on March 14, 2025, the Company has preliminarily recognized an estimated amount of NT$75,909 in legal fees that may need to be apportioned as part of this litigation. This amount has been recorded under "Other Payables".

The Company will continue to cooperate with the end customer in presenting evidence to demonstrate that its products are not involved in any infringement. As the relevant legal proceedings and negotiations are still ongoing, the Company is currently unable to estimate the potential outcome of the lawsuit or its possible impact on the Company.

2. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, President, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 years or during the current fiscal year up to the prospectus publication date.

The litigations, non-litigious proceedings, or administrative dispute involving a company director, supervisor, President, de facto responsible person, or major shareholder with a stake of more than 10 percent, affiliated companies, (xcept corporate directors - Motech Industries, Inc. (hereinafter referred to as Motech Corporation) are listed below, with no major litigation or non-litigious proceedings:

(1) Green Energy Technology Inc. (hereafter, Green Energy), a Motech client, due to owing Motech US$2,851,521.47 in purchases, signed an agreement with Motech on March 11, 2019 and had the agreement notarized, yet Green

Energy did not pay the owed funds as stated in the agreement, leading Motech to file for distraint with the Taipei District Court in August 2019, but after receiving on April 14, 2020 a notice from the Taipei District Court that Green Energy had declared bankruptcy, Motech completed filing a proof of claims report on May 6, 2020.

(2) Motech is involved in a lawsuit with GreenRock Energy Co., Ltd. and Yan'an Renewable Energy Co. (hereafter, the debtors) involving the construction of a solar photovoltaic energy system in Pingtung. The suit arose due to the debtors' failure to fulfill the construction contracting agreement dated June 4, 2020, and the sale and purchase agreement signed on June 22, 2021. Despite urging by Motech, the debtors still failed to perform their contractual obligations; as a result, Motech filed a claim for compensation on October 19, 2021, seeking a total amount of NT$51,620,804 plus interest. The case is currently under trial at the Tainan District Court.

For the newest updates on the cases relevant to Motech as mentioned above, please see the information disclosed by Motech on the TWSE MOPS and its announcement in the shareholders' annual report.

In summary, although the Company's corporation director Motech Industries, Inc. is involved in the litigations mentioned above, the litigations are related to the corporation director's own business activities, and are not related to the Company. Therefore, there are no material impacts on the Company's financials and businesses.

(13) Other important risks and responding measures: none.

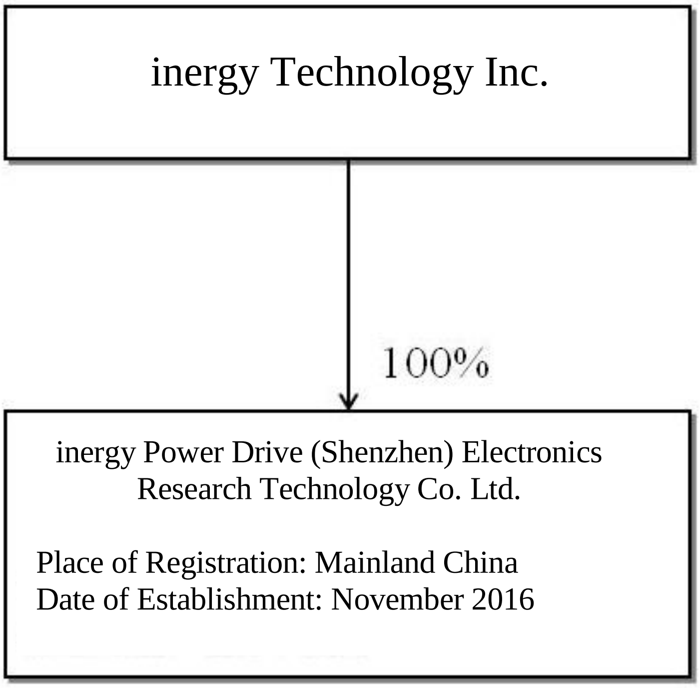
7. Other important items

None

VI. Special items to be included

1. Information related to the company's affiliates

(1) Affiliates Organization Chart



(2) Basic information of the Company's affiliates

December 31, 2024; Unit: NT$1,000

Name of affiliates	Date of establishment	Address	Paid-in capital	Main business or production items
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	November 1, 2016	Room 1506-1508, Building A, Xi Nian Center, No. 6021 Shennan Avenue, Tian'an Community, Shatou Street, Futian District, Shenzhen	US$300	Sales of electrical products

(3) Companies determined to have controlling and subordinate relations between them, in accordance with Article 369-3 of the Company Act: None.

(4) The industries covered by the business operated by the affiliates overall: please refer to (2).

(5) The names of the directors, supervisors, and President of each affiliate and the details of their shareholding or capital contribution in such affiliate

December 31, 2024; shares

Name of affiliates	Title	Name	Shareholding	
			Number of shares	Ratio (%)
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	Executive director	John Lin	—	—
	Supervisor	William Liao	—	—

(6) Operating overview of affiliates

December 31, 2024; Unit: NT$1,000

Name of affiliates	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit or loss	Profit or loss for current year (after-tax)	Earnings per share (NT$)
inergy Power Drive (Shenzhen) Electronics Research Technology Co. Ltd.	9,368	93,206	109,865	(16,659)	310,708	963	(1,936)	Note

Note: The limited company does not issue shares, so it is not applicable.

(7) Consolidated Financial Statements of Affiliated Enterprises

The relevant information has been disclosed in the consolidated financial report which has been audited and certified by CPAs in the most recent year, please refer to Appendix 4.

(8) Report of subsidiaries: Not applicable

2. Private placement of securities in the most recent year and up to the date of publication of the annual report:

There is no such situation.

3. Other necessary supplementary notes

There is no such situation.

VII. Any matter in the most recent year and up to the date of publication of the annual report which has a significant impact on shareholders' equity or securities prices as stipulated in subparagraph 2 of paragraph 3 of Article 36 of the Securities and Exchange Act

There is no such situation.

Appendix 1

Statement on Internal Control

inergy Technology Inc.

Internal Control System Statement

Date: February 21, 2025

With regard to the 2024 internal control system, the Company declares the following based on the self-evaluation findings:

1. The Company is fully aware that establishing, implementing, and maintaining an internal control system are the responsibility of its Board of Directors and managerial officers. The Company has established such a system to provide reasonable assurance for attaining the aims of the effectiveness and efficiency of business operations (including profits, performance, safeguarding of asset security, etc.); reliability, timeliness, transparency of reporting; and compliance with the governing laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system provides assurance to the aforementioned aims only to a reasonable extent. Moreover, due to changes of environments and circumstances, the effectiveness of an internal control system may change accordingly. Nevertheless, the internal control system of the Company is equipped with a self-monitoring mechanism, and the Company takes corrective actions as soon as any fault is identified.
3. The Company determines the design and operating effectiveness of its internal control system in accordance with the determining factors provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the “Regulations”). The internal control system determining factors specified in the Regulations divide an internal control system into five elements based on its management: 1. Control Environment, 2. Risk Assessment,
3. Control Operations, 4. Information and Communications, and 5. Monitoring. Each element further contains several items. Refer to the Regulations for the aforementioned items.
4. The Company has adopted the aforementioned internal control system determining factors to examine the design and operating effectiveness of its internal control system.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company deems that the internal control system as of December 31, 2024 (including supervision and management of subsidiaries), which encompass internal controls for knowledge of the accomplishment degree of operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with the governing laws and regulations, are effectively designed and implemented, and reasonably assure accomplishment of the abovementioned aims.
6. This Statement constitutes the main content of the Company’s annual report and prospectus, and will be made public. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, and 174 of, and other regulations relating to, the Securities and Exchange Act.
7. This Statement was approved by the Board Meeting of the Company held on February 21, 2024, where none of the nine attending directors expressed dissenting opinions, and all consented to the content of this Statement.

inergy Technology Inc. (with seal)

Chairman: John Lin (with seal)

President: John Lin (with seal)

Appendix 2

Audit committee's report for 2024 financial statement

inergy Technology Inc.

Audit Committee Review Report

The Board of Directors has prepared and submitted the 2024 Business Report, Consolidated and Parent-Company Only Financial Statements, and Earnings Distribution Proposal. Of these, the Consolidated and Parent-Company Only Financial Statements have been duly audited by KPMG Taiwan, and audit reports have been produced.

The above Business Report, Consolidated Financial Statements, and Earnings Distribution Proposal have been examined and determined to be correct and accurate by the Audit Committee.

In light of the above, and in accordance with Article 14–4 of the Securities and Exchange Act and Article 219 of the Company Act, this Report is duly submitted.

Please take it under advisement.

Submitted to
The 2025 inergy Technology Inc. General Shareholder Meeting

inergy Technology Inc.
Audit Committee Convenor: Jacy Chen
[With signature: Jacy Chen]

February 21, 2025

Appendix 3

2024 Consolidated financial report and auditor's report

Stock Code:6693

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: 8F.-3, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County, Taiwan
Telephone: 886-3-552-5766

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

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

Company name: inergy Technology Inc.
Chairman: Ming-Chang Lin
Date: February 21, 2025.

安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of inergy Technology Inc.:

Opinion

We have audited the consolidated financial statements of inergy Technology Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditor's report were as follows:

- Revenue recognition for sales

  Please refer to note 4(m) "Revenue" for accounting policy and note 6(o) "Revenue from contracts with customers" for further information.

Description of the key audit matter:

Inergy Technology Inc. (“the Company”) is an over-the-counter company that involves public interests where investors pay high attention to its operating performance. Therefore, revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit:

- Understanding the main types of revenues, contract contents, and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the variance analysis on the revenue from major customer.
- Testing the internal controls related to shipping operations and revenue recognition processes.
- Determining samples from sales transactions for a period before and after the balance sheet date to ensure the accuracy of the document related to revenue recognition.

Other Matter

Inergy Technology Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient 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 the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Yun-Chu and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
February 21, 2025

Notes to Readers

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 759,618	42	546,741	36
1172	Notes and accounts receivable, net (notes 6(c) and (o))	205,892	11	131,755	9
1200	Other receivables	1,904	-	1,047	-
130x	Inventories (note 6(d))	280,991	16	201,607	13
1476	Other current financial assets (notes 6(h) and 9)	124,208	7	-	-
1479	Other current assets (notes 6(h) and 9)	14,291	1	24,498	1
	Total current assets	1,386,904	77	905,648	59
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	36,405	2	32,931	2
1600	Property, plant and equipment (notes 6(e), 8 and 9)	320,740	18	318,743	21
1755	Right-of-use assets (note 6(f))	6,972	-	4,741	-
1780	Intangible assets (note 6(g))	7,706	-	10,646	1
1840	Deferred tax assets (note 6(l))	15,212	1	25,113	2
1920	Guarantee deposits paid (note 9)	12,684	1	209,927	14
1980	Other non-current financial assets (notes 6(h) and 8)	15,424	1	14,480	1
1995	Other non-current assets (note 6(h))	3,907	-	2,675	-
	Total non-current asset	419,050	23	619,256	41
1xxx	**Total assets**	$ 1,805,954	100	1,524,904	100

	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(i) and (u))	$ 74,516	4	-	-
2130	Contract liabilities-current (note 6(o))	697	-	377	-
2170	Notes and accounts payable	198,354	11	88,623	5
2200	Other payables (note 6(p))	46,198	3	27,122	2
2230	Current tax liabilities	15,188	1	14,574	1
2280	Lease liabilities-current (notes 6(j) and (u))	3,025	-	2,272	-
2320	Long term liabilities, current portion (notes 6(i) and 8)	14,780	1	14,528	1
2399	Other current liabilities (notes 6(i) and 9)	36,298	2	25,623	2
	Total current liabilities	389,056	22	173,119	11
25xx	**Non- current liabilities:**				
2540	Long-term borrowings (notes 6(i) and 8)	165,682	9	180,456	12
2570	Deferred tax liabilities (note 6(l))	3,652	-	-	-
2580	Lease liabilities-non-current (notes 6(j) and (u))	4,134	-	2,519	-
2645	Guarantee deposits received (note 9)	35,000	2	70,000	5
	Total non-current liabilities	208,468	11	252,975	17
2xxx	**Total liabilities**	597,524	33	426,094	28
31xx	**Equity (notes 6(b) and (m)):**				
3110	Ordinary shares	457,200	25	457,200	30
3200	Capital surplus	570,003	32	594,692	39
3300	Retained earnings	185,320	10	53,934	3
3400	Other equity	(4,093)	-	(7,016)	-
3xxx	**Total equity**	1,208,430	67	1,098,810	72
2-3xxx	**Total liabilities and equity**	$ 1,805,954	100	1,524,904	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(o))**	1,094,185	100	960,374	100
5000	**Operating costs (notes 6(d), (e), (f), (k), (p) and 12)**	759,826	69	783,358	82
5900	**Gross profit from operations**	334,359	31	177,016	18
	Operating expenses (notes 6(c), (e), (f), (g), (j), (k), (p), 7 and 12):				
6100	Selling expenses	42,468	4	41,670	4
6200	Administrative expenses	73,955	7	60,792	6
6300	Research and development expenses	97,102	9	77,996	8
6450	Expected credit losses (gains)	-	-	(24,145)	(3)
	Total operating expenses	213,525	20	156,313	15
6900	**Net operating income**	120,834	11	20,703	3
7000	**Non-operating income and expenses (notes 6(b), (j) and (q)):**				
7100	Interest income	21,061	2	10,725	1
7010	Other income	1,506	-	1,960	-
7020	Other gains and losses	51,975	5	(5,352)	(1)
7050	Finance costs	(4,736)	(1)	(4,038)	-
	Total non-operating income and expenses	69,806	6	3,295	-
7900	**Income before tax**	190,640	17	23,998	3
7950	**Less: Income tax expenses (note 6(l))**	38,223	3	7,690	1
8000	**Net income**	152,417	14	16,308	2
8300	**Other comprehensive income (notes 6(b) and (m)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,474	-	(1,242)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	3,474	-	(1,242)	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(551)	-	253	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(551)	-	253	-
8300	**Other comprehensive income**	2,923	-	(989)	-
8500	**Total comprehensive income**	$ 155,340	14	15,319	2
	Profit attributable to:				
8610	Owners of parent	$ 152,417	14	16,308	2
	Comprehensive income attributable to:				
8710	Owners of parent	$ 155,340	14	15,319	2
	Earnings per share (expressed in New Taiwan dollars) (note 6(n))				
9750	**Basic earnings per share**	$	3.33		0.36
9850	**Diluted earnings per share**	$	3.33		0.36

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interests	Total equity
Balance at January 1, 2023	$ 457,200	594,692	12,697	-	116,369	129,066	300	(6,327)	(6,027)	1,174,931
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	11,170	-	(11,170)	-	-	-	-	-
Special reserve	-	-	-	6,027	(6,027)	-	-	-	-	-
Cash dividends	-	-	-	-	(91,440)	(91,440)	-	-	-	(91,440)
Net income	-	-	-	-	16,308	16,308	-	-	-	16,308
Other comprehensive income	-	-	-	-	-	-	253	(1,242)	(989)	(989)
Total comprehensive income	-	-	-	-	16,308	16,308	253	(1,242)	(989)	15,319
Balance on December 31, 2023	457,200	594,692	23,867	6,027	24,040	53,934	553	(7,569)	(7,016)	1,098,810
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	1,631	-	(1,631)	-	-	-	-	-
Special reserve	-	-	-	989	(989)	-	-	-	-	-
Cash dividends	-	(24,689)	-	-	(21,031)	(21,031)	-	-	-	(45,720)
Net income	-	-	-	-	152,417	152,417	-	-	-	152,417
Other comprehensive income	-	-	-	-	-	-	(551)	3,474	2,923	2,923
Total comprehensive income	-	-	-	-	152,417	152,417	(551)	3,474	2,923	155,340
Balance at December 31, 2024	**$ 457,200**	**570,003**	**25,498**	**7,016**	**152,806**	**185,320**	**2**	**(4,095)**	**(4,093)**	**1,208,430**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Income before tax	$ 190,640	23,998
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	33,696	32,880
Amortization expense	3,288	2,776
Expected credit gains	-	(24,145)
Interest expense	4,736	4,038
Interest income	(21,061)	(10,725)
Dividend income	(450)	(1,350)
(Gain) loss on disposal of property, plant and equipment	(202)	27
Others	(44)	1,084
Total adjustments to reconcile profit (loss)	19,963	4,585
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes and accounts receivable	(73,769)	26,586
(Increase) decrease in other receivable	(767)	5
(Increase) decrease in inventories	(79,141)	234,881
Decrease in other current assets	10,235	25,813
Decrease in other non-current assets	-	3,608
Total changes in operating assets	(143,442)	290,893
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	316	(998)
Increase (decrease) in notes and accounts payable	109,731	(131,337)
Increase (decrease) in other payables	19,117	(9,727)
Increase (decrease) in other current liabilities	190	(880)
Total changes in operating liabilities	129,354	(142,942)
Total changes in operating assets and liabilities	(14,088)	147,951
Total adjustments	5,875	152,536
Cash inflow generated from operations	196,515	176,534
Income taxes paid	(24,056)	(37,271)
Net cash flows from operating activities	172,459	139,263
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(33,398)	(20,403)
Proceeds from disposal of property, plant and equipment	216	798
Decrease in guarantee deposits paid	73,050	92
Acquisition of intangible assets	(347)	(10,152)
(Increase) decrease in other financial assets	(944)	6,995
Interest received	20,970	10,750
Dividends received	450	1,350
Net cash flows from (used in) investing activities	59,997	(10,570)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	75,000	-
Repayment of long-term borrowings	(14,522)	(14,016)
Decrease in guarantee deposits received	(25,000)	(35,000)
Payment of lease liabilities	(3,579)	(3,764)
Cash dividends paid	(45,720)	(91,440)
Interest paid	(4,632)	(4,022)
Net cash flows used in financing activities	(18,453)	(148,242)
Effect of exchange rate changes on cash and cash equivalents	(1,126)	517
Net increase (decrease) in cash and cash equivalents	212,877	(19,032)
Cash and cash equivalents at beginning of period	546,741	565,773
Cash and cash equivalents at ending of period	**$ 759,618**	**546,741**

See accompanying notes to consolidated financial statements.

(1) Company history

Inergy Technology Inc. (the “Company”) was incorporated on November 1, 2007 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 8F-3 , No.8 Taiyuan 2nd St., Jhubei City., Hsinchu County, Taiwan. inergy Technology Inc. and its subsidiaries (“the Group”) major operating activities are product designing, and wholesale and retail sale of electrical appliance, and wholesale and retail sale of electronic materials, and international trade.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issue by the Board of Directors on February 21, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(b) The impact of IFRS Accounting Standares endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The impact of IFRS Accounting Standares issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to " IFRS Accounting Standards" endorsed by the "FSC").

(b) Basis of preparation

(i) Basis of measurement

Except for the financial assets at fair value through other comprehansive income are measured at fair value, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Financial reports of subsidiaries had been adjusted properly and the accounting policies used in subsidiaries are same to the Group’s accounting policies.

Changes in the Group’s ownershop interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2024**	**December 31, 2023**	**Description**
The Company	Guanghong Power drive (Shenzhen) electronic technology co., LTD.	Selling of eletronic products	100 %	100 %	Note

Note: The aforementioned subsidiarie was recognized base on the audited financial statements by the certified public accountant.

(iii) Subsidiaries excluded the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(f) Cash and cash equivalents

Cash comprises cash on hand and bank deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment lossess, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income from equity investments is recognized in profit or loss on the date on which the Group's right to receive payment is established, which is normally the ex-dividend date.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets and etc.).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for notes and accounts receivable are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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The time deposit held by the Group are trade with domestic domestic financial institutions, so the credit risk is considered low.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 180 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

(Continued)

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures

Main buildings	50 years
Others	8~10 years

(Continued)

2)	Machinery and equipment	1~5 years
3)	Transportation equipment	5 years
4)	Other equipment	3~5 years
5)	Office equipment	3 years
6)	Lease improvement	3~5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lease

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including substantively fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment on whether it will have the option to exercise a purchase, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘rent income'.

(k) Intangible assets

(i) Recognition and measurement

Intangible assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The Group's intangible assets is computer software, the estimated useful lives for current and comparative periods was 1 to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or the cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(Continued)

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(m) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

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

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(n) Government grants

The Group recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the government grants; they are then recognized as other income on a systematic basis over the useful life of the assets. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Group calculates the fair value of its loans from financial institutions with government assistance in the form of a guarantee based on the market interest rates, and recognizes the difference between the fair value of the loans and the amount paid as other income.

(Continued)

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(o) Employee benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reduction are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainly related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(Continued)

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There is no information about critical judgments in the consolidated financial statements.

Information about assumptions and estimation uncertainties that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The accounting policy and disclosure of the Group include that measuring financial assets and liabilities at fair value through profit or loss. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

(Continued)

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

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

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Please refer to note 6(r) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 242	246
Demand and checking deposits	487,096	270,150
Time deposits	108,355	276,345
Cash equivalents (investments in bonds sold under repurchase agreement)	163,925	-
	$ 759,618	**546,741**

Please refer to note 6(r) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Non-current financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Domestic listed companies	$ 36,405	-
Domestic unlisted companies	-	32,931
	$ 36,405	**32,931**

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

During the years ended December 31, 2024 and 2023, the group received dividend income $450 and $1,350, respectively, of the equity investment designated at fair value though other comprehensive income.

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There were no disposals of equity securities as at fair value through other comprehensive income and transfers of any cumulative gain or loss within equity relating to these investments as of 2024 and 2023.

(i) For credit and market risk, please refer to note 6(r).

(ii) The aforementioned financial assets were not pledged.

(c) Notes and accounts receivable

		December 31, 2024	December 31, 2023
Notes receivable	$	4,302	7,255
Accounts receivable		201,590	124,500
Less: loss allowance		-	-
	$	205,892	131,755

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The loss allowance provision was determined as follows:

	December 31, 2024			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$	186,087	-	-
Overdue within 90 days		19,805	-	-
	$	205,892		-

	December 31, 2023			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$	117,128	-	-
Overdue within 90 days		14,627	-	-
	$	131,755		-

The movements in the allowance for notes and accounts receivable were as follows:

		2024	2023
Balance at January 1	$	-	24,145
Impairment reversed recognized		-	(24,145)
Balance at December 31	$	-	-

The Group's notes and accounts receivable were not discounted and pledged. For further credit risk information, please refer to note 6(r).

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(d) Inventories

		December 31, 2024	December 31, 2023
Raw materials	$	8,499	29,276
Work in process		218,968	133,115
Merchandise and finished goods		53,524	39,216
	$	**280,991**	**201,607**

Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

		2024	2023
Losses (gains) on valuation of inventories	$	**(44,390)**	**57,497**

(i) The aforementioned gains on valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

(ii) The Group's inventories were not pledged.

(e) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023, were as follows :

		Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Cost:									
Balance at January 1, 2024	$	73,697	195,360	102,965	1,211	1,125	9,467	593	384,418
Additions		-	267	11,554	1,288	109	2,087	208	15,513
Disposals		-	-	(14,387)	(1,211)	-	(714)	-	(16,312)
Reclassification (Note)		-	-	16,457	-	-	-	-	16,457
Effect of exchange rate changes		-	-	18	9	-	8	1	36
Balance at December 31, 2024	$	**73,697**	**195,627**	**116,607**	**1,297**	**1,234**	**10,848**	**802**	**400,112**
Balance at January 1, 2023	$	73,697	195,217	95,780	2,134	1,125	9,566	593	378,112
Additions		-	143	10,857	-	-	655	-	11,655
Disposals		-	-	(13,672)	(919)	-	(1,250)	-	(15,841)
Reclassification (Note)		-	-	10,011	-	-	500	-	10,511
Effect of exchange rate changes		-	-	(11)	(4)	-	(4)	-	(19)
Balance at December 31, 2023	$	**73,697**	**195,360**	**102,965**	**1,211**	**1,125**	**9,467**	**593**	**384,418**
Accumulated depreciation:									
Balance at January 1, 2024	$	-	15,863	43,019	1,211	402	5,007	173	65,675
Depreciation		-	6,082	20,955	161	200	2,467	112	29,977
Disposals		-	-	(14,387)	(1,211)	-	(700)	-	(16,298)
Effect of exchange rate changes		-	-	12	1	-	5	-	18
Balance at December 31, 2024	$	**-**	**21,945**	**49,599**	**162**	**602**	**6,779**	**285**	**79,372**
Balance at January 1, 2023	$	-	9,787	36,334	1,216	213	3,928	74	51,552
Depreciation		-	6,076	20,318	162	189	2,306	99	29,150
Disposals		-	-	(13,626)	(166)	-	(1,224)	-	(15,016)
Effect of exchange rate changes		-	-	(7)	(1)	-	(3)	-	(11)
Balance at December 31, 2023	$	**-**	**15,863**	**43,019**	**1,211**	**402**	**5,007**	**173**	**65,675**
Carrying value:									
Balance at December 31, 2024	$	**73,697**	**173,682**	**67,008**	**1,135**	**632**	**4,069**	**517**	**320,740**
Balance at January 1, 2023	$	**73,697**	**185,430**	**59,446**	**918**	**912**	**5,638**	**519**	**326,560**
Balance at December 31, 2023	$	**73,697**	**179,497**	**59,946**	**-**	**723**	**4,460**	**420**	**318,743**

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(Note): Reclassifications are mainly the prepayments for business facilities being reclassified to property,plant and equipment.

As of December 31, 2024 and 2023, the property, plant, and equipment were subject to a registered debenture to secured bank loans and credit lines, the collateral for these long-term borrowings were disclosed in note 8.

(f) Right-of-use assets

The Group leases buildings and structures and equipment. The movements in right-of-use assets were as follows:

	Buildings and structures	Equipment	Total
Cost:			
Balance at January 1, 2024	$ 10,825	1,883	12,708
Additions	5,251	636	5,887
Decreases	(4,909)	(1,883)	(6,792)
Effect of exchange rate changes	170	-	170
Balance at December 31, 2024	$ **11,337**	**636**	**11,973**
Balance at January 1, 2023	$ 10,911	2,367	13,278
Decreases	-	(484)	(484)
Effect of exchange rate changes	(86)	-	(86)
Balance at December 31, 2023	$ **10,825**	**1,883**	**12,708**
Accumulated depreciation:			
Balance at January 1, 2024	$ 6,084	1,883	7,967
Depreciation	3,083	636	3,719
Decreases	(4,909)	(1,883)	(6,792)
Effect of exchange rate changes	107	-	107
Balance at December 31, 2024	$ **4,365**	**636**	**5,001**
Balance at January 1, 2023	$ 3,092	1,686	4,778
Depreciation	3,049	681	3,730
Decreases	-	(484)	(484)
Effect of exchange rate changes	(57)	-	(57)
Balance at December 31, 2023	$ **6,084**	**1,883**	**7,967**
Carrying value:			
Balance at December 31, 2024	$ **6,972**	**-**	**6,972**
Balance at January 1, 2023	$ **7,819**	**681**	**8,500**
Balance at December 31, 2023	$ **4,741**	**-**	**4,741**

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(g) Intangible assets

The cost and accumulated amortization of the intangible assets of the Group for the years ended December 31, 2024 and 2023, were as follows:

		Computer Software
Costs:		
Balance at January 1, 2024	$	15,506
Additions		347
Decreases		(4,464)
Effect of exchange rate changes		10
Balance at December 31, 2024	**$**	**11,399**
Balance at January 1, 2023	$	5,979
Additions		10,152
Decreases		(620)
Effect of exchange rate changes		(5)
Balance at December 31, 2023	**$**	**15,506**
Accumulated amortization:		
Balance at January 1, 2024	$	4,860
Amortization		3,288
Decreases		(4,464)
Effect of exchange rate changes		9
Balance at December 31, 2024	**$**	**3,693**
Balance at January 1, 2023	$	2,709
Amortization		2,776
Decreases		(620)
Effect of exchange rate changes		(5)
Balance at December 31, 2023	**$**	**4,860**
Carrying value:		
Balance at December 31, 2024	**$**	**7,706**
Balance at January 1, 2023	**$**	**3,270**
Balance at December 31, 2023	**$**	**10,646**

(i) Amortization expense

For the years ended December 31, 2024 and 2023, the amortization of intangible assets is included in the consolidated statement of comprehensive income:

		2024	2023
Operating expense	**$**	**3,288**	**2,776**

(ii) Pledge

As of December 31, 2024 and 2023, the intangible assets were not pledged.

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(h) Other financial assets, other current assets and other non-current assets

The details of the Group's other current financial assets were as follows:

	December 31, 2024	December 31, 2023
Guarantee deposits paid	$ 124,208	-

The details of the Group's other current assets were as follows:

	December 31, 2024	December 31, 2023
Prepayments to suppliers	$ 1,443	19,411
Tax refund	6,396	1,950
Others	6,452	3,137
	$ 14,291	24,498

The details of the Group's other non-current financial assets were as follows:

	December 31, 2024	December 31, 2023
Restricted deposits	$ 15,424	14,480

The details of the Group's other non-current assets were as follows:

	December 31, 2024	December 31, 2023
Prepayments for equipment	$ 3,907	2,675

As of December 31, 2024 and 2023, the restricted deposits of the Group had been pledged as collateral, please refer to note 8.

(i) Short-term and long-term borrowings

The details of the Group for short-term borrowings were as follows:

	December 31, 2024	December 31, 2023
Unsecured bank borrowings (in NTD)	$ 74,516	-
Annual interest rate	0.5%~2.12%	-

The details of the Group for long-term borrowings were as follows:

	December 31, 2024			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.975%～2.12%	2035/12/04~2036/01/21	$ 180,462
Less: Current portion				14,780
Total				$ 165,682
Unused bank credit lines for short-term and long-term borrowings				$ 250,000

(Continued)

	December 31, 2023			
	Currency	**Interest rate**	**Expiration**	**Amount**
Secured long-term borrowings	NTD	1.95%～2%	2035/12/04~2036/01/21	$ 194,984
Less: Current portion				14,528
Total				$ 180,456
Unused bank credit lines for short-term and long-term borrowings				$ 310,000

(i) For collateral for long-term borrowings, please refer to note 8.

(ii) Government credit guarantee low-interest loans

On December 2, 2024, an additional unsecured bank loan of NTD35,000 was obtained, with an annual interest rate of 0.5%, maturing on December 2, 2025. This loan was secured under the "Guidelines for the Ministry of Economic Affairs' Project Loans to Assist SMEs in Low-Carbon and Smart Transformation Development and Optimization of Infrastructure for Regulated and Specific Factories," and was obtained as a low-interest project loan from E.SUN Bank, fully guaranteed by the domestic government. The loan disbursement is recognized and measured at market interest rates, with the difference between the actual preferential interest rate and the market rate, in accordance with government grants, recognized as deferred income under other current liabilities.

(j) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	**December 31, 2023**
Current	$ 3,025	2,272
Non-current	$ 4,134	2,519

For the maturity analysis, please refer to note 6(r).

The amounts recognized in profit or loss were as follows:

	2024	**2023**
Interest expenses on lease liabilities	$ 134	145
Expenses relating to short-term leases	$ 154	186
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 130	134

The amounts recognized in the statement of cash flows by the Group were as follows:

	2024	**2023**
Total cash outflow for leases	$ 3,997	4,229

(Continued)

The Group leases buildings and structures for plants and office space. The leases of them typically run for a period of 1 to 5 years. The Group leases transportation equipment, with lease terms of 1 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group also leases office and office equipment with contract terms of 1 to 2 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(k) Employee benefits

(i) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

(ii) The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $3,920 and $3,147 for the years ended December 31, 2024 and 2023, respectively.

(iii) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

The Group recognized the pension costs in accordance with the pension regulations were as follows:

	2024	2023
Operating expense	**$ 988**	**1,305**

(l) Income taxes

(i) Income tax expense (benefits)

The components of income tax expense (benefits) were as follows:

	2024	2023
Current tax expenses	$ 24,670	16,198
Deferred tax expenses (benefits)		
Origination and reversal of temporary difference	13,553	(8,508)
Subtotal	13,553	(8,508)
Income tax expenses	**$ 38,223**	**7,690**

The Group did not recognized any amount of income tax expense (benefits) in equity and other comprehensive income for the years ended December 31, 2024 and 2023.

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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Reconciliation of income tax expense and profit before tax for 2024 and 2023 were as follows:

	2024	2023
Inocme before tax	$ 190,640	23,998
Income tax using the Company's domestic tax rate	38,128	4,800
Effect of tax rates in foreign jurisdiction	(97)	(534)
Changes in unrecognized temporary differences	(431)	2,202
Changes in provision in prior periods	(270)	571
Others	893	651
	$ 38,223	**7,690**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

The Group's unrecognized deferred tax assets were as follows:

	December 31, 2024	December 31, 2023
Tax effect of deductible temporary differences	$ 5,283	4,896
Loss carryforwards	4,512	4,903
	$ 9,795	**9,799**

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. As of December 31, 2024, the Group's loss carry-forward recognized and unrecognized as deferred tax assets and the expiry year were as follows:

Year of loss	Unrecognized un-deducted loss	Recognized un-deducted loss	Expiry date
2022	$ 2,308	-	2027
2023	2,204	-	2028
	$ 4,512	**-**	

The Group has no unrecognized deferred tax liabilities as of December 31, 2024 and 2023.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2024 and 2023 were as follows:

		Loss on valuation of inventories	Unrealized exchange loss	Expected credit loss	Others	Total
Deferred tax assets:						
Balance at January 1, 2024	$	24,441	119	-	553	25,113
Recognized in profit or loss		(9,576)	(119)	-	(206)	(9,901)
Balance at December 31, 2024	**$**	**14,865**	**-**	**-**	**347**	**15,212**
Balance at January 1, 2023	$	14,503	-	4,465	220	19,188
Recognized in profit or loss		9,938	119	(4,465)	333	5,925
Balance at December 31, 2023	**$**	**24,441**	**119**	**-**	**553**	**25,113**

		Unrealized exchange gains
Deferred tax liabilities:		
Balance at January 1, 2024	$	-
Recognized in profit or loss		(3,652)
Balance at December 31, 2024	**$**	**(3,652)**
Balance at January 1, 2023	$	2,583
Recognized in profit or loss		(2,583)
Balance at December 31, 2023	**$**	**-**

(iii) Assessment

The Company's income tax returns for all years through 2022 were assessed by the tax authorities.

(m) Capital and other equity

(i) Ordinary shares

As of December 31, 2024 and 2023, the Company's authorized ordinary shares consisted of 50,000 thousand shares, with a par value of $10 per share, amounting to $500,000, of which 45,720 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2024	December 31, 2023
Cash subscription in excess of par value of shares	$	569,928	594,617
Employee stock options		75	75
	$	**570,003**	**594,692**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total ordinary shares outstanding.

On June 14, 2024, the shareholders' meeting resolved to distribute the cash dividends from the Company's capital surplus for an amount of $24,689 with a face value of NTD0.54 per share. The related information can be found on websites such as the Market Observation Post System.

(iii) Retained earnings

The Company's article of incorporation stipulate that the Company's net earnings should first be used to offset any prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's total paid-in capital. The remainder, if any, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted during the shareholders' meeting for approval.

As the Company is a technology intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Cash dividends and share dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows. The amount of dividends to shareholders shall not be less than 10% of the profit from the current year. However, when the accumulated distributable surplus is less than 10% of the paid-in capital, it may not be distributed. No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For cash dividends, the amount should not be lower than 10% of the total shareholders' dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2023 and 2022 were decided by the resolutions adopted at the general meetings of shareholders held on June 14, 2024 and June 26, 2023, respectively, as follows:

	2023		2022	
	Amount per share (in dollars)	Total amount	Amount per share (in dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	$ 0.46	21,031	2	91,440

On February 21, 2025, the Company's Board of Directors resolved to appropriate the 2024 earnings. These earnings were appropriated as follows:

	2024	
	Amount per share	Total amount
Dividends distributed to ordinary shareholders：		
Cash	$ 2	91,440

The related information mentioned above can be found on websites such as the Market Observation Post System.

(iv) Other equity interests (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ 553	(7,569)	(7,016)
Exchange differences on translation of foreign financial statements	(551)	-	(551)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	3,474	3,474
Balance at December 31, 2024	$ 2	(4,095)	(4,093)

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INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ 300	(6,327)	(6,027)
Exchange differences on translation of foreign financial statements	253	-	253
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(1,242)	(1,242)
Balance at December 31, 2023	**$ 553**	**(7,569)**	**(7,016)**

(n) Earnings per share

The Group's basic and diluted earnings per share were calculated as follows:

	2024	2023
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	**$ 152,417**	**16,308**
Weighted average number of ordinary shares outstanding (in thousands)	**45,720**	**45,720**
Basic earnings per share (in dollars)	**$ 3.33**	**0.36**
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	**$ 152,417**	**16,308**
Weighted average number of ordinary shares outstanding (in thousands)	45,720	45,720
Employee remuneration (thousands shares)	88	34
Weighted average ordinary shares outstanding (diluted) (thousands shares)	**45,808**	**45,754**
Diluted earnings per share (in dollars)	**$ 3.33**	**0.36**

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Primary geographical markets:		
Taiwan	$ 342,647	344,061
China	730,496	602,861
Vietman	20,438	12,352
Others	604	1,100
	$ 1,094,185	**960,374**

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		2024	2023
Major products:			
Power semiconductor devices	$	835,601	778,980
Brushless DC Motors		164,003	136,534
Others		94,581	44,860
	$	**1,094,185**	**960,374**

(ii) Contract balance

		December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$	4,302	7,255	7,948
Accounts receivable		201,590	124,500	150,541
Less: loss allowance		-	-	(24,145)
Total	$	**205,892**	**131,755**	**134,344**
Contract liabilities-current	$	**697**	**377**	**1,375**

For details on notes and accounts receivables and loss allowance, please refer to note 6(c).

The amount of revenue recognized for the year ended December 31, 2024 and 2023 that were included in the contract liabilities balances at the beginning of the period were $320 and $1,318, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the integrated circuit sales contracts, for which revenue is recognized when products are delivered to customers.

(p) Remuneration to employees and directors

According to the Company's Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of employees' and directors' compensation) shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) No less than 1% but no more than 15% of profit as employees' remuneration. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirement shall be determined by the Board of Directors.

(ii) No more than 5% of profit as the remuneration in cash to the Directors.

The Company estimated its employees' and directors' remuneration were as follows:

		2024	2023
Employees' remuneration	$	7,230	1,137
Directors' remuneration		2,300	116
	$	**9,530**	**1,253**

(Continued)

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2024 and 2023. The related information can be found on Market Observation Post System website.

(q) Non-operating income and expenses

(i) Interest income

		2024	2023
Interest income from bank deposits	$	21,056	10,720
Other interest income		5	5
	$	21,061	10,725

(ii) Other income

		2024	2023
Rent income	$	1,056	610
Dividend income		450	1,350
	$	1,506	1,960

(iii) Other gains and losses

		2024	2023
Foreign exchange gains (loss), net	$	51,319	(5,021)
Gains (loss) on disposal of property, plant and equipment		202	(27)
Others		454	(304)
	$	51,975	(5,352)

(iv) Finance costs

		2024	2023
Interest expense	$	4,736	4,038

(r) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2024 and 2023, the Group's notes and accounts receivable were concentrated on 5 and 4 customers, whose accounts represented 70% and 76% of the total notes and accounts receivable, respectively. In order to reduce the credit risk on these notes and accounts receivable, the Group evaluates the financial status of these customers and possible loss of accounts receivable periodically.

3) Receivable and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables, other financial assets and guarantee deposits paid, all of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 254,978	276,610	93,550	18,270	54,810	109,980
Notes and accounts payable	198,354	198,354	198,354	-	-	-
Other payables	46,198	46,198	46,198	-	-	-
Lease liabilities	7,159	7,419	3,193	3,140	1,086	-
Guarantee deposits received	70,000	70,000	35,000	35,000	-	-
	$ 576,689	**598,581**	**376,295**	**56,410**	**55,896**	**109,980**
December 31, 2023						
Non-derivative financial liabilities						
Long-term borrowings (included current parties)	$ 194,984	219,034	18,223	18,223	54,669	127,919
Notes and accounts payable	88,623	88,623	88,623	-	-	-
Other payables	27,122	27,122	27,122	-	-	-
Lease liabilities	4,791	4,883	2,327	1,278	1,278	-
Guarantee deposits received	95,000	95,000	25,000	35,000	35,000	-
	$ 410,520	**434,662**	**161,295**	**54,501**	**90,947**	**127,919**

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The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to credit risk

The Group's significant exposure to foreign currency risk were as follows:

		December 31, 2024			December 31, 2023		
		Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets							
Monetary items							
USD	$	27,342	32.785	896,400	27,036	30.705	830,131
CNY		329	4.4889	1,477	1,418	4.3248	6,131
Financial liabilities							
Monetary items							
USD	$	8,054	32.785	264,049	3,842	30.705	117,964
CNY		200	4.4889	898	200	4.3248	865
Non-monetary item							
CNY	$	3,474	4.4889	15,593	3,277	4.3248	14,172

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, guarantee deposits paid, notes and accounts payable, other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and CNY as of 2024 and 2023, would have increased (decreased) the income before tax by $31,647 and $35,872, respectively. The analysis is performed on the same basis for the years ended December 31, 2024 and 2023.

3) Foreign exchange gains and losses on monetary items

For the years ended December 31, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to $51,319 and $(5,021), respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was oustanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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If the interest rate had increased / decreased by 1%, the Group's net income would have increased / decreased by $2,206 and $1,950 for the years ended December 31, 2024 and 2023, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at floating variable rates.

(v) Other market price risk

For the years ended December 31, 2024 and 2023, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2024		2023	
Price of the securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 5%	$ 1,820	-	1,647	-
Decreasing 5%	$ (1,820)	-	(1,647)	-

(vi) Fair value

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group’s financial assets and liabilities are valuated approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

	December 31, 2024				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic listed companies listed	$ 36,405	36,405	-	-	36,405

	December 31, 2023				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic unlisted companies	$ 32,931	-	-	32,931	32,931

2) Valuation techniques of financial instruments valued at fair value

The fair value of non-derivative financial instruments traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm' s length basis. Otherwise, the market is deemed to be inactive.

Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

The fair value is based on the valuation techniques or the quotation from the counter-party. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, its fair value is listed by category and attribute as follows:

- Unquoted equity instruments: The fair value, which is discounted for its lack of liquidity in the market, is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share.

3) Level transfers of financial instruments

In March 2024, Micro Silicon Electronics Corp., which the Group holds an investment in equity shares of, listed its equity shares on a stock exchange and it is currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the first quarter of 2024.

4) Movement of level 3

	Fair value through other comprehensive income Unquoted equity instruments
January 1, 2024	$ 32,931
Total gains or losses:	
Recognized in other comprehensive income	1,656
Transfer out of level 3	(34,587)
December 31, 2024	$ -

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		Fair value through other comprehensive income
		Unquoted equity instruments
January 1, 2023	$	34,173
Total gains or losses:		
Recognized in other comprehensive income		(1,242)
December 31, 2023	**$**	**32,931**

The proceeding gains and losses were recognized as "unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income". As of December 31, 2024 and 2023, the related information of the assets which were still held by the Group were as follows:

	For the years ended December 31	
	2024	**2023**
Other comprehensive income (recognized as unrealized gains (losses) from financial assets at fair value through other comprehensive income)	**$ -**	**(1,242)**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include “financial assets at fair value through other comprehensive income-equity investments.”

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity investments are independent from each other, as a result, there is no relevance between them.

Qualified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Comparable companies approach	● Price-book ratio (as of December 31, 2023 was 2.07~2.70） ● Market liquidity discount rate(as of December 31, 2023 was 20%)	● The higher the ratio, the higher the fair value ● The higher the market liquidity discount rate, the lower the fair value

(Continued)

6) Sensitivity analysis of reasonably possible alternative assumptions for fair value measurements in Level 3 of the fair value hierarchy

The Group's measurement of the fair value of financial instruments is reasonable. If different evaluation models or evaluation parameters are used, the evaluation results may be different. For financial instruments classified as level 3, if the evaluation parameters change, the impact on other comprehensive income is as follows:

	Inputs	Increase or decrease	Effect of changes in fair value on other comprehensive income: Favorable	Effect of changes in fair value on other comprehensive income: Unfavorable
December 31, 2023				
Financial assets at fair value through other comprehensive income:				
Equity investments without an active market	Price-book-ratio	5 %	1,647	(1,647)
〃	Market liquidity discount rate	5 %	1,647	(1,647)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the inter-relationships with another input.

(s) Management of financial risk

(i) Overview

The Group is exposed to the extent of the risks arising from financial instruments as below:

1) Credit risk

2) Liquidity risk

3) Market risk

Detailed information about exposure risk arising from the aforementioned risk was listed below. The Group’s objective, policies and process for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework, while the management is responsible for developing and monitoring the Group’s risk management policies and reports regularly to the Board of Directors on its activities.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, and evaluate the influence of market risks, and implement related policies to hedge financial risk. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(Continued)

The Group's Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and the procedures, and the result of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations that arises principally from the Group's notes and accounts receivable and bank deposits.

The Group's finance department has established a credit policy, in which the Group analyzes each new customer individually for their credit worthiness before granting them standard payment terms and delivery terms. The Group's review includes obtaining external information. Credit limits are established for each customer and are reviewed quarterly. Any transactions which exceed the credit limits have to be approved by finance department and competent authorities.

According to the Group's policy, the Group can only provide guarantee to those who are listed under the regulation. As of December 31, 2024 and 2023, no guarantees were provided by the Group.

(iv) Liquidity risk

The Group maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

As of December 31, 2024 and 2023, the Group has unused credit lines for long-term and short-term bank loans of $250,000 and $310,000, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

All such transactions are carried out within the guidelines set by the Board of Directors in order to manage market risk.

1) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD. The currencies used in these transactions are the USD and CNY.

The Group's currency risk management policy is reserving the foreign currency position arising from sales appropriately to remit the foreign currency expenditures and then meets the natural hedge.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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2) Interest rate risk

The Group’ s long-term and short-term borrowings bear floating interest rates. The changes in effective rate, along with the fluctuation of the market interest rate, have an impact on the Group’s future cash flow. In response to the changes in interest rates, the Group assesses the rate of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group also strengthens its management of working capital, reduces dependence on bank borrowings, and lowers its risk of changes in interest rates.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The management of the Group monitors the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

(t) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital. The total equity is all components of equity. The Group oversees capital structure by review debt to asset ratio periodically.

As of December 31, 2024 and 2023, the debt to asset ratio of the Group were as follows :

	December 31, 2024	December 31, 2023
Total liabilities	$ **597,524**	**426,094**
Total assets	$ **1,805,954**	**1,524,904**
Debt to asset ratio	**33%**	**28%**

As of December 31, 2024, there were no changes in the Group's approach to capital management.

(u) Financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow were acquisitions of right-of-used assets under leases.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Others	December 31, 2024
Short-term borrowings	$ -	75,000	-	(484)	74,516
Lease liabilities	4,791	(3,579)	60	5,887	7,159
Total liabilities from financing activities	$ **4,791**	**71,421**	**60**	**5,403**	**81,675**

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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	January 1, 2023	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Others	December 31, 2023
Lease liabilities	$ 8,582	(3,764)	(27)	-	4,791

(7) Related-party transactions

(a) Key management personnel remuneration

Key management personnel remuneration comprised:

	2024	2023
Short-term employee benefits	$ 19,788	14,551
Post-employment benefits	310	305
	$ 20,098	**14,856**

(b) Others related-party transactions: None.

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Property, plant, and equipment:			
Land and buildings and structures	Long-term borrowings	$ 247,379	253,194
Other non-current financial assets:	Payment guarantee and		
Restricted time deposits	tariff guarantee	15,424	14,480
		$ 262,803	**267,674**

(9) Commitments and contingencies:

(a) The Group's unrecognized material contractual commitments were as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant, and equipment	**$ -**	**2,675**

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(b) In order to control the supply of raw materials and the productivity of foundry, the Group sign several supply guarantee agreements with different suppliers, wherein the Group makes advance payment, which has a fixed amount and foundry production capacity, as well as pays guarantee deposits, to its supplier. The contracts have term periods ranging from 1 to 3 years. As of December 31, 2024 and 2023, the Group evaluated that all guarantee deposits are refunded. The details of prepayment to suppliers (recognized as other current assets) and guarantee deposits paid arising from the aforementioned contracts were as follows:

	December 31, 2024	December 31, 2023
Prepayments to suppliers (recognized as other current assets)	$ -	17,723
Guarantee depostis paid	107,816	180,538
	$ 107,816	**198,261**

In addition, the Group entered into several supply agreements with a sales customer. The contracts have term periods ranging from 1 to 4 years. As of December 31, 2024 and 2023, the security deposits paid by the sales customer amounted to $70,000 and $95,000, respectively, recognized as other current liabilities and guarantee deposits received. Also the guarantee notes issued by the Group for the aforementioned transactions were $70,000 and $95,000, respectively.

(c) The Group's products sold to end customers are the subject of a patent infringement lawsuit filed in the United States District Court-Eastern District of Texas. After evaluating, the lawsuit has no significant impact on the Group's financial operations. The Group has appointed lawyers to actively take legal actions to respond to the lawsuit, in order to defend the rights and interests of the Group and its shareholders.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, were as follows:

By function / By item	2024 Operating cost	2024 Operating Expense	2024 Total	2023 Operating cost	2023 Operating Expense	2023 Total
Employee benefits						
Salary	416	104,443	104,859	173	86,167	86,340
Labor and health insurance	48	7,817	7,865	20	7,289	7,309
Pension	21	4,887	4,908	9	4,443	4,452
Remuneration of directors	-	3,566	3,566	-	1,172	1,172
Others	29	3,339	3,368	12	2,690	2,702
Depreciation	6,802	26,894	33,696	5,940	26,940	32,880
Amortization	-	3,288	3,288	-	2,716	2,716

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2024:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with Company	Account title	Ending balance				Highest Percentage of ownership (%)	Notes
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value		
The Company	Micro Silicon Electronics Corp.	-	Financial assets at fair value through other comprehensive income - non-current	900,000	36,405	1.31 %	36,405	1.31 %	-

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of paid-in-capital: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of paid-in-capital: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of paid-in-capital: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of paid-in-capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	Sales	287,222	26.57 %	OA90	-	-	100,814	35.89%	(Note)

(Note): The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of paid-in-capital:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	100,814	394.36 %	-		55,410	(None)

(Note): The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions				
				Account name (Note 3)	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 4)	Note
0	The company	Guanghong Power Drive (Shenzhen) Elec.	1	Accounts receivable	100,814	OA90	5.58%	(Note)
"	"	"	1	Operating revenue	287,222	OA90	26.25%	(Note)

Note: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: Company numbering is as follows:

Parent company－0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties is as follows:

Parent company to subsidiary－1

Subsidiary to parent company－2

Subsidiary to subsidiary－3

Note 3: The section only discloses the information of sales and accounts receivable of inter-company transactions. The purchase and accounts payable of counter-party is not disclosed due to duplicate.

Note 4: Calculated by using the transaction amount, divided by the consolidated operating revenues and total assets.

(b) Information on investees (excluding information on investees in mainland China): None

(c) Information on investment in mainland China:

The following are the information on investment in mainland China for the year ended December 31, 2024:

(i) The names of investees in mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow o investment from Taiwan at the beginning of this period	Investment flows		Accumulated outflow of nvestment from Taiwan at the end of this period	Net income (losses) of the investee (Note2)	Highest percentage of ownership (%)	Direct/Indirect percentage of ownership by the Company	Investment losses (Note2)	Carrying amount at the end of this period	Accumulated remittance of earnings in current period	Notes
					Outflow	Inflow								
Guanghong Power Drive (Shenzhen) Elec.	Electronic sales	9,675 (USD 300)	(Note 1)	9,675 (USD 300)	-	-	9,675 (USD 300)	(1,936)	100.00%	100.00%	(1,936)	(17,847)	-	(Note)

(ii) Limitation on investment in mainland China:

Accumulated Investment in mainland China as of December 31, 2024 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
9,675 (USD 300)	9,675 (USD 300)	725,058

Note : The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

Note 1: The Company invested in mainland China directly.

Note 2: The amount of net income (losses) was recognized based on the financial statements of the investee company audited by the same auditor of the parent company.

Note 3: The investment was recorded at the exchange rate prevailing at transaction date.

Note 4: Amount of upper limit on investment was sixty percentage of total equity.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:

(in shares)

Shareholding / Shareholder's Name	Shares	Percentage
Motech Industries Inc.	8,558,750	18.71 %
DIODES TAIWAN S.A R.L. (Formerly Known as Lite-On Semiconductor Corp)	3,380,000	7.39 %

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note 2: If the aforementioned data contains shares which are held in trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10%, in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information on the reported share equity of insider, please refer to the Market Observation Post System.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
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(14) Segment information:

The Group has one reportable segment. This segment is mainly involved in manufacturing and selling of integrated circuit. The segment information is the same as those described in the consolidated financial reports. Please refer to the consolidated balance sheets and the consolidated income statement.

(a) General information

The Group has one reportable segment. This segment is mainly involved in manufacturing and selling of integrated circuit.

(b) Profit or loss data of the reporting segment, assets and liabilities of the segment, the basis of measurement, and the related eliminations :

The accounting policies of the operating segment are similar to those described in note 4 "significant accounting policies". Operating segment profit or loss is measured before taxation (excluding any extraordinary activity and foreign exchange gains or losses) and is used as the basis for assessing performance. The information relating to profit or loss, assets and liabilities of the segment are the same as those described in the consolidated financial statements, please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

(c) Products and services information :

The Group is a single operation segment ; therefore, the Group's revenue was not disclosed by categories of products or services.

(d) Geographical information :

Segment revenue is based on the geographical location of customsers and segment assets that are based on the geographical location of the assets. For the information on revenue from external customers, please refer to note 6(o).

Geography	December 31, 2024	December 31, 2023
Non-current assets:		
Taiwan	$ 333,262	335,405
China	6,063	1,400
Total	**$ 339,325**	**336,805**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, aside from financial instruments and deferred tax assets.

INERGY TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Major customers

The amounts of sales to external customers representing greater than 10% of net revenue were as follows:

	2024		2023	
Customer	**Amount**	**Percentage of net revenue**	**Amount**	**Percentage of net revenue**
A Customer	$ 193,429	17.68	179,851	18.73
B Customer	167,718	15.33	107,187	11.16
	$ 361,147	**33.01**	**287,038**	**29.89**

Appendix 4

The parent company only financial statement for 2024, certified by a CPA

Stock Code:6693

INERGY TECHNOLOGY INC.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: 8F.-3, No. 8, Taiyuan 2nd St., Zhubei City, Hsinchu County, Taiwan
Telephone: 886-3-552-5766

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of inergy Technology Inc.:

Opinion

We have audited the financial statements of inergy Technology Inc.("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditor's report were as follows:

- Revenue recognition for sales

  Please refer to note 4(m) "Revenue" for accounting policy and note 6(p) "Revenue from contracts with customers" for further information.

  Description of the key audit matter

  The Company is an over-the-counter company that involves public interests where investors pay high attention to its operating performance. Therefore, revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit

- Understanding the main types of revenues, contract contents, and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the variance analysis on the revenue from major customer.
- Testing the internal controls related to shipping operations and revenue recognition processes.
- Determining samples from sales transactions for a period before and after the balance sheet date to ensure the accuracy of the document related to revenue recognition.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Yun-Chu and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
February 21, 2025

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 703,095	39	529,855	34
1172	Notes and accounts receivable, net (notes 6(c) and (p))	180,101	10	125,376	8
1180	Accounts receivable-related parties, net (notes 6(c), (p) and 7)	100,814	5	44,851	3
1200	Other receivables	1,904	-	1,047	-
130X	Inventories (note 6(d))	278,661	15	196,794	13
1476	Other current financial assets (notes 6(i) and 9)	124,208	7	-	-
1479	Other current assets (notes 6(i) and 9)	14,205	1	23,601	2
	Total current assets	1,402,988	77	921,524	60
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	36,405	2	32,931	2
1600	Property, plant and equipment (notes 6(f), 8 and 9)	319,228	18	318,481	21
1755	Right-of-use assets (note 6(g))	2,421	-	3,631	-
1780	Intangible assets (note 6(h))	7,706	-	10,618	1
1840	Deferred tax assets (note 6(m))	15,212	1	25,113	2
1920	Guarantee deposits paid (note 9)	12,357	1	209,505	13
1980	Other non-current financial assets (notes 6(i) and 8)	15,424	1	14,480	1
1995	Other non-current assets (note 6(i))	3,907	-	2,675	-
	Total non-current asset	412,660	23	617,434	40
	Total assets	**$ 1,815,648**	**100**	**1,538,958**	**100**

	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(j) and (v))	$ 74,516	4	-	-
2130	Contract liabilities-current (note 6(p))	58	-	377	-
2170	Notes and accounts payable	198,354	11	88,623	6
2200	Other payables (note 6(q))	42,399	2	24,891	1
2220	Other payables-related parties (note 7)	898	-	865	-
2230	Current tax liabilities	15,188	1	14,574	1
2280	Lease liabilities-current (notes 6(k) and (v))	1,304	-	1,286	-
2320	Long-term liabilities, current portion (notes 6(j) and 8)	14,780	1	14,528	1
2399	Other current liabilities (notes 6(j) and 9)	36,271	2	25,590	2
	Total current liabilities	383,768	21	170,734	11
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (notes 6(j) and 8)	165,682	9	180,456	12
2570	Deferred tax liabilities (note 6(m))	3,652	-	-	-
2580	Lease liabilities－non-current (notes 6(k) and (v))	1,269	-	2,519	-
2645	Guarantee deposits received (note 9)	35,000	2	70,000	5
2650	Credit balance of investments accounted for using equity method (notes 6(e) and 7)	17,847	1	16,439	1
	Total non-current liabilities	223,450	12	269,414	18
2xxx	**Total liabilities**	607,218	33	440,148	29
31xx	**Equity (notes 6(b) and (n)):**				
3110	Ordinary shares	457,200	25	457,200	30
3200	Capital surplus	570,003	32	594,692	38
3300	Retained earnings	185,320	10	53,934	3
3400	Other equity	(4,093)	-	(7,016)	-
3xxx	**Total equity**	1,208,430	67	1,098,810	71
2-3xxx	**Total liabilities and equity**	**$ 1,815,648**	**100**	**1,538,958**	**100**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(p) and 7)**	$ 1,080,981	100	961,675	100
5000	**Operating costs (notes 6(d), (f), (g), (l), (q) and 12)**	756,139	70	785,819	82
5900	**Gross profit from operations**	324,842	30	175,856	18
5910	Less: Unrealized profit (loss) from sales (note 7)	(981)	-	(1,856)	-
5920	Add: Realized profit (loss) from sales	2,060	-	253	-
5950	**Gross profit from operations, net**	325,921	30	174,253	18
6000	**Operating expenses (notes 6(c), (f), (g), (h), (k), (l), (q), 7 and 12):**				
6100	Selling expenses	36,794	3	30,878	3
6200	Administrative expenses	72,154	7	58,883	6
6300	Research and development expenses	97,102	9	77,996	8
6450	Expected credit loss (gain)	-	-	(24,145)	(2)
	Total operating expenses	206,050	19	143,612	15
6900	**Net operating income**	119,871	11	30,641	3
7000	**Non-operating income and expenses (notes 6(b), (k), (r) and 7):**				
7100	Interest income	20,930	2	10,587	1
7010	Other income	1,037	-	1,844	-
7020	Other gains and losses	55,388	5	(4,435)	-
7050	Finance costs	(4,650)	-	(3,964)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	(1,936)	-	(10,675)	(1)
	Total non-operating income and expenses	70,769	7	(6,643)	-
7900	**Income before tax**	190,640	18	23,998	3
7950	**Less: Income tax expenses (note 6(m))**	38,223	4	7,690	1
8000	**Net income**	152,417	14	16,308	2
8300	**Other comprehensive income (notes 6(b) and (n)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,474	-	(1,242)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	3,474	-	(1,242)	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(551)	-	253	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(551)	-	253	-
8300	**Other comprehensive income**	2,923	-	(989)	-
8500	**Total comprehensive income**	$ 155,340	14	15,319	2
	Earnings per share (expressed in New Taiwan dollars) (note 6(o))				
9750	**Basic earnings per share**	$ 3.33		0.36	
9850	**Diluted earnings per share**	$ 3.33		0.36	

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interests	Total equity
Balance at January 1, 2023	$ 457,200	594,692	12,697	-	116,369	129,066	300	(6,327)	(6,027)	1,174,931
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	11,170	-	(11,170)	-	-	-	-	-
Special reserve	-	-	-	6,027	(6,027)	-	-	-	-	-
Cash dividends	-	-	-	-	(91,440)	(91,440)	-	-	-	(91,440)
Net income	-	-	-	-	16,308	16,308	-	-	-	16,308
Other comprehensive income	-	-	-	-	-	-	253	(1,242)	(989)	(989)
Total comprehensive income	-	-	-	-	16,308	16,308	253	(1,242)	(989)	15,319
Balance at December 31, 2023	457,200	594,692	23,867	6,027	24,040	53,934	553	(7,569)	(7,016)	1,098,810
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	1,631	-	(1,631)	-	-	-	-	-
Special reserve	-	-	-	989	(989)	-	-	-	-	-
Cash dividends	-	(24,689)	-	-	(21,031)	(21,031)	-	-	-	(45,720)
Net income	-	-	-	-	152,417	152,417	-	-	-	152,417
Other comprehensive income	-	-	-	-	-	-	(551)	3,474	2,923	2,923
Total comprehensive income	-	-	-	-	152,417	152,417	(551)	3,474	2,923	155,340
Balance at December 31, 2024	**$ 457,200**	**570,003**	**25,498**	**7,016**	**152,806**	**185,320**	**2**	**(4,095)**	**(4,093)**	**1,208,430**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Income before tax	$ 190,640	23,998
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	31,520	30,719
Amortization expense	3,259	2,690
Expected credit gains	-	(24,145)
Interest expense	4,650	3,964
Interest income	(20,930)	(10,587)
Dividends income	(450)	(1,350)
Share of loss of subsidiaries,associates and joint ventures accounted for using equity method	1,936	10,675
Gain on disposal of property, plant and equipment	(202)	-
Unrealized profit from sales	981	1,856
Realized profit from sales	(2,060)	(253)
Others	(44)	1,084
Total adjustments to reconcile profit (loss)	18,660	14,653
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes and accounts receivable	(54,725)	21,518
Increase in accounts receivable-related parties	(55,963)	(9,587)
(Increase) decrease in other receivable	(767)	5
(Increase) decrease in inventories	(81,867)	237,816
Decrease in other current assets	9,396	25,754
Decrease in other non-current assets	-	3,608
Total changes in operating assets	(183,926)	279,114
Changes in operating liabilities:		
Decrease in contract liabilities-current	(319)	(997)
Increase (decrease) in notes and accounts payable	109,731	(130,254)
Increase (decrease) in other payable	17,643	(9,537)
Increase (decrease) in other payable-related parties	33	(18)
Increase (decrease) in other current liabilities	197	(687)
Total changes in operating liabilities	127,285	(141,493)
Total changes in operating assets and liabilities	(56,641)	137,621
Total adjustments	(37,981)	152,274
Cash inflow generated from operations	152,659	176,272
Income taxes paid	(24,056)	(37,271)
Net cash flows from operating activities	128,603	139,001
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(31,862)	(20,330)
Proceeds from disposal of property, plant and equipment	216	-
Acquisition of intangible assets	(347)	(10,152)
Decrease in guarantee deposits paid	72,940	92
(Increase) decrease in other financial assets	(944)	6,995
Interest received	20,840	10,612
Dividends received	450	1,350
Net cash flows from (used in) investing activities	61,293	(11,433)
Cash flows from (used in) financing activities:		
Proceeds from short-term borrowings	75,000	-
Repayments of long-term borrowings	(14,522)	(14,016)
Decrease in guarantee deposits received	(25,000)	(35,000)
Payment of lease liabilities	(1,868)	(1,904)
Cash dividends paid	(45,720)	(91,440)
Interest paid	(4,546)	(3,948)
Net cash flows used in financing activities	(16,656)	(146,308)
Net in cash and cash equivalents	173,240	(18,740)
Cash and cash equivalents at beginning of period	529,855	548,595
Cash and cash equivalents at ending of period	**$ 703,095**	**529,855**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

INERGY TECHNOLOGY INC.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Inergy Technology Inc. (the “Company”) was incorporated on November 1, 2007 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 8F-3, No.8 Taiyuan 2nd St., Jhubei City., Hsinchu County, Taiwan. The Company's major operating activities are product designing, and wholesale and retail sale of electrical appliances, and wholesale and retail sale of electronic materials, and international trade.

(2) Approval date and procedures of the financial statements:

The parent-company-only financial statements were authorized for issue by the Board of Directors on February 21, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(b) The impact of IFRS Accounting Standares endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(c) The impact of IFRS Accounting Standares issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ' operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company' s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

The material accounting policies presented in the parent company only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for financial assets at fair value through other comprehensive income are measured at fair value, the parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(c) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its interest in a subsidiary that includes a foriegn operation while retaining control, the relevant proportion of the cumulative amount foreignis reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and bank deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Accounts receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment losses, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income from equity investments is recognized in profit or loss on the date on which the Company’s right to receive payment is established, which is normally the ex-dividend date.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets and etc.).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

INERGY TECHNOLOGY INC.

Notes to the Parent Company Only Financial Statements

Loss allowance for notes and accounts receivable are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The time deposits held by the Company are trade with domestic financial instructions, so the credit risk is considered low.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 180 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

When preparing the parent-company-only financial statements, the investments in subsidiaries, which are controlled by the Company are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent-company-only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners' equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings and structures	
	Main buildings	50 years
	Others	8~10 years
2)	Machinery and equipment	1~5 years
3)	Transportation equipment	5 years
4)	Other equipment	3~5 years
5)	Office equipment	3 years
6)	Lease improvement	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lease

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including substantively fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment on whether it will have the option to exercise a purchase, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modification.

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'net income'.

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(k) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The Company's intangible assets is computer software, the estimated useful lives for current and comparative periods was 1 to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or the cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

(m) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

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

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(n) Government grants

The Company recognizes an unconditional government grant as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the government grants; they are then recognized as other income on a systematic basis over the useful life of the assets. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

The Company calculates the fair value of its loans from financial institutions with government assistance in the form of a guarantee based on the market interest rates, and recognizes the difference between the fair value of the loans and the amount paid as other income.

(o) Employee benefits

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(Continued)

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reduction are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainly related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(r) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent company only financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these parent company only financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There is no information about critical judgments in the parent company only financial statements.

Information about assumptions and estimation uncertainties that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The accounting policy and disclosure of the Company include that measuring financial assets and liabilities at fair value through profit or loss. The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Please refer to note 6(s) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 229	233
Demand and checking deposits	430,586	253,277
Time deposits	108,355	276,345
Cash equivalents (investments in bonds sold under repurchase agreement)	163,925	-
	$ 703,095	**529,855**

Please refer to note 6(s) for the currency risk and sensitivity analysis of the financial assets and liabilities of the Company.

(b) Non-current financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Domestic listed companies	$ 36,405	-
Domestic unlisted companies	-	32,931
	$ 36,405	**32,931**

The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes.

During the years ended December 31, 2024 and 2023, the company received dividends income $450 and $1,350, respectively, of the equity investments designated at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2024 and 2023.

(i) For credit and market risk, please refer to note 6(s).

(ii) The aforementioned financial assets were not pledged.

INERGY TECHNOLOGY INC.
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(c) Notes and accounts receivable (including related parties)

	December 31, 2024	December 31, 2023
Notes receivable	$ 4,302	7,255
Accounts receivable	175,799	118,121
Accounts receivable-related parties	100,814	44,851
Less: loss allowance	-	-
	$ 280,915	170,227

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivable (including related parties). To measure the expected credit losses, notes and accounts receivable (including related parties) have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information. The loss allowance provision was determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 261,110	-	-
Overdue within 90 days	19,805	-	-
	$ 280,915		-

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	$ 157,428	-	-
Overdue within 90 days	12,799	-	-
	$ 170,227		-

The movement in the allowance for notes and accounts receivable (including related parties) were as follows:

	2024	2023
Balance at January 1	$ -	24,145
Impairment reversed recognized	-	(24,145)
Balance at December 31	$ -	-

The Company's notes and accounts receivable (including related parties) were not discounted and pledged. For further credit risk information, please refer to note 6(s).

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(d) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 8,499	29,276
Work in process	218,847	133,076
Merchandise and finished goods	51,315	34,442
	$ 278,661	**196,794**

Except for cost of goods sold and inventories recognized as expenses, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	2024	2023
Losses (gains) on valuation of inventories	**$ (43,542)**	**57,037**

(i) The aforementioned gains on valuation of inventories were due to inventories, which had been recognized loss on valuation, had been sold or used.

(ii) The Company's inventories were not pledged.

(e) Credit balance of investments accounted for using equity method

The component of investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	**$ (17,847)**	**(16,439)**

(i) Subsidiaries

For the related information, please refer to consolidated financial statements for the year ended December 31, 2024.

(ii) Pledge

As of December 31, 2024 and 2023, the investments accounted for using equity method were not pledged.

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2024 and 2023, were as follows:

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Cost：								
Balance at January 1, 2024	$ 73,697	195,360	102,504	1,211	1,125	9,252	593	383,742
Additions	-	267	11,554	-	109	2,048	-	13,978
Disposals	-	-	(14,387)	(1,211)	-	(674)	-	(16,272)
Reclassification(Note)	-	-	16,457	-	-	-	-	16,457
Balance at December 31, 2024	**$ 73,697**	**195,627**	**116,128**	**-**	**1,234**	**10,626**	**593**	**397,905**

(Continued)

INERGY TECHNOLOGY INC.

Notes to the Parent Company Only Financial Statements

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Office equipment	Lease improvement	Total
Balance at January 1, 2023	$ 73,697	195,217	94,931	1,211	1,125	9,195	593	375,969
Additions	-	143	10,784	-	-	655	-	11,582
Disposals	-	-	(13,222)	-	-	(1,098)	-	(14,320)
Reclassification(Note)	-	-	10,011	-	-	500	-	10,511
Balance at December 31, 2023	**$ 73,697**	**195,360**	**102,504**	**1,211**	**1,125**	**9,252**	**593**	**383,742**
Accumulated depreciation:								
Balance at January 1, 2024	$ -	15,863	42,756	1,211	402	4,856	173	65,261
Depreciation	-	6,082	20,876	-	200	2,417	99	29,674
Disposals	-	-	(14,387)	(1,211)	-	(660)	-	(16,258)
Balance at December 31, 2024	**$ -**	**21,945**	**49,245**	**-**	**602**	**6,613**	**272**	**78,677**
Balance at January 1, 2023	$ -	9,787	35,785	1,177	213	3,718	74	50,754
Depreciation	-	6,076	20,193	34	189	2,236	99	28,827
Disposals	-	-	(13,222)	-	-	(1,098)	-	(14,320)
Balance at December 31, 2023	**$ -**	**15,863**	**42,756**	**1,211**	**402**	**4,856**	**173**	**65,261**
Carrying value:								
Balance at December 31, 2024	**$ 73,697**	**173,682**	**66,883**	**-**	**632**	**4,013**	**321**	**319,228**
Balance at January 1, 2023	**$ 73,697**	**185,430**	**59,146**	**34**	**912**	**5,477**	**519**	**325,215**
Balance at December 31, 2023	**$ 73,697**	**179,497**	**59,748**	**-**	**723**	**4,396**	**420**	**318,481**

(Note): Reclassifications are mainly the prepayments for business facilities being reclassfied to property, plant and equipment.

As of December 31, 2024 and 2023, the property, plant and equipment were subject to a registered debenture to secured bank loans and credit lines, the collateral for these long-term borrowings were disclosed in note 8.

(g) Right-of-use assets

The Company leases buildings and structures and equipment. The movements in right-of-use assets were as follows:

	Buildings and structures	Equipment	Total
Cost:			
Balance at January 1, 2024	$ 6,052	1,883	7,935
Additions	-	636	636
Decreases	-	(1,883)	(1,883)
Balance at December 31, 2024	**$ 6,052**	**636**	**6,688**
Balance at January 1, 2023	$ 6,052	2,367	8,419
Decreases	-	(484)	(484)
Balance at December 31, 2023	**$ 6,052**	**1,883**	**7,935**
Accumulated depreciation:			
Balance at January 1, 2024	$ 2,421	1,883	4,304
Depreciation	1,210	636	1,846
Decreases	-	(1,883)	(1,883)
Balance at December 31, 2024	**$ 3,631**	**636**	**4,267**

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

	Buildings and structures	Equipment	Total
Balance at January 1, 2023	$ 1,210	1,686	2,896
Depreciation	1,211	681	1,892
Decreases	-	(484)	(484)
Balance at December 31, 2023	$ 2,421	1,883	4,304
Carrying amount:			
Balance at December 31, 2024	$ 2,421	-	2,421
Balance at January 1, 2023	$ 4,842	681	5,523
Balance at December 31, 2023	$ 3,631	-	3,631

(h) Intangible assets

The cost and accumulated amortization of the intangible assets of the Company for the years ended December 31, 2024 and 2023, were as follows:

	Computer software
Costs:	
Balance at January 1, 2024	$ 15,253
Additions	347
Decreases	(4,464)
Balance at December 31, 2024	$ 11,136
Balance at January 1, 2023	$ 5,721
Additions	10,152
Decreases	(620)
Balance at December 31, 2023	$ 15,253
Accumulated amortization:	
Balance at January 1, 2024	$ 4,635
Amortization	3,259
Decreases	(4,464)
Balance at December 31, 2024	$ 3,430
Balance at January 1, 2023	$ 2,565
Amortization	2,690
Decreases	(620)
Balance at December 31, 2023	$ 4,635
Carrying value:	
Balance at December 31, 2024	$ 7,706
Balance at January 1, 2023	$ 3,156
Balance at December 31, 2023	$ 10,618

(Continued)

(i) Amortization expense

For the years ended December 31, 2024 and 2023, the amortization of intangible assets is included in the statement of comprehensive income:

	2024	2023
Operating expense	$ 3,259	2,690

(ii) Pledge

As of December 31, 2024 and 2023, the intangible assets were not pledged.

(i) Other financial assets, other current assets and other non-current assets

The details of the Company's other current financial assets were as follows:

	December 31, 2024	December 31, 2023
Guarantee deposits paid	$ 124,208	-

The details of the Company's other current assets were as follows:

	December 31, 2024	December 31, 2023
Prepayments to suppliers	$ 1,443	19,395
Tax refund	6,396	1,950
Others	6,366	2,256
	$ 14,205	23,601

The details of the Company's other non-current financial assets were as follows:

	December 31, 2024	December 31, 2023
Restricted deposits	$ 15,424	14,480

The details of the Company's other non-current assets were as follows:

	December 31, 2024	December 31, 2023
Prepayments for equipment	$ 3,907	2,675

As of December 31, 2024 and 2023, the restricted deposits of the Company had been pledged as collateral, please refer to note 8.

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(j) Short-term and long-term borrowings

The details of the Company for short-term borrowings were as follows:

	December 31, 2024	December 31, 2023
Unsecured short-term borrowings (in NTD)	$ 74,516	-
Annual interest rate	0.5%~2.12%	-

The details of the Company for long-term borrowings were as follows:

	December 31, 2024			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.975%～2.12%	2035/12/04~2036/01/21	$ 180,462
Less: Current portion				14,780
Total				$ 165,682
Unused bank credit lines for short-term and long-term borrowings				$ 250,000

	December 31, 2023			
	Currency	Interest rate	Expiration	Amount
Secured long-term borrowings	NTD	1.95%～2%	2035/12/04~2036/01/21	$ 194,984
Less: Current portion				14,528
Total				$ 180,456
Unused bank credit lines for short-term and long-term borrowings				$ 310,000

(i) For collateral for long-term borrowings, please refer to note 8.

(ii) Government credit guarantee low-interest loans

On December 2, 2024, an additional unsecured bank loan of NTD35,000 was obtained, with an annual interest rate of 0.5%, maturing on December 2, 2025. This loan was secured under the "Guidelines for the Ministry of Economic Affairs' Project Loans to Assist SMEs in Low-Carbon and Smart Transformation Development and Optimization of Infrastructure for Regulated and Specific Factories," and was obtained as a low-interest project loan from E.SUN Bank, fully guaranteed by the domestic government. The loan disbursement is recognized and measured at market interest rates, with the difference between the actual preferential interest rate and the market rate, in accordance with government grants, recognized as deferred income under other current liabilities.

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(k) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 1,304	1,286
Non-current	$ 1,269	2,519

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest expenses on lease liabilities	$ 53	71
Expenses relating to short-term leases	$ 85	81
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 123	126

The amounts recognized in the statement of cash flows by the Company were as follows:

	2024	2023
Total cash outflow for leases	$ 2,129	2,182

The Company leases buildings and structures for plants and office space. The leases of them typically run for a period of 1 to 5 years. The Company leases transportation equipment, with lease terms of 1 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Company also leases office equipment with contract terms of 1 to 2 years. These leases are short-term or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

The Company allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $3,920 and $3,147 for the years ended December 31, 2024 and 2023, respectively.

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(m) Income tax

(i) Income tax expenses (benefits)

The components of income tax expenses (benefits) were as follows:

	2024	2023
Current tax expenses	$ 24,670	16,198
Deferred tax expenses (benefits)		
Origination and reversal of temporary difference	13,553	(8,508)
Subtotal	13,553	(8,508)
Income tax expenses	**$ 38,223**	**7,690**

The Company did not recognized any amount of income tax expenses (benefits) in equity and other comprehensive income for the years ended December 31, 2024 and 2023.

Reconciliation of income tax expenses and profit before tax for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Income before tax	$ 190,640	23,998
Income tax using the Company's domestic tax rate	38,128	4,800
Change in provision in prior periods	(270)	571
Changes in unrecognized temporary differences	387	2,135
Others	(22)	184
	$ 38,223	**7,690**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The Company's unrecognized deferred tax assets were as follows:

	December 31, 2024	December 31, 2023
Tax effect of deductible temporary differences	**$ 5,283**	**4,896**

The Company has no unrecognized deferred tax liabilities as of December 31, 2024 and 2023.

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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

	Loss on valuation of inventories	Unrealized exchange losses	Expected credit loss	Others	Total
Deferred tax assets:					
Balance at January 1, 2024	$ 24,441	119	-	553	25,113
Recognized in profit or loss	(9,576)	(119)	-	(206)	(9,901)
Balance at December 31, 2024	**$ 14,865**	**-**	**-**	**347**	**15,212**
Balance at January 1, 2023	$ 14,503	-	4,465	220	19,188
Recognized in profit or loss	9,938	119	(4,465)	333	5,925
Balance at December 31, 2023	**$ 24,441**	**119**	**-**	**553**	**25,113**

	Unrealized exchange gains
Deferred tax liabilities:	
Balance at January 1, 2024	$ -
Recognized in profit or loss	(3,652)
Balance at December 31, 2024	**$ (3,652)**
Balance at January 1, 2023	$ 2,583
Recognized in profit or loss	(2,583)
Balance at December 31, 2023	$ -

(iii) Assessment

The Company's income tax returns for the years through 2022 were assessed by the tax authorities.

(n) Capital and other equity

(i) Ordinary shares

As of December 31, 2024 and 2023, the Company's authorized ordinary shares consisted of 50,000 thousand shares, with a par value of $10 per share, amounting to $500,000 of which 45,720 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Cash subscription in excess of par value of shares	$ 569,928	594,617
Employee stock options	75	75
	$ 570,003	**594,692**

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According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total ordinary shares outstanding.

On June 14, 2024, the shareholders' meeting resolved to distribute the cash dividends from the Company's capital surplus for an amount of $24,689 with a face value of NTD0.54 per share. The related information can be found on websites such as the Market Observation Post System.

(iii) Retained earnings

The Company's articles of incorporation stipulate that Company's net earnings should first be used to offset any prior years' deficits. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's total paid-in capital. The remainder, if any, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted during the shareholders' meeting for approval.

As the Company is a technology-intensive enterprise and is in its growth phase, it has adopted a more prudent approach in the appropriation of its remaining earnings as its dividend policy, in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth. Cash dividends and share dividends are appropriated in consideration of the Company's budget for capital expenditures, financial condition, and future operating cash flows. The amount of dividends to shareholders shall not be less than 10% of the profit from the current year. However, when the accumulated distributable surplus is less than 10% of the paid-in capital, it may not be distributed. No dividends can be distributed if the Company has no unappropriated earnings. Earnings can be distributed in cash or in shares. For cash dividends, the amount should not be lower than 10% of the total shareholders' dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. If the Company has already reclassified a portion of earnings to special reserve under the preceding subparagraph, it shall make supplemental allocation of special reserve for any difference between the amount it has already allocated and the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2023 and 2022 were decided by the resolutions adopted at the general meetings of shareholders held on June 14, 2024 and June 26, 2023, respectively, as follows:

	2023		2022	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders：				
Cash	$ 0.46	$ 21,031	2	91,440

On February 21, 2025, the Company's Board of Directors resolved to appropriate the 2024 earnings. These earnings were appropriated as follows:

	2024	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders：		
Cash	$ 2	91,440

The related information mentioned above can be found on websites such as the Market Observation Post System.

(iv) Other equity interests (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ 553	(7,569)	(7,016)
Exchange differences on translation of foreign financial statements	(551)	-	(551)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	3,474	3,474
Balance at December 31, 2024	**$ 2**	**(4,095)**	**(4,093)**

(Continued)

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	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ 300	(6,327)	(6,027)
Exchange differences on translation of foreign financial statements	253	-	253
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(1,242)	(1,242)
Balance at December 31, 2023	$ 553	(7,569)	(7,016)

(o) Earnings per share

The Company’s basic and diluted earnings per share were calculated as follows:

	2024	2023
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ 152,417	16,308
Weighted average number of ordinary shares outstanding (in thousands)	45,720	45,720
Basic earnings per share (in dollars)	$ 3.33	0.36
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ 152,417	16,308
Weighted average number of ordinary shares outstanding (in thousands)	45,720	45,720
Employee remuneration (thousands shares)	88	34
Weighted average ordinary shares outstanding (diluted) (thousands shares)	45,808	45,754
Diluted earnings per share (in dollars)	$ 3.33	0.36

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Primary geographical markets:		
Taiwan	$ 342,647	344,061
China	717,292	604,162
Vietnam	20,438	12,352
Others	604	1,100
	$ 1,080,981	961,675
Major products:		
Power semiconductor devices	$ 830,774	778,980
Brushless DC Motors	159,928	135,818
Others	90,279	46,877
	$ 1,080,981	961,675

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(ii) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$ 4,302	7,255	7,948
Accounts receivable	175,799	118,121	138,946
Accounts receivable-related parties	100,814	44,851	35,264
Less: loss allowance	-	-	(24,145)
Total	**$ 280,915**	**170,227**	**158,013**

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities-current	**$ 58**	**377**	**1,374**

For details on notes and accounts receivables (including related parties) and loss allowance, please refer to note 6(c).

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that were included in the contract liabilities balances at the beginning of the period were $320 and $1,318, respectively.

The contract liabilities primarily relate to the advance consideration received from customers for the integrated circuit sales contracts, for which revenue is recognized when products are delivered to customers.

(q) Remuneration to employees and directors

According to the Company's Article of Incorporation, if the Company has profit (which means income before tax excluding the amounts of employees' and directors' compensation) shall be contributed by the following rules. However, if the amount Company have accumulated deficit, it shall reserve the amount for offsetting deficit.

(i) No less than 1% but no more than 15% of profit as employees' remuneration. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirement shall be determined by the Board of Directors.

(ii) No more than 5% of profit as the remuneration in cash to the Directors.

The Company estimated its employees' and directors' remuneration were as follows:

	2024	2023
Employees' remuneration	$ 7,230	1,137
Directors' remuneration	2,300	116
	$ 9,530	**1,253**

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The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operation expense. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company' s financial statements of the years ended December 31, 2024 and 2023. The related information can be found on websites such as the Market Observation Post System.

(r) Non-operating income and expenses

(i) Interest income

	2024	2023
Interest income from bank deposits	$ 20,925	10,582
Other interest income	5	5
	$ 20,930	**10,587**

(ii) Other income

	2024	2023
Rent income	$ 587	494
Dividend income	450	1,350
	$ 1,037	**1,844**

(iii) Other gains and losses

	2024	2023
Foreign exchange gains (losses), net	$ 54,963	(4,189)
Gains on disposal of property, plant and equipment	202	-
Others	223	(246)
	$ 55,388	**(4,435)**

(iv) Finance costs

	2024	2023
Interest expense	**$ 4,650**	**3,964**

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(s) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2024 and 2023, the Company' s notes and accounts receivable (including related parties) were concentrated on 5 and 4 customers, whose accounts represented 51% and 59% of the total notes and accounts receivable, respectively. In order to reduce the credit risk on these notes and accounts receivable, the Company evaluates the financial status of these customers and possible loss of accounts receivable periodically.

3) Receivable and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables, other financial assets and guarantee deposits paid, all of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 254,978	276,610	93,550	18,270	54,810	109,980
Notes and accounts payable	198,354	198,354	198,354	-	-	-
Other payables (including related parties)	43,297	43,297	43,297	-	-	-
Lease liabilities	2,573	2,609	1,331	1,278	-	-
Guarantee deposits received	70,000	70,000	35,000	35,000	-	-
	$ 569,202	**590,870**	**371,532**	**54,548**	**54,810**	**109,980**
December 31, 2023						
Non-derivative financial liabilities						
Long-term borrowings (including current portion)	$ 194,984	219,034	18,223	18,223	54,669	127,919
Notes and accounts payable	88,623	88,623	88,623	-	-	-
Other payables (including related parties)	25,756	25,756	25,756	-	-	-
Lease liabilities	3,805	3,887	1,331	1,278	1,278	-
Guarantee deposits received	95,000	95,000	25,000	35,000	35,000	-
	$ 408,168	**432,300**	**158,933**	**54,501**	**90,947**	**127,919**

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The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Company's significant exposure to foreign currency risk were as follows:

		December 31, 2024			December 31, 2023		
		Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets							
Monetary items							
USD	$	27,339	32.785	896,311	27,033	30.705	830,048
CNY		329	4.4889	1,477	1,418	4.3248	6,131
Financial liabilities							
Monetary items							
USD	$	4,979	32.785	163,235	2,381	30.705	73,114
CNY		200	4.4889	898	200	4.3248	865
Non-monetary items							
CNY	$	3,474	4.4889	15,593	3,277	4.3248	14,172

2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, other financial assets, guarantee deposits paid, notes and accounts payable and other payables (including related parties) that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and CNY as of December 31, 2024 and 2023, would have increased (decreased) the income before tax by $36,683 thousand and $38,110 thousand, respectively. The analysis is performed on the same basis for the years ended December 31, 2024 and 2023.

3) Foreign exchange gains and losses on monetary items

For the years ended December 31, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to $54,963 and $(4,189), respectively.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk of the non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Company's net income would have increased / decreased by $2,206 and $1,950 for the years ended December 31, 2024 and 2023, respectively, with all other variable factors remaining constant. This is mainly due to the Company's borrowing at floating variable rates.

(v) Other market price risk

For the years ended December 31, 2024 and 2023, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2024		2023	
Price of the securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 5%	$ 1,820	-	1,647	-
Decreasing 5%	$ (1,820)	-	(1,647)	-

(vi) Fair value

1) Categories and fair values of financial instruments

Except for the followings, carrying amount of the Company's financial assets and liabilities are valuated approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

	December 31, 2024				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic listed companies	$ 36,405	36,405	-	-	36,405

	December 31, 2023				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic unlisted companies	$ 32,931	-	-	32,931	32,931

2) Valuation techniques of financial instruments valued at fair value

The fair value of non-derivative financial instruments traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

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A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm' s length basis. Otherwise, the market is deemed to be inactive.

Normally, a market is considered to be inactive when:

- The bid-ask spread is increasing; or
- The bid-ask spread varies significantly; or
- There has been a significant decline in trading volume.

The fair value is based on the valuation techniques or the quotation from the counter-party. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Company is not traded in an active market, its fair value is listed by category and attribute as follows:

- Unquoted equity instruments: The fair value, which is discounted for its lack of liquidity in the market, is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share.

3) Level transfers of financial instruments

In March 2024, Micro Silicon Electronics Corp., which the Company holds an investment in equity shares of, listed its equity shares on a stock exchange and it is currently actively traded in the market. Because the equity shares now have published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy since the first quarter of 2024.

4) Movement of level 3

	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2024	$ 32,931
Total gains or losses:	
Recognized in other comprehensive income	1,656
Transfer out of level 3	(34,587)
December 31, 2024	**$ -**

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	Fair value through other comprehensive income
	Unquoted equity instruments
January 1, 2023	$ 34,173
Total gains or losses:	
Recognized in other comprehensive income	(1,242)
December 31, 2023	**$ 32,931**

The preceding gains and losses were recognized as " unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income". As of December 31, 2024 and 2023, the related information of the assets which were still held by the Company were as follows:

	For the years ended December 31	
	2024	**2023**
Other comprehensive income (recognized as unrealized gains (losses) from financial assets at fair value through other comprehensive income)	**$ -**	**(1,242)**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include " financial assets at fair value through other comprehensive income – equity investments."

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Comparable companies approach	• Price-book-ratio (as of December 31, 2023 was 2.07~2.70) • Market liquidity discount rate (as of December 31, 2023 was 20%)	• The higher the ratio, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

(Continued)

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6) Sensitivity analysis of reasonably possible alternative assumptions for fair value measurements in Level 3 of the fair value hierarchy

The Company's measurement of the fair value of financial instruments is reasonable. If different evaluation models or evaluation parameters are used, the evaluation results may be different. For financial instruments classified as level 3, if the evaluation parameters change, the impact on other comprehensive income is as follows:

	Inputs	Increase or decrease	Effect of changes in fair value on other comprehensive income Favorable	Unfavorable
December 31, 2023				
Financial assets at fair value through other comprehensive income:				
Equity investments without an active market	Price-book-ratio	5 %	1,647	(1,647)
"	Market liquidity discount rate	5 %	1,647	(1,647)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the inter-relationships with another input.

(t) Management of financial risk

(i) Overview

The Company is exposed to the extent of the risks arising from financial instruments as below:

1) Credit risk

2) Liquidity risk

3) Market risk

Detailed information about exposure risk arising from the aforementioned risk was listed below. The Company’s objective, policies and process for managing risks and methods used to measure the risk arising from financial instruments.

(ii) Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework, while the management is responsible for developing and monitoring the Company’s risk management policies and reports regularly to the Board of Directors on its activities.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, and evaluate the influence of market risks, and implement related policies to hedge financial risk. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

The Company's Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and ad hoc reviews of risk management controls and the procedures, and the result of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations that arises principally from the Company's notes and accounts receivable and bank deposits.

The Company's finance department has established a credit policy, in which the Company analyzes each new customer individually for their credit worthiness before granting them standard payment terms and delivery terms. The Company's review includes obtaining external information. Credit limits are established for each customer and are reviewed quarterly. Any transactions which exceed the credit limits have to be approved by finance department and competent authorities.

According to the Company's policy, the Company can only provide guarantee to those who are listed under the regulation. As of December 31, 2024 and 2023, no guarantees were provided by the Company.

(iv) Liquidity risk

The Company maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

As of December 31, 2024 and 2023, the Company has unused credit lines for long-term and short-term bank loans of $250,000 and $310,000, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

All such transactions are carried out within the guidelines set by the Board of Directors in order to manage market risk.

1) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD. The currencies used in these transactions are the USD and CNY.

The Company's currency risk management policy is reserving the foreign currency position arising from sales appropriately to remit the foreign currency expenditures and then meets the natural hedge.

2) Interest rate risk

The Company's long-term and short-term borrowings bear floating interest rates. The changes in effective rate, along with the fluctuation of the market interest rate, have an impact on the Company's future cash flow. In response to the changes in interest rates, the Company assesses the rate of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens its management of working capital, reduces dependence on bank borrowings, and lowers its risk of changes in interest rates.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The management of the Company monitors the combination of equity securities and open-market funds in its investment portfolio based on cash flow requirements. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

(u) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital. The total equity is all components of equity. The Company oversees capital structure by review debt to asset ratio periodically.

As of December 31, 2024 and 2023, the debt to asset ratio of the Company were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 607,218	440,148
Total assets	$ 1,815,648	1,538,958
Debt to asset ratio	33%	29%

As of December 31, 2024, there were no change in the Company's approach to capital management.

(v) Financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow were acquisitions of right-of-used assets under leases.

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Others	December 31, 2024
		Cash flows		
Short-term borrowings	$ -	75,000	(484)	74,516
Lease liabilities	3,805	(1,868)	636	2,573
Total liabilities from financing activities	**$ 3,805**	**73,132**	**152**	**77,089**

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

	January 1, 2023	Cash flows	Others	December 31, 2023
		Cash flows		
Lease liabilities	$ 5,709	(1,904)	-	3,805

(7) Related-party transactions

(a) Names and relationship with the company

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Guanghong Power Drive (Shenzhen) Elec. (abbrev. Guanghong Drive)	The Subsidiary

(b) Significant transactions with related parties

(i) The amounts of significant sales and outstanding balances between the Company and related parties were as follows:

	Sales		Receivables from related parties	
	2024	2023	December 31, 2024	December 31, 2023
Subsidiaries－Guanghong Drive	$ 287,222	169,706	100,814	44,851

The implicit unrealized gross margin of unsold inventory that the Company sold to its subsidiaries were $1,188 and $2,267, recognized as investments accounted for using equity method, for the years ended December 31, 2024 and 2023, respectively.

The selling price and payment terms of sales to related parties depend on the economic environment and market competition, and are not significantly different from those with third-party customers. However, there are some deferred remittance situation occasionally.

(ii) Operating expenses

Operating expenses from transactions with related parties that the Company remit for techniques services were as follows:

	2024	2023
Subsidiaries—Guanghong Drive	$ 10,693	10,559

As of December 31, 2024 and 2023, the Company’ s accounts payable arising from the abovementioned transactions were amounting to $898 and $865, respectively.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(c) Key management personnel remuneration

Key management personnel remuneration comprised:

		2024	2023
Short-term employee benefits	$	19,253	14,023
Post-employment benefits		310	305
	$	19,563	14,328

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object		December 31, 2024	December 31, 2023
Property, plant, and equipment:				
Land and buildings and structures	Long-term borrowings	$	247,379	253,194
Other non-current financial assets:				
Restricted time deposits	Payment guarantee and tariff guarantee		15,424	14,480
		$	262,803	267,674

(9) Commitments and contingencies:

(a) The Company’s unrecognized material contractual commitments were as follows:

		December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	$	-	2,675

(b) In order to control the supply of raw materials and the productivity of foundry, the Company sign several supply guarantee agreements with different suppliers, wherein the Company makes advance payment, which has a fixed amount and foundry production capacity, as well as pays guarantee deposits and other financial assets, to its supplier. The contracts have term periods ranging from 1 to 3 years. As of December 31, 2024 and 2023, the Company evaluated that all guarantee deposits are refunded. The details of prepayment to suppliers (recognized as other current assets) and guarantee deposits paid arising from the aforementioned contracts were as follows:

		December 31, 2024	December 31, 2023
Prepayments to suppliers (recognized as other current assets)	$	-	17,723
Guarantee deposits paid		107,816	180,538
	$	107,816	198,261

INERGY TECHNOLOGY INC.

Notes to the Parent Company Only Financial Statements

In addition, the Company entered into several supply agreements with a sales customer. The contracts have term periods ranging from 1 to 4 years. As of December 31, 2024 and 2023, the security deposits paid by the sales customer amounted to $70,000 and $95,000, respectively, recognized as other current liabilities and guarantee deposits received. Also, the guarantee notes issued by the Company for the aforementioned transactions were $70,000 and $95,000, respectively.

(c) The Company's products sold to end customers are the subject of a patent infringement lawsuit filed in the United States District Court-Eastern District of Texas. After evaluating, the lawsuit has no significant impact on the Company's financial operations. The Company has appointed lawyers to actively take legal actions to respond to the lawsuit, in order to defend the rights and interests of the Company and its shareholders.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, were as follows:

By function / By item	2024			2023		
	Cost of Sale	**Operating Expense**	**Total**	**Cost of Sale**	**Operating Expense**	**Total**
Employee benefits						
Salary	416	93,767	94,183	173	72,020	72,193
Labor and health insurance	48	6,940	6,988	20	6,055	6,075
Pension	21	3,899	3,920	9	3,138	3,147
Remuneration of directors	-	3,566	3,566	-	1,172	1,172
Others	29	3,120	3,149	12	2,450	2,462
Depreciation	6,802	24,718	31,520	5,940	24,779	30,719
Amortization	-	3,259	3,259	-	2,690	2,690

(b) As of December 31, 2024 and 2023, the additional information for employee numbers and employee benefits were as follows:

	2024	2023
Average employee numbers	80	68
Director's number without serving concurrently as employee	7	7
Average employee benefits	$ 1,483	1,375
Average salaries	$ 1,290	1,183
Average adjustment rate of employee salaries	9.05%	
Supervisor's remuneration	$ -	-

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(c) The details of the salary and remuneration policies of the Company (including directors, managers and employees) are as follows:

(i) The Company's employee salaries are in accordance with related regulations and are paid based on the professional skills of, and knowledge required from, each employee; the complexity of their work and performance integrated with the Company's operating goals; and determined with reference to industry salary levels. Employees' overall wages include their basic salary, meal allowances and additional allowances. In addition, quarterly bonus would be provided based on the Company's operating performance and individual performance. According to the Company's articles of incorporation, if the Company incurred profit for the year, the Company should appropriate a portion of its earnings as employee remuneration, which will be granted after being approved by the Board of Directors and reported at the shareholders' meeting.

(ii) The remuneration for managers takes into consideration the market competitiveness, management responsibilities, future risk and other factors, to determine their job titles, ranks and salaries. According to the "performance assessment rule", the Company measures its manager's performance periodically, and give raises, promotions, rewards or other bonuses, based on each manager's performance evaluation. The aforementioned remuneration to manager is proposed by the Salary and Remuneration Committee and approved by the Board of Directors.

(iii) Except for the Company's independent directors, directors do not get fixed remuneration. However, according to the Company's Articles of Incorporation, remuneration will be granted to directors when the Company incurs profit for the year, taking into consideration the proposal made by the remuneration committee and personal compensation level based on the principle of equality. Also, adjustments are made based on different responsibilities of each director, as well as other factors, if necessary. Directors' remuneration should be proposed by the Salary and Remuneration Committee and approved by the Board of Directors before distribution.

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2024:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with Company	Account title	Ending balance				Note
				Shares/Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Micro Silicon Eletronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	900,000	36,405	1.31 %	36,405	-

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the paid-in-capital: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the paid-in-capital: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the paid-in-capital: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the paid-in-capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	Sales	287,222	26.57 %	OA90	-	-	100,814	35.89%	-

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the paid-in-capital:

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Guanghong Power Drive (Shenzhen) Elec.	The company's subsidiary	100,814	394.36 %	-		55,410	-

(ix) Trading in derivative instruments: None

(b) Information on investees (excluding information on investees in mainland China): None

(c) Information on investment in mainland China:

The following are the information on investment in mainland China for the year ended December 31, 2024:

(i) The names of investees in mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan at the beginning of this year	Investment flows		Accumulated outflow of investment from Taiwan at the end of this year	Net income (losses) of the investee (Note 2)	Direct/Indirect percentage of ownership by the Company	Investment income (losses) of the investee (Note 2)	Carrying amount at the end of this period	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
Guanghong Power Drive (Shenzhen) Elec.	Electronics sales	9,675 (USD 300)	(Note 1)	9,675 (USD 300)	-	-	9,675 (USD 300)	(1,936)	100.00%	(1,936)	(17,847)	-	-

(Continued)

INERGY TECHNOLOGY INC.
Notes to the Parent Company Only Financial Statements

(ii) Limitation on investment in mainland China:

Accumulated Investment in Mainland China as of December 31, 2024 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 4)
9,675 (USD 300)	9,675 (USD 300)	725,058

Note 1: The Company invested in mainland China directly.

Note 2: The amount of net income (losses) was recognized based on the financial statements of the investee company audited by the same auditor of the parent company.

Note 3: The investment was recorded at the exchange rate prevailing at transaction date.

Note 4: Amount of upper limit on investment was sixty percentage of total equity.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in mainland China are disclosed in " Information on significant transactions".

(d) Major shareholders:

(in shares)

Shareholding / Shareholder's Name	Shares	Percentage
Motech Industries Inc.	8,558,750	18.71 %
DIODES TAIWAN S.A R.L. (Formerly Known as Lite-On Semiconductor Corp.)	3,380,000	7.39 %

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note 2: If the aforementioned data contains shares which are held in trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10%, in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information on the reported share equity of insider, please refer to the Market Observation Post System.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2024.

INERGY TECHNOLOGY INC.

Statement of cash and cash equivalents

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and Petty cash (Note)	RMB 18,105.50	$ 229
	JPY 150,000	
	EUR 1,490	
Demand and checking deposits		154,116
Time deposits	(Due date 2025.2.7, annual interest rate 1.46%)	10,000
Foreign demand deposits (Note)	USD 8,390,269.40	276,470
	RMB 310,934.72	
Foreign time deposits (Note)	USD3,000,000 (Due date 2025.1.25, annual intersest rate 4.91%)	98,355
Cash equivalents	USD5,000,000 (Investments in bonds sold under repurchase agreement, due date ranges from 2025.1.20 to 2025.2.13, annual intersest rate ranges from 4.6%~4.8%)	163,925
Total		**$ 703,095**

Note: The ending rates of foreign deposits on December 31, 2024 are as follows:

USD/NTD=32.785

EUR/NTD=34.14

RMB/NTD=4.4889

JPY/NTD=0.2099

INERGY TECHNOLOGY INC.

Statement of notes and accounts receivable (including related parties)

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Non-related parties:		
A Company	$	53,885
B Company		33,311
C Company		21,706
D Company		18,977
E Company		15,286
Others (each amount was less than 5%)		36,936
Less: loss allowance		-
Total	**$**	**180,101**
Related parties:		
Guanghong Power Drive (Shenzhen) Elec.	**$**	**100,814**

Statement of other receivables

Item		Amount
Interest receivable	$	1,132
Others		772
	$	**1,904**

INERGY TECHNOLOGY INC.

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net realizable value
Raw materials	$ 9,450	8,519
Work in process	250,175	234,303
Merchandise and finished goods	93,348	67,739
Subtotal	352,973	**310,561**
Less: Allowance for reduction of inventory to market and obsolescence	(74,312)	
Total	**$ 278,661**	

INERGY TECHNOLOGY INC.

Statement of changes in financial assets at fair value through other comprehensive income－non-current

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Increase		Decrease		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive	Ending balance		
Name investee	Shares	Fair value	Shares	Fair value	Shares	Fair value		Shares	Fair value	Collateral
Micro Silicon Eletronics Co., Ltd.	900,000	$ 32,931	-	-	-	-	3,474	900,000	36,405	None

INERGY TECHNOLOGY INC.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Increase		Decrease					Ending Balance			Market Value or Net Assets Value		
Name investee	Shares	Amount	Shares	Amount	Shares	Amount	Losses on investment	Unrealized profit (loss) from affiliates	Exchange differences on translation of foreign financial statements	Shares	Percentage of ownership	Amount	Unit price (dollars)	Total amount	Collateral
Guanghong Power Drive (Shenzhen) Elec.	1	$ (16,439)	-	-	-	-	(1,936)	1,079	(551)	1	100.00 %	(17,847)	(17,847,000)	(17,847)	None

INERGY TECHNOLOGY INC.

Statement of short-term borrowings

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Bank	Ending balance	Term of contract	Interest rate	Loan commitments	Collateral
Credis loan	First Commercial Bank	$ 10,000	2024/12/03~2025/01/24	2.12 %	40,000	None
〃	Bank SinoPac	30,000	2024/11/06~2025/10/06	2.025 %	-	None
〃	E.SUN Bank	35,000	2024/12/02~2025/12/02	0.500 %	-	None
		75,000				
	Short-term borrowings discounts	(484)				
		$ 74,516				

INERGY TECHNOLOGY INC.

Statement of notes and accounts payable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Amount
A Supplier	$ 73,291
B Supplier	46,053
C Supplier	21,583
D Supplier	21,467
Others (each amount was less than 5%)	35,960
Total	**$ 198,354**

Statement of other payables (including related-parties)

Item	Amount	
Non-related parties:		
Accrued payroll	$ 21,148	
Accrued professional service fees	5,107	
Payables on equipment	3,061	
Accrued directors' remuneration	2,300	
Others	10,783	(Note)
Total	**$ 42,399**	
Related parties:		
Guanghong Power Drive (Shenzhen) Elec.	**$ 898**	

Note: Including freight, insurance expense and etc.

INERGY TECHNOLOGY INC.

Statement of other current liabilities

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Guarantee deposits received	$ 35,000
Withholding taxes, etc.	787
Deferred income	484
Total	**$ 36,271**

Statement of lease liabilities

Item	Description	Lease term	Discount Rate	Ending Balance
Buildings and structures	Office and parking space	2022.1.1~2026.12.31	1.5%	$ 2,519
Equipment	Company vehicles	2024.1.12~2025.1.12	1.75%~1.996%	54
Subtotal				2,573
Less: Current portion				(1,304)
Total				**$ 1,269**

INERGY TECHNOLOGY INC.

Statement of long-term borrowings

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Term of contract	Interest Rate	Amount	Collateral
Chang Hwa Commercial Bank	Mortgage	2020/12/04~2025/12/04	1.975 %	$ 137,903	Please refer to note 8.
E.SUN Bank	Mortgage	2021/01/21~2026/01/21	2.12 %	42,559	〃
Less: Current portion				(14,780)	
	Total			$ 165,682	

Statement of operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount
Power semiconductor devices	27,597,391 grains；61,432 pieces	$ 855,333
Brushless DC Motor	74,711,018 grains；15,437 pieces	163,980
Others (less than 10%)	27,450,493 grains	94,116
Subtotal		1,113,429
Less: sales return and allowances		(32,448)
Total		$ 1,080,981

INERGY TECHNOLOGY INC.

Statement of operating costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning balance of merchandise	$ 3,908
Add: Purchases	12,494
Less: Ending balance of merchandise	(7,821)
Transferred to expenses and others	(397)
Cost of outsource merchandise consumed	8,184
Beginning balance of raw materials	55,492
Add: Purchases	70,621
Less: Ending balance of raw materials	(9,450)
Transferred to expenses and others	(29)
Raw materials consumed	116,634
Manufacturing costs	444,127
Direct labor	514
Cost of Manufacturing	561,275
Add: Beginning balance of work in process	162,773
Purchases	290,441
Less: Ending balance of work in process	(250,175)
Transferred to expenses and others	(2,447)
Cost of finished goods	761,867
Add: Beginning balance of finished goods	96,819
Purchases	22,227
Less: Ending balance of finished goods	(85,527)
Transferred to expenses and others	(3,889)
Cost of self-manufacturing goods sold	791,497
Gains on valuation of inventories	(43,542)
Operating costs	**$ 756,139**

INERGY TECHNOLOGY INC.

Statement of operating expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Research and development expense
Salary and wages expenses	$ 12,314	37,823	43,630
Insurance expense	1,163	3,443	3,054
Depreciation expense	796	6,184	17,738
Amortization expense	200	559	2,500
Pension expense	648	1,575	1,676
Professional service fees	11,521	6,055	13,215
Other expense	10,152	16,515	15,289
Total	**$ 36,794**	**72,154**	**97,102**

Item	Description
Statement of changes in property, plant and equipment	Please refer to note (f)
Statement of changes in right-of-use assets	Please refer to note (g)
Statement of changes in intangible assets	Please refer to note (h)
Statement of other financial assets, other current assets and non-current assets	Please refer to note (i)
Statement of deferred tax assets and liabilities	Please refer to note (m)
Statement of contract liabilities - current	Please refer to note (p)
Statement of interest income, other income, other gains and losses and finance costs	Please refer to note (r)
Statement of functional aggregation of employee benefits, depreciation, depletion and amortization	Please refer to note 12

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Chairman：Dr. John Lin

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