

**COPARTNER TECHNOLOGY CORPORATION
AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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Notice to Readers

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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The affiliates that are required to be included in the Company's consolidated financial statements 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 the IFRS 10. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in said consolidated financial statements. Consequently, a separate set of combined financial statements of affiliates will not be prepared. It is hereby declared that the above information is true and correct.

Name of company: Copartner Technology Corp.

Person in charge: Ho, Chun-Hsien

March 26, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Copartner Technology Corporation:

Opinion

We have audited the accompanying financial statements of Copartner Technology Corporation and its subsidiaries, which comprise the consolidated balance sheets for the year ended December 31, 2024 and 2023, and the consolidated statements of comprehensive income for the year ended December 31, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the years then ended, and the consolidated notes to the financial statements (including a summary of significant accounting policies).

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended December 31, 2024. These matters were addressed in the context of our Audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2024 are stated as follows:

Revenue Recognition

Copartner Technology Corporation and its subsidiaries have recently carried out capacity transfers and the reconfiguration of production locations. Some subsidiaries have completed the construction of their factories and have begun actual operations. Additionally, our country's auditing standards assume that there is a risk of fraud in revenue recognition, as corporate management may, under the pressure to meet budget targets, attempt to inflate sales figures. Therefore, the auditor considers that the subsidiaries, which have completed the construction of factories and started actual operations, face pressure to achieve their planned goals in the early stages of their establishment. After considering the sales process, the auditor has identified the recognition of revenue for these subsidiaries as a key audit matter.

The primary audit procedures carried out by the auditor regarding the above key audit matter are as follows:

Understanding and testing the design and operating effectiveness of key internal controls related to revenue recognition.

Selecting a sample of sales transactions from subsidiaries with completed factory construction and actual operations, reviewing relevant internal and external original documents, and verifying payment processes to ensure there are no anomalies in the recognition of sales revenue.

Other Matters

We have also audited the parent company only financial statements of Copartner Technology Corporation as year 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its subsidiaries' 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company and its subsidiaries' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement contained in the consolidated financial statements. Misstatements may be a result of fraud or error. 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 auditing standards, we exercise professional judgment and maintain 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 Company and its subsidiaries' 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 and its subsidiaries' 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 Company and its subsidiaries 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 evidences concerning the financial information of the entities in the Company and its subsidiaries, to express opinions on the Consolidated Financial Statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company and its subsidiaries.

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 Company and its subsidiaries for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA: Tsai, Mei-Chen

CPA: Huang, Yu-Feng

Financial Supervisory Commission R.O.C.

Approval Document No.

Jin-Guan-Zheng-Shen-Zi No.1010028123

Securities and Futures Commission Approval

Document No.

Tai-Zai-Zheng-Liu-Zi No.0920123784

March 26, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

Unit: NT\$ thousand											
		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Code	Assets	Amount	%	Amount	%	Code	Liabilities and Equity	Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes IV&VI)	\$ 879,109	20	\$1,075,676	26	2100	Short-term borrowings (Note XVI)	\$ 770,004	18	\$ 931,479	22
1150	Notes receivable, net (Notes IV, V, VIII & XX)	121,745	3	161,091	4	2130	Current contract liabilities (Note XX)	3,229	-	7,552	-
1160						2170	Accounts payable	209,765	5	194,141	5
	Notes receivable due from related parties, net (Notes IV, V, VIII & XXVI)	-	-	26	-	2180	Accounts payable due from related parties (Note XXVI)	1,735	-	1,405	-
1170	Accounts receivable, net (Notes IV, V, VIII & XX)	1,237,636	29	1,052,736	25	2230	Current income tax liabilities (Notes IV & XXII)	10,263	-	11,625	-
1180	Accounts receivable due from related parties, net (Notes IV, V, XX & XXVI)	732	-	1,338	-	2280	Lease liabilities - current (Notes IV & XIII)	62,411	2	59,816	1
1200	Other receivables, net (Notes IV & VIII)					2320	Long-term borrowings due within one year (Notes XVI & XXVII)	28,422	1	772,078	18
		23,234	-	12,583	-	2399	Other current liabilities (Note XXVII)	404,249	9	363,371	9
130X	Inventories (Notes IV, V & IX)	336,899	8	269,450	6	21XX	Total current liabilities	1,490,078	35	2,341,467	55
1410	Advances to suppliers	83,444	2	155,405	4		Non-current liabilities				
1470	Other current assets (Notes XXII)	7,435	-	8,063	-	2541	Long-term borrowings (Notes XVI & XXVII)	498,406	11	97,804	2
11XX	Total current assets	2,690,234	62	2,736,368	65	2542	Long-term Notes payable(Notes XVI & XXVII)	600,000	14	-	-
	Non-current assets					2580	Lease liabilities - non-current (Notes IV & XIII)				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes IV & VII)	3,193	-	3,041	-			205,753	5	268,940	7
1550	Investments accounted for using equity method (Notes IV & XI)	38,760	1	40,805	1	2640	Net defined benefit liability (Notes IV & XVIII)	28,727	1	31,076	1
1600	Property, plant and equipment (Notes IV, XII & XXVII)	1,166,250	27	964,076	23	2645	Guarantee deposits and margins received	11,052	-	6,079	-
1755	Right-of-use assets (Notes IV, XIII & XXVII)	287,152	7	372,134	9	25XX	Total non-current liabilities	1,343,938	31	403,899	10
1805	Goodwill (Notes IV & XIV)	4,375	-	4,256	-	2XXX	Total liabilities	2,834,016	66	2,745,366	65
1821	Intangible assets (Notes IV & XV)	672	-	694	-		Equity attributable to owners of the parent company (Notes IV & XIX)				
1840	Deferred income tax assets (Notes IV, V & XXII)	94,573	2	95,258	2	3110	Ordinary shares	875,500	21	875,500	21
1920	Refundable deposits paid (Notes IV & XXVII)	22,234	1	19,651	-	3200	Capital surplus	380,455	9	380,455	9
15XX	Total non-current assets	1,617,209	38	1,499,915	35		Retained earnings				
						3310	Legal reserve	272,605	6	272,605	6
						3320	Special reserve	253,342	6	253,342	6
						3350	Unappropriated retained earnings	(178,509)	(4)	(5,036)	-
						3300	Total retained earnings	347,438	8	520,911	12
						3400	Other equity interests	(152,175)	(3)	(295,450)	(7)
						31XX	Total equity of owners of the parent company	1,451,218	34	1,481,416	35
						36XX	Non-controlling interests	22,209	-	9,501	-
						3XXX	Total equity	1,473,427	34	1,490,917	35
1XXX	Total assets	\$4,307,443	100	\$4,236,283	100		Total liabilities and equity	\$4,307,443	100	\$4,236,283	100

Chairman: Ho, Chun-Hsien

The accompanying notes are an integral part of the consolidated financial reports.
Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share)

Code		2024		2023	
		Amount	%	Amount	%
4100	Sales of revenue (Notes IV, XX & XXVI)	\$ 3,420,294	100	\$ 3,642,580	100
5110	Sales cost (Notes IV, IX, XXI & XXVI)	<u>2,998,312</u>	<u>88</u>	<u>3,279,021</u>	<u>90</u>
5900	Gross profit	<u>421,982</u>	<u>12</u>	<u>363,559</u>	<u>10</u>
	Operating expenses				
6100	Selling expenses (Note XXI)	203,648	6	205,669	6
6200	Administrative expenses (Note XXI)	328,260	10	365,970	10
6300	R&D expenses (Note XXI)	122,784	3	146,019	4
6450	Expected credit impairment loss (Notes IV & VIII)	<u>114</u>	<u>-</u>	<u>6,721</u>	<u>-</u>
6000	Total operating expenses	<u>654,806</u>	<u>19</u>	<u>724,379</u>	<u>20</u>
6900	Net operating loss	(<u>232,824</u>)	(<u>7</u>)	(<u>360,820</u>)	(<u>10</u>)
	Non-operating income and expenses				
7100	Interest income (Note XXI)	12,462	-	16,894	-
7010	Other income (Note XXI)	102,852	3	37,346	1
7020	Other gains and losses (Notes IV & XXI)	9,492	-	702	-
7050	Finance costs (Notes IV & XXI)	(51,651)	(1)	(47,054)	(1)
7060	Share of profit on associates accounted for using equity method (Notes IV & XI)	(<u>2,045</u>)	<u>-</u>	(<u>2,006</u>)	<u>-</u>
7000	Total non-operating income and expenses	<u>71,110</u>	<u>2</u>	<u>5,882</u>	<u>-</u>

(Carried forward)

(Brought forward)

Code		2024		2023	
		Amount	%	Amount	%
7900	Net loss before tax	(\$ 161,714)	(5)	(\$ 354,938)	(10)
7950	Income tax expenses (Notes IV, V & XXII)	<u>16,355</u>	<u>-</u>	<u>7,669</u>	<u>-</u>
8200	Current net loss	(<u>178,069</u>)	(<u>5</u>)	(<u>362,607</u>)	(<u>10</u>)
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit obligation (Notes IV & XVIII)	2,671	-	(216)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Notes IV & XIX)	<u>144,892</u>	<u>4</u>	(<u>42,258</u>)	(<u>1</u>)
8300	Other comprehensive income for the current year	<u>147,563</u>	<u>4</u>	(<u>42,474</u>)	(<u>1</u>)
8500	Total comprehensive income for the current year	(\$ <u>30,506</u>)	(<u>1</u>)	(\$ <u>405,081</u>)	(<u>11</u>)
	Current net loss attributable to:				
8610	Owners of the parent company	(\$ 176,144)	(5)	(\$ 362,509)	(10)
8620	Non-controlling interests	(<u>1,925</u>)	<u>-</u>	(<u>98</u>)	<u>-</u>
8600		(\$ <u>178,069</u>)	(<u>5</u>)	(\$ <u>362,607</u>)	(<u>10</u>)
	Total comprehensive income for the year attributable to:				
8710	Owners of the parent company	(\$ 30,198)	(1)	(\$ 404,833)	(11)
8720	Non-controlling interests	(<u>308</u>)	<u>-</u>	(<u>248</u>)	<u>-</u>
8700		(\$ <u>30,506</u>)	(<u>1</u>)	(\$ <u>405,081</u>)	(<u>11</u>)
	Earnings (loss) per share (Note XXIII)				
9710	Basic	(\$ <u>2.01</u>)		(\$ <u>4.14</u>)	
9810	Diluted	(\$ <u>2.01</u>)		(\$ <u>4.14</u>)	

The accompanying notes are an integral part of the consolidated financial reports.

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

Unit: NT\$ thousand, unless otherwise specified

Equity attributable to owners of the parent company											
Code		Ordinary shares		Capital surplus	Retained earnings			Other equity exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
		Quantity (thousand shares)	Amount		Legal reserve	Special reserve	Unappropriated retained earnings				
A1	Balance as of January 1, 2023	87,550	\$ 875,500	\$ 424,230	\$ 272,605	\$ 298,718	\$ 312,313	(\$ 253,342)	\$ 1,930,024	\$ 9,749	\$ 1,939,773
B17	2022 earnings distribution										
	Special reserve return	-	-	-	-	(45,376)	45,376	-	-	-	-
C15	Other change in Capital surplus										
	Cash paid in capital	-	-	(43,775)	-	-		-	(43,775)	-	(43,775)
D1	Net loss for the year ended December 31, 2023	-	-	-	-	-	(362,509)	-	(362,509)	(98)	(362,607)
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(216)	(42,108)	(42,324)	(150)	(42,474)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(362,725)	(42,108)	(404,833)	(248)	(405,081)
Z1	Balance as of December 31, 2023	87,550	875,500	380,455	272,605	253,342	(5,036)	(295,450)	1,481,416	9,501	1,490,917
D1	Net loss for the year ended December 31, 2024						(176,144)	-	(176,144)	(1,925)	(178,069)
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	2,671	143,275	145,946	1,617	147,563
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	(173,473)	143,275	(30,198)	(308)	(30,506)
O1	Non-controlling interests	-	-	-	-	-	-	-	-	13,016)	13,016
Z1	Balance as of December 31, 2024	87,550	\$ 875,500	\$ 380,455	\$ 272,605	\$ 253,342	(\$ 178,509)	(\$ 152,175)	\$ 1,451,218	\$ 22,209	\$ 1,473,427

The accompanying notes are an integral part of the consolidated financial reports.

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

		Unit: NT\$ thousand	
Code		2024	2023
	Cash flows from operating activities		
A10000	Current net loss before tax	(\$ 161,714)	(\$ 354,938)
A20000	Adjustments to reconcile:		
A20100	Depreciation expense	163,495	174,261
A20200	Amortization expense	513	327
A20300	Expected credit impairment loss	114	6,721
A20900	Finance costs	51,651	47,054
A21200	Interest income	(12,462)	(16,894)
A22300	Share of profit or loss on associates accounted for using equity method	2,045	2,006
A22500	Net gains from disposal of property, plant and equipment	605	23,863
A23700	Impairment losses on property, plant and equipment	-	18,102
A24100	(Gain) Loss on foreign exchange, net	(20,289)	18,117
A29900	Lease modification actuarial losses	(2,481)	(314)
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	39,233	50
A31140	Note receivable due from related parties	26	(26)
A31150	Accounts receivable	(180,651)	252,361
A31160	Accounts receivable due from related parties	606	(522)
A31180	Other receivables	(10,216)	802
A31200	Inventories	(67,449)	64,729
A31230	Advances to suppliers	61,200	(38,434)
A31240	Other current assets	782	4,750
A32125	Contract liabilities	(4,323)	(413)
A32150	Accounts payable	15,582	(43,609)
(Carried forward)			

(Brought forward)

Code		2024	2023
A32160	Accounts payable due from related parties	\$ 330	\$ 1,268
A32230	Other current liabilities	36,354	815
A32240	Net defined benefit liabilities	<u>322</u>	(<u>3,834</u>)
A33000	Net cash (outflow) inflow generated from operations	(86,727)	156,242
A33300	Interest paid	(50,979)	(46,415)
A33500	Income taxes paid	(<u>17,186</u>)	(<u>37,929</u>)
AAAA	Net cash (outflow) inflow from operating activities	(<u>154,892</u>)	<u>71,898</u>
Cash flows from investing activities			
B02700	Purchase of property, plant and equipment	(\$ 235,941)	(\$ 401,763)
B02800	Proceeds from disposal of property, plant and equipment	10,914	6,977
B03700	Increase in refundable deposits paid	(2,583)	981
B04500	Purchase of intangible assets	(460)	(258)
B06700	Decrease (increase) in other non-current assets	-	1,737
B07500	Interest received	<u>12,031</u>	<u>15,736</u>
BBBB	Net cash outflow from investing activities	(<u>216,039</u>)	(<u>376,590</u>)
Cash flows from financing activities			
C00100	Increase in short-term borrowings	3,537,159	5,150,867
C00200	Decrease in short-term borrowings	(3,698,999)	(5,069,388)
C00500	Increase in short-term notes payable	-	80,000
C00600	Decrease in short-term notes payable	-	(120,000)
C01600	New long-term borrowings	431,956	846,680
C01700	Repay long-term borrowings	(778,394)	(599,187)
C01800	Decrease in long-term notes payable	600,000	-
C03000	Increase in guarantee deposits and margins received	4,973	2,833

(Carried forward)

(Brought forward)			
Code		2024	2023
C04020	Repayment of lease liabilities principal	(\$ 79,634)	(\$ 86,519)
C04500	Cash dividends paid	-	(43,775)
C05800	Change in Non-controlling interests	<u>13,016</u>	<u>-</u>
CCCC	Net cash inflow from financing activities	<u>30,077</u>	<u>161,511</u>
DDDD	Effect of exchange rate fluctuations on cash held	<u>144,287</u>	(45,964)
EEEE	Net decrease in cash and cash equivalents for the year	(196,567)	(189,145)
E00100	Cash and cash equivalents at beginning of the period	<u>1,075,676</u>	<u>1,264,821</u>
E00200	Cash and cash equivalents at end of the period	<u>\$ 879,109</u>	<u>\$ 1,075,676</u>

The accompanying notes are an integral part of the consolidated financial reports.

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

(Unless otherwise stated, all amounts are in NTD)

I. Company history

Copartner Technology Corporation (the “Copartner Company”) was established and registered in April 1987 in accordance with the Company Act and other relevant laws and regulations and started the business. The original name was Copartner Electric Wire Co., Ltd. The Ministry of Economic Affairs approved the change of the Company name to Copartner Technology Corporation on August 24, 2004. The Copartner Company's main operating items are R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; R&D, manufacturing and sales of plastic products.

The Copartner Company's stock has been listed and traded on the Taiwan Stock Exchange since November 10, 2010.

The consolidated financial statements are presented in New Taiwan dollars, Copartner Technology Corp.'s functional currency.

II. Dates and procedures for the financial statement approval

The consolidated financial statements were approved by the Company's Board of Directors on March 14, 2025

III. Application of new and revised standards, amendments, and interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the accounting policies of Company.

(II) IFRSs endorsed by FSC that are applicable from 2025 onwards

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board (IASB) (Note 1)
Amendment to IAS 21 – "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendment to IFRS 9 and IFRS 7 – "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026 (Note 2)

Note 1: The amendments apply to annual reporting periods beginning on or after January 1, 2025. Upon initial adoption of these amendments, comparative periods should not be restated. Instead, the impact should be recognized in the retained earnings or equity section under the foreign operation exchange differences (as appropriate) on the initial adoption date, along with the related affected assets and liabilities.

Note 2: The amendments apply to annual reporting periods beginning on or after January 1, 2026. However, entities may choose to apply them early, starting from January 1, 2025. Upon initial adoption of these amendments, entities should apply them retrospectively but are not required to restate comparative periods. Instead, the impact should be recognized as of the initial adoption date. However, if an entity can retrospectively restate the comparative periods without the use of hindsight, it may choose to do so.

1. Amendment to IAS 21 – "Lack of Exchangeability"

The amendment specifies that a currency is considered exchangeable if, within a reasonable period of time, the entity can exchange it for another currency through a market or exchange mechanism that establishes executable rights and obligations. When a currency is not exchangeable at the measurement date, the company should estimate the spot exchange rate to reflect the rate that would be used in an orderly transaction by market participants considering the prevailing economic conditions at that date. In such a situation, the company is also required to disclose information that enables financial statement users to assess how the lack of exchangeability affects or is expected to affect its operating results, financial position, and cash flows.

2. Amendment to IFRS 9 and IFRS 7 – "Amendments to Classification and Measurement of Financial Instruments": Regarding the application guidance on financial asset classification:

This amendment primarily revises the classification rules for financial assets, including:

(1) If a financial asset includes a contingent item that changes the timing or amount of contract cash flows, and the nature of the contingency is not directly related to changes in the underlying credit risk and costs (such as whether the borrower achieves a specific carbon emission reduction), the contract cash flows will still qualify as solely payments of principal and interest on the outstanding principal amount if the following two conditions are met:

*The contract cash flows under all possible scenarios (both before and after the contingent event) are solely payments of principal and interest on the outstanding principal amount.

*The contract cash flows under all possible scenarios are not materially different from those of a financial instrument with the same terms but without the contingent feature.

(2) Clarifies that a financial asset with non-recourse features refers to the entity's ultimate right to receive cash flows, which are contractually limited to cash flows generated by a specific asset.

(3) Clarifies that contract-linked instruments involve a waterfall payment structure that creates multiple tranches of securities, establishing the payment priority for financial asset holders. This can concentrate credit risk, leading to disproportionate allocation of cash shortfalls from the underlying pool of assets between different tranches.

The Company and its subsidiaries do not plan to apply these amendments early.

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
"Annual Improvements to IFRS Standards –Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – "Amendments to Classification and Measurement of Financial Instruments" regarding the derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – "Contracts Involving Natural Dependency-Based Power"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9- Comparative Information"	January 1, 2023
IFRS 18 - "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 - "Disclosure of Subsidiaries that Do Not Have Public Accountability"	January 1, 2027

Note 1: Unless otherwise specified, the above-mentioned new/ revised/ amended standards or interpretations will take effect during the annual reporting period beginning on or after each date.

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

IFRS 18 will replace IAS 1 – "Presentation of Financial Statements." The key changes under this new standard include:

- The income statement must classify revenues and expenses into categories such as operating, investing, financing, income tax, and discontinued operations.
- The income statement should report operating profit, profit before tax from financing activities, as well as subtotals and totals for profit or loss.
- The company must identify assets, liabilities, equity, revenues, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on shared characteristics. This ensures that at least one similar characteristic is present for each item in the primary financial statements. Items with dissimilar characteristics must be

disaggregated in the primary financial statements and notes. The company should only label such items as "Other" when no more informative classification can be found.

- When the company communicates information outside of the financial statements and conveys management's views on a specific aspect of the company's overall financial performance, it must disclose the performance metrics defined by management in a single note to the financial statements. This disclosure should include a description of the metric, how it is calculated, its reconciliation to IFRS-defined subtotals or totals, and the impacts of related adjustments such as income taxes and non-controlling interests.

In addition to the aforementioned impacts, as of the date the consolidated financial statements were approved for release, the Company continued to assess the possible impact of the application of the above standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRSs as endorsed and issued into effect by the FSC.

(II) Basis of preparation

The consolidated financial reports have been prepared on the historical cost basis except for the financial instruments at fair value and net defined benefit liabilities recognized from the present value of defined benefit obligation deducting defined benefit plans at fair value.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Consolidation basis

The consolidated financial statements incorporate the financial statements of the Copartner Company and the entities (subsidiaries) controlled by the Copartner Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Copartner Company's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Copartner Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company and non-controlling interests have been adjusted to reflect the changes in its relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is

recognized directly in equity and attributed to the owners of the Copartner Company.

See Note X and Tables 6 and 7 for the detailed information on subsidiaries (including the percentage of ownership and main business).

(V) Foreign currencies

When the financial statements of each individual entity in the Group are prepared, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss for the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss for the year. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the consolidated financial statements are prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries that operate in countries or adopt the functional currencies different from the Copartner Company) are translated into New Taiwan dollars at the rates of exchange prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the year. The resulting currency exchange differences are recognized in other comprehensive income (and attributed to the owners of the Copartner Company and non-controlling interests).

(VI) Inventories

Inventories include raw materials, goods-in-process, semi-finished goods, finished goods, and merchandise. The value of inventories is determined based on the cost or net realizable value, whichever is lower. The comparison of the

cost and the realizable value is based on individual items except for inventories of the same category. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted average method.

(VII) Investments in associates

An associate is an entity on which the Company has significant influence and is not a subsidiary or joint venture.

The Company adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associates. In addition, the changes in other equity of the associates are recognized according to the shareholding ratio.

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the associates on the acquisition date is listed as goodwill, which is included in the carrying amount of the investment and cannot be amortized.

When assessing impairment, the Company regards the overall carrying amount of the investment(including goodwill) as a single asset and compares the recoverable amount with the carrying amount for impairment testing. The recognized impairment loss is also part of the carrying amount of the investment. Any reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of the investment.

Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the consolidated financial reports only to the extent that it does not affect the Company's interests in the subsidiaries.

(VIII) Property, plant and equipment

Except for private land, which is not subject to depreciation, other property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

Each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess

the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in the current profit and loss.

(IX) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date. It is subsequently measured at cost less accumulated impairment loss.

To measure impairment, goodwill is allocated to the Company among cash generating units (the “CGUs”) or a group of CGUs, which are expected to benefit from the synergy.

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year (and whenever there are signs of impairment) as impairment testing on the units. If the goodwill allocated to the CGUs was obtained through business combination during the year, the CGUs shall undergo the impairment testing before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss for the year. Impairment loss of goodwill shall not be reversed subsequently.

(X) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and impairment loss. Intangible assets are amortized on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, and applies the effect of changes in applicable accounting estimates prospectively.

2. Derecognition

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(XI) Impairment of property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill)

The Company assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use and intangible assets (excluding goodwill) at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the CGU is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the CGU, which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Company becomes a party to the contractual provisions of the instruments.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, but measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the Company are those measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

A. Financial assets measured at amortized cost

When the Company's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- (A) Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- (B) The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, and notes receivable, accounts receivable at amortized cost, accounts receivable due from related parties, other receivables due from related parties, refundable deposits, and refundable fixed deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- (A) For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- (B) For a financial asset that is not purchased or originated credit-impaired but subsequently becomes credit

impaired, interest income is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Credit-impaired financial assets refer to a situation in which the issuer or debtor has experienced significant financial difficulties or defaulted, the debtor is likely to apply for bankruptcy or other financial restructuring, or the active market for such financial assets disappears due to financial difficulties.

Cash equivalents include time deposits that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments.

Contracts with third parties that result in restricted use of demand deposits are also considered cash, unless such restrictions change the nature of the deposit, causing it no longer to meet the definition of cash. If the restrictions on the use of the demand deposits extend beyond 12 months from the balance sheet date, the related amounts should be classified as non-current assets.

B. Investments in equity instruments at fair value through other comprehensive income

The Company may, upon initial recognition, make an irrevocable election to designate as at fair value through other comprehensive income the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. At the time of disposal of such investments, the accumulated

gains and losses are directly reclassified to retained earnings and will not be reclassified to profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on the expected credit loss at each balance sheet date.

Accounts receivable is recognized in loss allowance based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

Impairment losses of all financial assets are achieved by reducing their carrying amounts through the use of an allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at fair value through other comprehensive income in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

The Company's all financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XIII) Revenue recognition

After the performance obligations are identified in a customer contract, the Company allocates the transaction price to each performance obligation, and recognizes it in revenue when each performance obligation is satisfied.

Sales revenue of goods

The sales of goods revenue comes from the R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; the R&D, manufacturing and sales of plastic products. When the products are delivered to the location designated by customers, customers have the right to determine the price and the way the products are used while bearing the main responsibility for resale and the risk of obsolescence, upon which revenue and account receivable are recognized by the Company.

When processing consigned material, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when consigned material.

(XIV) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1. The Company as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

While subleasing right-of-use assets, our company classifies the sublease based on the right-of-use asset (rather than the underlying asset). However, if the head lease qualifies as a short-term lease for which our company applies the exemption from recognition, the sublease is classified as an operating lease.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis over the relevant lease terms. The original direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized in expenses on a straight-line basis over the lease term. Lease negotiations with the lessee are treated as new leases from the effective date of the lease modification.

2. The Company as lessee

The Company recognizes all leases as right-of-use assets and lease liabilities on the commencement date of the lease, except for payment for low-value asset leases and short-term leases which are exempted from recognition and recognized as costs on a straight-line basis during the lease term.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any re-measurement of the lease liabilities. Right-of-use assets are presented separately in the consolidated balance sheets.

Depreciation is withdrawn for right-of-use assets by using straight-line method from the commencement dates of lease to the earlier of the expiration of the service lives or lease terms.

The lease liability is initially measured at the present value of the lease payment. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If changes in the lease term lead to changes in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining re-measurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XV) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XVI) Employee benefits

1. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized in expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and re-measurement) is calculated based on the projected unit credit method. The service cost (including the service costs for the current period) and the net interest on the net defined benefit liabilities are recognized in employee benefit expenses as they occur. The re-measurement (including actuarial gains and losses, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities are the deficit of the defined benefit pension plan.

(XVII) Income tax

The income tax expense represents the sum of the current income tax and deferred tax.

1. Current income tax

The Company determines the income (loss) of the current year in accordance with the laws and regulations in each jurisdiction for income

tax declaration, and calculates the income tax payable (recoverable) accordingly.

A surtax imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized in the year in which it is resolved by the annual shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in the income tax for the year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized when there is likely to be taxable income to deduct temporary differences and the deduction of losses generate income tax credit.

All taxable temporary differences related to investment in subsidiaries and equity in associates are recognized as deferred tax liabilities, except where the Company is able to control the time of reversal of the temporary differences and it is very likely that such temporary differences will not be reversed in the foreseeable future. The deductible temporary differences related to said investments are recognized in deferred income tax only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates of the current year in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or

substantively enacted at the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

V. Major sources of uncertainty in significant accounting judgments, estimations, and assumptions

When the Company adopts accounting policies, the management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors for those not easy to obtain relevant information from other sources. Actual results may differ from estimates.

Management will continue to review estimates and underlying assumptions. If the revision of an estimate affects only the current period, it should be recognized in the period of the revision. If the revision of the accounting estimate affects both the current period and future periods, it should be recognized in the current period and future periods.

Significant accounting judgments

Lease term

When determining the lease term of the leased asset, the Company considers all relevant facts and circumstances that will create economic incentives to exercise (or not exercise) the option, including the expected change of all facts and circumstances from the lease commencement date to the option exercise date. Key factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made during the contract period, and the importance of the underlying asset to the lessee's operations. Reevaluate the lease term when changes occur in substantial matters or circumstances within the control scope of the Company.

Major sources of uncertainty in estimations and assumptions

(I) Income tax

As of December 31, 2024 and 2023, the carrying amounts of deferred income tax assets related to unused tax losses were NT\$ 94,573 thousand and NT\$ 95,258 thousand, respectively. Due to the unpredictability of future profits, the Company had tax losses of NT\$ 381,263 thousand and NT\$ 284,850 thousand as of December 31, 2024 and 2023, respectively, which have not been recognized as deferred income tax assets. The realizability of deferred income tax assets mainly depends on whether there will be sufficient profits or taxable temporary differences in the future. If the actual profit generated in the future is less than expected, there may be a reversal of significant deferred income tax assets, and such reversals are recognized as profit or loss during the occurrence.

(II) Estimated impairment on receivables

The estimated impairment on notes and accounts receivable is based on the Company's assumptions about the default probability and the loss given default. The Company considers historical experience, current market conditions, and forward-looking information to formulate assumptions and select inputs for impairment assessments. Please refer to Note VIII for important assumptions adopted and input values. If the actual cash flow in the future is less than the Company's expectation, significant impairment loss may occur.

(III) Impairment on inventories

The inventories net realizable value is the estimated selling price in the normal operations, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical sales experience assessment of similar products, and the changes in market conditions may significantly impact these estimates.

VI. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Checking accounts and demand deposits	\$ 673,774	\$ 809,729
Cash on hand and revolving funds	348	453
Cash equivalents (investment with original maturities within three months)		
Bank fixed deposits	<u>204,987</u>	<u>265,494</u>
	<u>\$ 879,109</u>	<u>\$ 1,075,676</u>

The interest rate range of bank deposits on the balance sheet date is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank deposits	0%~4.30%	0%~5.30%

VII. Financial assets at fair value through other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Non-current</u>		
Foreign investment		
Unlisted stocks		
Ordinary shares of Yisite Precision Instrument (Dongguan) Co., Ltd.	\$ 3,193	\$ 3,041

The Company has invested ordinary shares of the above company according to the long-term strategy purpose and expects profits through long-term investment. The Company's management believes that, if the short-term fluctuations in the fair value of these investments are recognized as profits or losses, it would be inconsistent with the aforementioned long-term investment plan, so these investments are measured at fair value through other comprehensive income as designated.

VIII. Notes receivable, accounts receivable, and other receivable, net

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Note receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 144,974	\$ 182,741
Less: Loss allowances	(23,229)	(21,650)
	<u>\$ 121,745</u>	<u>\$ 161,091</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 1,287,334	\$ 1,102,852
Less: Loss allowances	(49,698)	(50,116)
	<u>\$ 1,237,636</u>	<u>\$ 1,052,736</u>
<u>Other receivables</u>		
Measured at amortized cost		
Total carrying amount	\$ 23,234	\$ 12,583
Less: Loss allowances	-	-
	<u>\$ 23,234</u>	<u>\$ 12,583</u>

Accounts receivable measured at amortized cost

The Company's average credit period for sales is 60 days to 120 days monthly settlement. No interest will be accrued for accounts receivable. In order to mitigate credit risk, the management of the Company assigns a special team to be responsible for the determination of credit lines, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of past-due accounts receivable. In addition, the Company will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Company's management believes that its credit risk has been significantly reduced.

The Company recognizes the loss allowance for accounts receivable based on the lifetime ECLs. The lifetime ECLs are calculated using a provision matrix based on the consideration for customers' past default records, current financial position, and industrial economic situation. As the Company's historical experience in credit loss shows that there is no significant difference in the loss patterns among different customer groups, the customer groups are not further differentiated in the provision matrix, and only the ECLs based on the age of the accounts receivable are set.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, for instance, the counterparty is engaging in the settlement. The Company will directly write off the relevant accounts receivable but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The loss allowance for accounts receivable measured by the Company based on the provision matrix as follows:

December 31, 2024

	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
ECLs	-	1%	25%~75%	100%	
Total carrying amount	\$ 899,986	\$ 328,954	\$ 17,285	\$ 41,109	\$ 1,287,334
Allowance for losses (lifetime ECLs)	-	(3,293)	(5,296)	(41,109)	(49,698)
Amortized cost	<u>\$ 899,986</u>	<u>\$ 325,661</u>	<u>\$ 11,989</u>	<u>\$ -</u>	<u>\$ 1,237,636</u>

December 31, 2023

	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
ECLs	-	1%	25%~75%	100%	
Total carrying amount	\$ 752,608	\$ 294,781	\$ 12,384	\$ 43,079	\$ 1,102,852
Allowance for losses (lifetime ECLs)	-	(2,732)	(4,305)	(43,079)	(50,116)
Amortized cost	<u>\$ 752,608</u>	<u>\$ 292,049</u>	<u>\$ 8,079</u>	<u>\$ -</u>	<u>\$ 1,052,736</u>

The information on changes in the loss allowance for notes receivable is as follows:

	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$ 21,650	\$ 21,883
Add: Impairment loss recognized for the year	1,579	-
Less: Impairment loss reversal for the year	<u>-</u>	<u>(233)</u>
Balance at end of the year	<u>\$ 23,229</u>	<u>\$ 21,650</u>

The information on changes in the loss allowance for accounts receivable is as follows:

	<u>2024</u>	<u>2023</u>
Balance at beginning of the year	\$ 50,116	\$ 52,601
Add: Impairment loss recognized for the year	-	6,954
Less: Reversal of impairment loss for the year.	(1,465)	-
Less: Actual write-off for the year	(1,075)	(8,761)
Foreign currency translation difference	<u>2,122</u>	<u>(678)</u>
Balance at end of the year	<u>\$ 49,698</u>	<u>\$ 50,116</u>

IX. Inventories

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Finished goods	\$ 76,691	\$ 86,238
Goods-in-process and semi-finished goods	68,644	88,165
Raw material	122,543	154,015
Goods	<u>1,572</u>	<u>5,761</u>
	<u>\$269,450</u>	<u>\$334,179</u>

The components of operating costs related to inventories are as follows:

	<u>2024</u>	<u>2023</u>
The reversal of inventory write-down and obsolescence benefits	(\$ 7,491)	(\$ 2,563)
Unamortized production overheads	<u>\$ 47,942</u>	<u>\$ 74,984</u>
Revenue from scrap	<u>\$ 19,753</u>	<u>\$ 18,015</u>
Costs of sales	<u>\$ 2,998,312</u>	<u>\$ 3,279,021</u>

The reversal of inventory write-down and obsolescence benefits is due to the factors that previously caused the net realizable value of inventory to be lower than its cost having been eliminated, as well as the liquidation of inventory.

X. Subsidiary

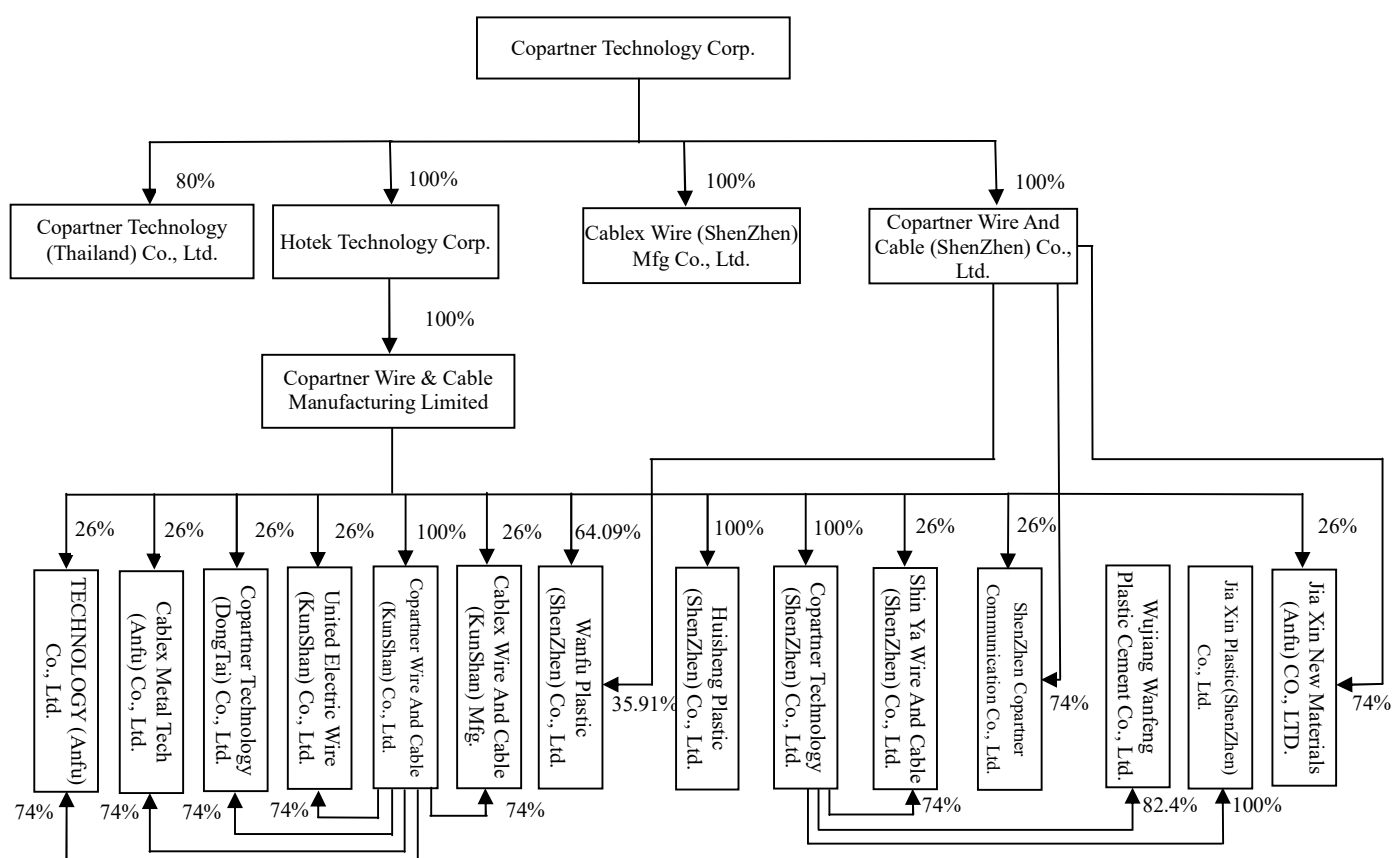
The main entities in the consolidated financial statements are as follows:

Investment company	Name of subsidiary	Nature of business	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Copartner Technology Corp.	Hotek Technology Corporation (HOTEK TECHNOLOGY CORP.)	Investment	100%	100%	-
	Copartner Wire And Cable (ShenZhen) Co.,Ltd. (Copartner Wire And Cable (ShenZhen) Co.,Ltd.)	Investment	100%	100%	-
	Cablex Wire (ShenZhen) Mfg Co.,Ltd. (Cablex Wire (ShenZhen) Mfg Co.,Ltd.)	Production and sales of copper wires	100%	100%	-
	Copartner Technology (Thailand) Co., Ltd.	Production and sales of wires, cables, and computer cables	80%	-	Note
HOTEK TECHNOLOGY CORP.	Copartner Wire & Cable Manufacturing Limited (Copartner Wire & Cable Manufacturing Limited)	General international trade and general investment business	100%	100%	-
Copartner Wire & Cable Manufacturing Limited	Huisheng Plastic (ShenZhen) Co.,Ltd. (Huisheng Plastic (ShenZhen) Co.,Ltd.)	Production and sales of plastic pellets	100%	100%	-
	Copartner Technology (ShenZhen) Co.,Ltd. (Copartner Technology (ShenZhen) Co.,Ltd.)	Production and sales of wires, cables, and computer cables	100%	100%	-
Copartner Wire And Cable (KunShan) Co.,Ltd.	Copartner Wire And Cable (KunShan) Co.,Ltd. (Copartner Wire And Cable (KunShan) Co.,Ltd.)	Investment	100%	100%	-
	Wanfu Plastic (ShenZhen) Co.,Ltd. (Wanfu Plastic (ShenZhen) Co.,Ltd.)	Production and sales of plastic pellets	64.09%	64.09%	-
	Shin Ya Wire And Cable (ShenZhen) Co.,Ltd. (Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.)	Production and sales of wires, cables, and computer cables	26%	26%	-
	United Electric Wire (KunShan) Co.,Ltd. (United Electric Wire (KunShan) Co.,Ltd.)	Production and sales of wires, cables, and computer cables	26%	26%	-
	Cablex Wire And Cable(KunShan) Mfg. (Cablex Wire And Cable(KunShan) Mfg.)	Production and sales of wires, cables, and computer wire harness	26%	26%	-
	ShenZhen Copartner Communication Co.,Ltd. (ShenZhen Copartner Communication Co.,Ltd.)	Production and sales of wires, cables, and computer cables	26%	26%	-
	Copartner Technology (DongTai) Co.,Ltd. (Copartner Technology (DongTai) Co.,Ltd.)	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	26%	26%	-
	Jia Xin New Materials (Anfu) CO., LTD. (Jia Xin New Materials (Anfu) CO., LTD.)	Production and sales of plastic pellets	26%	26%	-
	Cablex Metal Material (Anfu) Co.,Ltd. (Cablex Metal Material (Anfu) Co.,Ltd.)	Production and sales of copper wires	26%	26%	-
	Copartner Technology (Anfu) Co.,Ltd. (Copartner Technology (Anfu) Co.,Ltd.)	Production and sales of wires, cables, and computer cables	26%	26%	-
	United Electric Wire (KunShan) Co.,Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Cablex Wire And Cable(KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	74%	74%	-
	Copartner Technology (DongTai) Co.,Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	74%	74%	-

Copartner Technology (ShenZhen) Co.,Ltd.	Cablex Metal Material (Anfu) Co.,Ltd.	Production and sales of copper wires	74%	74%	-
	Copartner Technology (Anfu) Co.,Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Wujiang Wanfeng Plastic Cement Co.,Ltd. (Wujiang Wanfeng Plastic Cement Co.,Ltd.)	Production and sales of plastic pellets	82.4%	82.4%	-
Copartner Wire And Cable (ShenZhen) Co.,Ltd.	Jia Xin Plastic(ShenZhen) Co.,Ltd. (Jia Xin Plastic(ShenZhen) Co.,Ltd.)	Production and sales of plastic pellets	100%	100%	-
	ShenZhen Copartner Communication Co.,Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Wanfu Plastic (ShenZhen) Co.,Ltd.	Production and sales of plastic pellets	35.91%	35.91%	-
	Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	74%	74%	-

Note : It is a joint investment by Copartner and Thai JE Technology Co., Ltd. to establish Copartner Technology (Thailand) Co., Ltd., which has completed its registration on January 3, 2024..

As of the end of December 2024, the Company's investment relation and ownership percentage are as follows charts:



XI. Investments accounted for using equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Investments in associates</u>		
Associates that are not individually material		
HPC Technology Inc.	<u>\$ 38,760</u>	<u>\$ 40,805</u>
	Percentage of ownership interests and voting rights	
<u>Company Name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
HPC Technology Inc.	48.98%	48.98%

Aggregate information on associates that are not individually material as follows:

	<u>2024</u>	<u>2023</u>
The Company's share		
Current net loss	<u>(\$ 2,045)</u>	<u>(\$ 2,006)</u>

As of December 31, 2024 and 2023, the amount of goodwill generated by the Company's investment in HPC Technology Inc. was NT\$ 14,462 thousand, including the cost of investing in associates.

Please refer to Table 6 Information on Investee for the information on the above associates' business nature, the main place of business, and country of company registration.

The Company's share of profit or loss of the associates under the equity method in 2024 and 2023 was recognized based on the associates' financial statements that have been audited by CPAs for the same period.

XII. Property, plant and equipment

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Owner-occupied	<u>\$ 1,153,568</u>	<u>\$ 950,895</u>
Operating lease rent	<u>12,682</u>	<u>13,181</u>
	<u>\$ 1,166,250</u>	<u>\$ 964,076</u>

(I) Owner-occupied

	<u>Land</u>	<u>Property and building</u>	<u>Machinery and equipment</u>	<u>Instrument and equipment</u>	<u>Transport equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Property under construction</u>	<u>Total</u>
<u>Cost</u>									
Balance as of January 1, 2024	\$ 97,644	\$ 474,805	\$ 504,201	\$ 65,384	\$ 40,825	\$ 41,764	\$ 50,637	\$ 326,983	\$ 1,602,243
Additions	-	33,217	24,773	11,298	11,455	8,047	21,931	154,101	264,822
Disposals	-	-	(103,107)	(11,862)	(10,423)	(11,675)	(7,513)	-	(144,580)
Reclassification	-	490,555	983	-	-	30	508	(492,076)	-
Foreign currency translation difference	-	26,487	28,132	3,103	1,834	9,478	2,648	12,531	84,213
Balance as of December 31, 2024	<u>\$ 97,644</u>	<u>\$ 1,025,064</u>	<u>\$ 454,982</u>	<u>\$ 67,923</u>	<u>\$ 43,691</u>	<u>\$ 47,644</u>	<u>\$ 68,211</u>	<u>\$ 1,539</u>	<u>\$ 1,806,698</u>
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2024	\$ -	\$ 144,435	\$ 368,799	\$ 47,749	\$ 24,703	\$ 32,594	\$ 33,068	\$ -	\$ 651,348
Depreciation expense	-	13,810	53,438	7,668	7,508	3,791	8,678	-	94,893
Disposals	-	-	(98,292)	(8,240)	(8,617)	(10,493)	(7,419)	-	(133,061)

Foreign currency translation difference	-	5,272	20,997	2,110	986	9,014	1,571	-	39,950
Balance as of December 31, 2024	\$ -	\$ 163,517	\$ 344,942	\$ 49,287	\$ 24,580	\$ 34,906	\$ 35,898	\$ -	\$ 653,130
Net amount as of December 31, 2023	\$ 97,644	\$ 861,547	\$ 110,040	\$ 18,636	\$ 19,111	\$ 12,738	\$ 32,313	\$ 1,539	\$ 1,153,568
<u>Cost</u>									
Balance as of January 1, 2023	\$ 97,644	\$ 186,396	\$ 690,484	\$ 87,424	\$ 46,996	\$ 54,563	\$ 60,045	\$ 280,566	\$ 1,504,118
Additions	-	-	44,889	3,150	10,945	6,223	8,150	349,381	422,738
Disposals	-	(300)	(225,564)	(24,270)	(16,565)	(18,749)	(17,349)	-	(302,797)
Reclassification	-	295,995	1,125	-	-	-	542	(297,662)	-
Foreign currency translation difference	-	(7,286)	(6,733)	(920)	(551)	(273)	(751)	(5,302)	(21,816)
Balance as of December 31, 2023	\$ 97,644	\$ 474,805	\$ 504,201	\$ 65,384	\$ 40,825	\$ 41,764	\$ 50,637	\$ 326,983	\$ 1,602,243
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2023	\$ -	\$ 141,358	\$ 496,573	\$ 61,784	\$ 30,131	\$ 44,853	\$ 41,771	\$ -	\$ 816,470
Depreciation expense	-	5,004	65,012	8,225	7,471	3,462	7,509	-	96,683
Impairment loss	-	-	18,102	-	-	-	-	-	18,102
Disposals	-	(297)	(206,142)	(21,607)	(12,598)	(15,574)	(15,739)	-	(271,957)
Foreign currency translation difference	-	(1,630)	(4,746)	(653)	(301)	(147)	(473)	-	(7,950)
Balance as of December 31, 2023	\$ -	\$ 144,435	\$ 368,799	\$ 47,749	\$ 24,703	\$ 32,594	\$ 33,068	\$ -	\$ 651,348
Net amount as of December 31, 2023	\$ 97,644	\$ 330,370	\$ 135,402	\$ 17,635	\$ 16,122	\$ 9,170	\$ 17,569	\$ 326,983	\$ 950,895

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Property and building	
Office main buildings	50 years
Renovation projects and others	2-10 years
Machinery and equipment	2-10 years
Instrument and equipment	3-10 years
Transport equipment	3-10 years
Office equipment	3-15 years
Other equipment	2-10 years

The Company recognized an impairment loss of NT\$18,102 thousands for machinery and equipment expected to generate reduced future cash inflows, resulting in the recoverable amount being less than the carrying amount (using the value in use) in 2023. This impairment loss has been included in the cost of goods sold in the consolidated statement of comprehensive income.

For the amount of property, plant, and equipment pledged by the Company as collateral for borrowings, please refer to Note XXVII.

(II) Operating lease rent

	<u>Property and building</u>
<u>Cost</u>	
Balance for the year ended December 31, 2024	<u>\$ 25,446</u>
<u>Accumulated depreciation</u>	
Balance as of January 1, 2024	\$ 12,265
Depreciation expense	<u>499</u>
Balance as of December 31, 2024	<u>\$ 12,764</u>
Net amount as of December 31, 2024	<u>\$ 12,682</u>
<u>Cost</u>	
Balance for the year ended December 31, 2023	<u>\$ 25,446</u>
<u>Accumulated depreciation</u>	
Balance as of January 1, 2023	\$ 11,767
Depreciation expense	<u>498</u>
Balance as of December 31, 2023	<u>\$ 12,265</u>
Net amount as of December 31, 2023	<u>\$ 13,181</u>

The Company rents offices by operating lease of 2 to 3 years lease term. At the end of the lease term, the lessee will not have a bargain purchase option for the asset.

The total amount of lease payments that will be received in the future under operating leases is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
First year	\$ 1,998	\$ 3,037
Second year	<u>1,278</u>	<u>293</u>
	<u>\$ 3,276</u>	<u>\$ 3,330</u>

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Property and building	50 years
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XIII. Lease arrangements

(I) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of right-of-use assets		
Land	\$ 33,201	\$ 55,820
Property and building	253,516	314,836
Transport equipment	<u>435</u>	<u>1,478</u>
	<u>\$287,152</u>	<u>\$372,134</u>
	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets	<u>\$ 41,852</u>	<u>\$ 60,332</u>
Depreciation expenses of right-of-use assets		
Land	\$ 815	\$ 1,288
Property and building	66,245	74,750
Transport equipment	<u>1,043</u>	<u>1,042</u>
	<u>\$ 68,103</u>	<u>\$ 77,080</u>
Revenue from subleasing of operating lease assets (recognized as other income)	(<u>\$ 24,793</u>)	(<u>\$ 1,325</u>)

(II) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 62,411</u>	<u>\$ 59,816</u>
Non-current	<u>\$205,753</u>	<u>\$268,940</u>

Range of discount rate for lease liabilities is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property and building	1.8%~4.9%	1.8%~4.9%
Transport equipment	1.8%	1.8%

(III) Material lease-in activities and terms

The Company leases several buildings for plants, offices, and dormitories for a 2 to 9 years lease term.

The Company also leases a certificate of the right of land use of the mainland for 50 years lease term.

(IV) Subleasing

Apart from the disclosures made in Note XII, the company has the following subleasing transactions:

The company subleased the right to use a building under an operating lease for 2 years.

The total future lease payments to be received from the subleasing of the operating lease are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
First year	\$ 24,762	\$ 15,904
Second year	12,560	11,928
Third year	12,560	-
Fourth year	13,817	-
Fifth year	13,817	-
Sixth year	7,599	-
	<u>\$ 85,115</u>	<u>\$ 27,832</u>

(V) Other leasing information

	<u>2024</u>	<u>2023</u>
Expense on short-term lease	<u>\$ 36,157</u>	<u>\$ 20,325</u>
Lease expenses of low-value assets	<u>\$ -</u>	<u>\$ -</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ -</u>	<u>\$ -</u>
Total cash outflow from lease	<u>(\$129,883)</u>	<u>(\$123,611)</u>

The Company has leased certain office equipment which qualifies for short-term leases and transportation equipment which qualifies for low-value asset leases.

The Group has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

XIV. Goodwill

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Cost</u>		
Balance at beginning of the year	\$ 4,256	\$ 4,294
Foreign currency translation difference	<u>119</u>	<u>(38)</u>
Balance at end of the year	<u>\$ 4,375</u>	<u>\$ 4,256</u>

XV. Intangible assets

	<u>Computer software costs</u>
<u>Cost</u>	
Balance as of January 1, 2024	\$ 4,710
Additions	460
Net exchange differences	<u>232</u>
Balance as of December 31, 2024	<u>\$ 5,402</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2024	\$ 4,016
Amortization expense	513
Net exchange differences	<u>201</u>
Balance as of December 31, 2024	<u>\$ 4,730</u>
Net amount as of December 31, 2024	<u>\$ 672</u>

<u>Cost</u>	
Balance as of January 1, 2023	\$ 4,525
Additions	258
Net exchange differences	(<u>73</u>)
Balance as of December 31, 2023	<u>\$ 4,710</u>

<u>Accumulated amortization</u>	
Balance as of January 1, 2023	\$ 3,752
Amortization expense	327
Net exchange differences	(<u>63</u>)
Balance as of December 31, 2023	<u>\$ 4,016</u>

Net amount as of December 31, 2023	<u>\$ 694</u>
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Amortization expenses are recognized on a straight-line basis based on the number of useful lives below:

Computer software costs	3 years
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XVI. Borrowings

(I) Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured borrowings</u>		
Credit borrowings		
- Interest rate: 1.97%~2.62% in 2023, due before the end of October 2025;		
1.85%~3.60% in 2023, due before the end of December 2024	<u>\$770,004</u>	<u>\$931,479</u>

(II) Long-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Secured borrowings (1)</u>		
Joint credit loan - interest rate: 1.97% for 2024 and 2.11% for 2023	\$300,000	\$160,000
Syndication sponsor fee	(850)	(1,150)
Mortgage Loan - interest rate: 3.60% for 2024 and 4.20% for 2023	<u>199,745</u>	<u>61,680</u>
Subtotal	498,895	220,530
<u>Unsecured borrowings</u>		
Credit borrowings-interest rate: 0.50%~ 2.22% in 2024, due before the end of February 2029 ; 0.50%~ 2.10% in 2023, due before the end of December 2028	27,933	49,352
Less: Current portion within one year	(<u>28,422</u>)	(<u>172,078</u>)
Long-term borrowings	<u>\$498,406</u>	<u>\$ 97,804</u>

- In October 2022, the Copartner Company entered into joint credit agreements of NT\$ 1,000,000 thousand or equivalent US dollars with 6 banks such as Chang Hwa Bank Chilin Branch and Land Bank of Taiwan Chengdong Branch. The agreement period is 5 years, of which Item A - medium-term loans of NT\$ 1,000,000 thousand; Item B - medium-term loans of NT\$ 1,000,000 thousand equivalent in US dollars, and Item C - guaranteed-commercial paper issuance of NT\$ 600,000 thousand, make all revolving loan facilities.

Items A - The relevant terms, interest rate, and amount used on 2024 and December 31, 2023 , for the medium-term loans are as follows:

December 31, 2024

<u>Line of credit</u>	<u>Amount used</u>	<u>Credit term</u>	<u>Interest rate</u>	<u>Repayment method</u>
NT\$ 1,000,000 thousand or equivalent in US dollars	<u>\$ 300,000</u>	Five years from the date of first drawdown (revolving credit)	2.30%	The borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage

December 31, 2023

<u>Line of credit</u>	<u>Amount used</u>	<u>Credit term</u>	<u>Interest rate</u>	<u>Repayment method</u>
NT\$ 1,000,000 thousand or equivalent in US dollars	<u>\$ 160,000</u>	Five years from the date of first drawdown (revolving credit)	2.11%	The borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage

During the duration of agreements with the Chang Hwa Bank, a syndicated loan with a joint credit line, the current ratio, debt ratio, and EBIT in the Copartner Company's Q2 and annual consolidated financial statements should meet the requirements in the agreements. As of December 31, 2023, a portion of financial ratios of the Copartner Company were not in compliance with the regulations. Therefore, as of December 31, 2023, the borrowed and discounted funds of NT\$758,850 million already utilized were reclassified as current liabilities due within one year. However, on November 14, 2023, the Company applied to six banks, including Chang Hwa Bank (the syndicated credit banks), for an exemption from reviewing the audited consolidated financial statements for the year ended December 31, 2023, for the financial covenant. Subsequently, on February 16, 2024, the majority of the syndicated credit banks provided written consent to exempt and revise the financial covenant ratios for the audited consolidated financial statements for the year ended December 31, 2023. This exemption and revision will not have a significant impact on the operations or finances of Copartner Company.

The above financial ratios and requirements should be based on the audited/ reviewed annual and semi-annual consolidated financial statements by the accountants. If the Company fails to meet the above financial ratios and requirements, it shall pay compensation fees monthly. However, if the next period's financial report, after being audited or reviewed by the accountants, meets all the financial ratios and covenant requirements, it shall not constitute a default under this agreement. As of December 31, 2024, the financial ratios of The Company comply with the required standards.

For the above long-term borrowings, the Copartner Company provided part of the land, houses, and buildings in Zhonghe District, New Taipei City as collateral for the loan (please refer to Note XXVII).

(III) Long-term notes payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Joint credit agreement-guaranteed-commercial paper issuance		
Interest rate: 2.26% in 2024 and 2.02% in 2023	\$600,000	\$600,000
Minus: Classify a portion of long-term notes payable as current liabilities due within one year.	<u>-</u>	<u>(600,000)</u>
	<u>\$600,000</u>	<u>\$ -</u>

The joint credit agreement as described in (2) is Item C - line of guaranteed-commercial paper issuance.

XVII. Other current liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary and bonus payable	\$117,947	\$ 81,070
Payables to equipment suppliers	76,951	56,587
Payables to engineering	3,766	6,053
Other	<u>205,585</u>	<u>219,661</u>
	<u>\$404,249</u>	<u>\$363,371</u>

XVIII. Post-employment benefits plans

(I) Determined appropriation plans

The Copartner Company and Hotek Technology Corporation has adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the companies make monthly contributions to employees' individual pension accounts of the Bureau of Labor Insurance at 6% of monthly salaries and wages. The rest of the mainland subsidiaries listed in the consolidated financial report are the basic pension insurance premiums paid to the pension plan managed by the mainland government recognized as current-year expenses when appropriated.

(II) Defined benefit plans

The pension system adopted by Copartner Company and Hotek Technology Corporation in the Group in accordance with the Labor Standards Act of R.O.C. is a state-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the 6 months prior to the approved retirement date. The Copartner Company and Hotek Technology Corporation contributes pensions at 2% of the total monthly employee salaries, which are deposited by the Pension Fund Monitoring Committee in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

The amount of defined benefit plans listed in the consolidated balance sheet is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ 44,998	\$ 45,649
Fair value of plan assets	(<u>16,271</u>)	(<u>14,573</u>)
Net defined benefit liabilities	<u>\$ 28,727</u>	<u>\$ 31,076</u>

Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
January 1, 2023	<u>\$ 49,665</u>	(<u>\$ 14,971</u>)	<u>\$ 34,694</u>
Service cost			
Current service cost	140	-	140
Interest (income) expense	<u>644</u>	(<u>207</u>)	<u>437</u>
Recognized in profit or loss	<u>784</u>	(<u>207</u>)	<u>577</u>
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(86)	(86)

Actuarial losses - changes in financial assumptions	263	-	263
Actuarial losses - experience adjustments	<u>39</u>	<u>-</u>	<u>39</u>
Recognized in other comprehensive income	<u>302</u>	(<u>86</u>)	<u>216</u>
Contributions from the employer	<u>-</u>	(<u>2,893</u>)	(<u>2,893</u>)
Paid for planning asset	(<u>3,584</u>)	<u>3,584</u>	<u>-</u>
Paid for Company	(<u>1,518</u>)	<u>-</u>	(<u>1,518</u>)
December 31, 2023	<u>45,649</u>	(<u>14,573</u>)	<u>31,076</u>
Service cost			
Current service cost	144	-	144
Interest (income) expense	<u>553</u>	(<u>183</u>)	<u>370</u>
Recognized in profit or loss	<u>697</u>	(<u>183</u>)	<u>514</u>
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(1,323)	(1,323)
Actuarial gains - changes in financial assumptions	(369)	-	(369)
Actuarial gains - experience adjustments	(<u>979</u>)	<u>-</u>	(<u>979</u>)
Recognized in other comprehensive income	(<u>1,348</u>)	(<u>1,323</u>)	(<u>2,671</u>)
Contributions from the employer	<u>-</u>	(<u>192</u>)	(<u>192</u>)
December 31, 2024	<u>\$ 44,998</u>	(<u>\$ 16,271</u>)	<u>\$ 28,727</u>

Due to the pension plans under the Labor Standards Act, the Company is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.

2. Interest risk: A decrease in the interest rate in the government bonds/ corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.375%	1.125%~1.25%
Expected salary increase rate	2.00%	2.00%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
Increase by 0.25%	(\$ <u>606</u>)	(\$ <u>647</u>)
Decrease by 0.25%	<u>\$ 622</u>	<u>\$ 665</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 610</u>	<u>\$ 651</u>
Decrease by 0.25%	(<u>\$ 598</u>)	(<u>\$ 637</u>)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The expected appropriate amount within 1 year	<u>\$ 190</u>	<u>\$ 197</u>
The weighted average duration of the defined benefit obligation	3.5~6.3 Year	3.7~6.7 Year

XIX. Equity

(I) Ordinary shares

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized shares (in thousands)	<u>120,000</u>	<u>120,000</u>
Authorized share capital	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Issued and paid shares (in thousands)	<u>87,550</u>	<u>87,550</u>
Issued share capital	<u>\$ 875,500</u>	<u>\$ 875,500</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

The change in the Company's share capital is mainly due to the distribution of stock dividends.

(II) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>May be used to compensate losses, distribute cash, or replenish capital (1)</u>		
Share premium	\$366,770	\$366,770
<u>May only be used to compensate losses</u>		
Recognition of changes in ownership interests of subsidiaries (2)	<u>13,685</u>	<u>13,685</u>
	<u>\$380,455</u>	<u>\$380,455</u>

1. This type of capital surplus attributed to the income derived from the issuance of new shares at a premium can be used to make up for losses, and can also be used to pay cash or to replenish capital when the Company does not suffer losses, but when capital is replenished, it is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus is the amount of adjustments to capital surplus of subsidiaries recognized by the Company using the equity method.

(III) Retained earnings and dividends policy

According to the surplus distribution policy stipulated in the Copartner Company's Articles of Incorporation before the amendment, the Copartner Company's earnings after the annual final accounts, in addition to paying income tax according to law, shall first make up for previous year's losses, and then withdraw 10% of the balance as a legal reserve, and then follow relevant laws

and regulations or the competent authority stipulates that the special reserves shall be appropriated or reversed. After adding up the undistributed surplus of the previous years, the board of directors will formulate a surplus distribution proposal and submit a resolution to the shareholders meeting to distribute dividends to shareholders. For the employee compensation and directors' remuneration distribution policy stipulated in the Copartner Company's Articles of Incorporation, please refer to Note XXII(VII) regarding employee compensation and directors' remuneration.

On June 29, 2022, the Copartner Company's shareholders' meeting approved a resolution to amend the Articles of Incorporation, stipulating the distribution of dividends for shareholders and the distribution of legal reserve and capital surplus in cash. The board of directors is authorized, two-thirds of the board of directors shall attend, and more than half of the directors present agree, which shall be distributed after approval and reported to the shareholders' meeting.

The cash and stock combination method shall be adopted as the dividend distribution policy to improve the financial structure and protect the rights and interests of shareholders. Cash dividends shall not be less than 10% of the total dividends.

The legal reserve shall not be appropriated when its balance reaches the amount of the Company's total paid-in capital. The legal reserve may be used to make up for losses. When the Company does not suffer losses, the part of the legal reserve in excess of 25% of the total paid-in capital can be distributed in cash in addition to being used to replenish the capital.

The Company held its shareholders' meetings on June 14, 2024, and June 30, 2023, respectively, and approved the resolution for the allocation of the 2023 Defecit compensation proposal and 2022 earnings distribution proposal.

The Copartner company's 2022 as follows:

	2022
Appropriate (reverse) special reserves	<u>(\$ 45,376)</u>

In addition, the Copartner Company's board of directors, on March 29, 2023, proposed to distribute cash from capital surplus at NT\$ 0.5 per share in cash, and the distribution amount is NT\$ 43,775 thousand. The distribution item was approved at the Annual Shareholders' Meetings held on June 30, 2023.

The 2024 Deficit compensation proposal will be resolved by the board of director on March 14, 2025 and general shareholders' meeting held on June 13, 2025.

(IV) Special reserve

	2024	2023
Balance at beginning of the year	\$253,342	\$298,718
Appropriate special reserves		
Less amount of appropriate other equity items	-	(45,376)
Balance at end of the year	<u>\$253,342</u>	<u>\$253,342</u>

According to the regulations of the Financial Supervisory Commission (FSC), when distributing distributable profits, the Company shall include in the current undistributed earnings the net amount of reductions in other shareholders' equity recorded during the current year, in addition to the net profit after tax for the period plus items other than net profit after tax for the period. These amounts are then added to the current undistributed earnings and the appropriation of from retained earnings of previous years. The accumulated amount of reductions in other shareholders' equity from previous periods cannot be distributed and must be appropriated to the special reserve from retained earnings of previous years. However, if there is a reversal in the amount of reductions in other shareholders' equity, the Company may distribute profits based on the reversed portion.

(V) Other equity interests

Exchange differences on translation of foreign financial statements

	2024	2023
Balance at beginning of the year	(\$295,450)	(\$253,342)
Generated in the current year		
Exchange differences on translation of foreign financial statements	<u>143,275</u>	(<u>42,108</u>)
Balance at end of the year	(<u>\$152,175</u>)	(<u>\$295,450</u>)

(VI) Non-controlling interests

	2024	2023
Balance at beginning of the year	\$ 9,501	\$ 9,749
Current net loss	(1,925)	(98)
Other comprehensive income for the current year		

	<u>2024</u>	<u>2023</u>
Exchange differences on translation of foreign financial statements	1,617	(150)
Non-controlling interest arising from the establishment of a subsidiary.	<u>13,016</u>	<u>-</u>
Balance at end of the year	<u>\$ 22,209</u>	<u>\$ 9,501</u>

XX. Revenue

	<u>2024</u>	<u>2023</u>
Revenue from customer contracts		
Revenue from sale of goods	<u>\$ 3,420,294</u>	<u>\$ 3,642,580</u>

(I) Balance of contracts

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Notes receivable and accounts receivable (including receivables from related parties). (Note VIII)	<u>\$ 1,360,113</u>	<u>\$ 1,215,191</u>	<u>\$ 1,474,494</u>
Contract liabilities	<u>\$ 7,552</u>	<u>\$ 7,966</u>	<u>\$ 7,381</u>

Changes in contract liabilities are primarily attributable to differences in the timing of satisfaction of contract obligations and the timing of payment by customers.

The amount of contract liabilities from the beginning of the year and performance obligations fulfilled in the previous period recognized in revenue in the current period is as follows:

	<u>2024</u>	<u>2023</u>
<u>Contract liabilities from the beginning of the year</u>		
Merchandise sales	<u>\$ 5,966</u>	<u>\$ 7,363</u>

(II) Breakdown of revenue from customer contracts

Segment by geographical location	<u>2024</u>	<u>2023</u>
Taiwan (Location of Company)	\$ 98,430	\$ 85,918
Asia	3,152,837	3,340,511
The Americas	74,199	124,824

Europe	93,686	81,946
Other	<u>1,142</u>	<u>9,381</u>
	<u>\$ 3,420,294</u>	<u>\$ 3,642,580</u>

XXI. Net loss from continuing operations

Net loss from continuing operations includes the following items:

(I) Interest income

	<u>2024</u>	<u>2023</u>
Bank deposits	<u>\$ 12,462</u>	<u>\$ 16,894</u>

(II) Other income

	<u>2024</u>	<u>2023</u>
Rental income (operating lease)	\$ 56,656	\$ 20,375
Other	<u>46,196</u>	<u>16,971</u>
	<u>\$102,852</u>	<u>\$ 37,346</u>

(III) Other gains and losses

	2024	2023
Gain on foreign exchange, net	\$ 7,608	\$ 2,222
Lease modification actuarial gains	2,481	314
Other	(597)	(1,834)
	<u>\$ 9,492</u>	<u>\$ 702</u>

(IV) Finance costs

	2024	2023
Bank loans interest	\$ 37,559	\$ 30,287
Interest on lease liabilities	<u>14,092</u>	<u>16,767</u>
	<u>\$ 51,651</u>	<u>\$ 47,054</u>

(V) Depreciation and amortization

	2024	2023
Property, plant and equipment	\$ 95,392	\$ 97,181
Right-of-use assets	68,103	77,080
Intangible assets	<u>513</u>	<u>327</u>
	<u>\$164,008</u>	<u>\$174,588</u>
An analysis of depreciation expenses by function		
Costs of sales	\$ 90,580	\$119,587
Operating expenses	<u>72,915</u>	<u>54,674</u>
	<u>\$163,495</u>	<u>\$174,261</u>
An analysis of amortization expenses by function		
Selling expenses	\$ 39	\$ -
Administrative expenses	187	68
R&D expenses	<u>287</u>	<u>259</u>
	<u>\$ 513</u>	<u>\$ 327</u>

(VI) Employee benefits expenses

	<u>2024</u>	<u>2023</u>
Post-employment benefits		
Determined appropriation plans	\$ 40,709	\$ 32,665
Defined benefit plans (Note XVIII)	<u>514</u>	<u>577</u>
	41,223	33,242
Other employee benefits	<u>562,929</u>	<u>653,427</u>
	<u>\$604,152</u>	<u>\$686,669</u>
 An analysis by function		
Costs of sales	\$320,739	\$337,309
Operating expenses	<u>283,413</u>	<u>349,360</u>
	<u>\$604,152</u>	<u>\$686,669</u>

(VII) Remuneration to the employees and directors

The Copartner Company shall allocate no less than 1% and no more than 3% of the pre-tax income before the employee and directors' remunerations distributed are deducted for employee and directors' remuneration, respectively. The Company suffered net loss before tax in 2022 and 2023, so we did not estimate employee and directors' remunerations.

If there is a change in the amount after the annual consolidated financial statements are approved for release, it shall be treated as a change in accounting estimates and adjusted and accounted for in the next year.

There was no difference between the actual amount of employee compensation and directors' remuneration distributed for 2021 and the amount recognized in the 2021 consolidated financial reports.

For information on employee compensation and directors' remuneration decided by the Copartner Company's board of directors, please visit the Market Observatory Post System (MOPS) of Taiwan Stock Exchange.

XXII. Income tax

(I) Major components of income tax expense recognized in profit or loss

	<u>2024</u>	<u>2023</u>
Current income tax		
Incurred in the current year	\$ 14,001	\$ 14,056
Withholding earning	1,669	6,746
Deferred income tax		
Incurred in the current year	<u>685</u>	<u>(13,133)</u>

	<u>2024</u>	<u>2023</u>
Income tax expense recognized in profit or loss	<u>\$ 16,355</u>	<u>\$ 7,669</u>

The reconciliation between the accounting income and the current income tax expense is as follows:

	<u>2024</u>	<u>2023</u>
Net loss before tax	(<u>\$161,714</u>)	(<u>\$354,938</u>)
Income tax expenses calculated based on statutory tax rate of each country for pre-tax income	(\$ 48,106)	(\$ 72,247)
Non-deductible expenses	32,144	57,093
Tax on undistributed surplus earnings	30,648	16,077
Withholding earning	<u>1,669</u>	<u>6,746</u>
Income tax expense recognized in profit or loss	<u>\$ 16,355</u>	<u>\$ 7,669</u>

(II) Current income tax assets and liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current income tax assets		
Tax refund receivable	<u>\$ 1,098</u>	<u>\$ 547</u>
Current income tax liabilities		
Income tax payable	<u>\$ 10,263</u>	<u>\$ 11,625</u>

(III) Deferred income tax assets

The changes in deferred tax assets are as follows:

2024

	Balance at beginning of the year	Recognized in profit or loss	Balance at end of the year
Deferred income tax assets			
Temporary differences	\$ 503	(\$ 210)	\$ 293
Loss carryforward	<u>94,755</u>	(<u>475</u>)	<u>94,280</u>
	<u>\$ 95,258</u>	(<u>\$ 685</u>)	<u>\$ 94,573</u>

2023

	Balance at beginning of the year	Recognized in profit or loss	Balance at end of the year
Deferred income tax assets			

Deferred income tax assets	Balance at beginning of the year	Recognized in profit or loss	Balance at end of the year
Temporary differences	\$ 570	(\$ 67)	\$ 503
Loss carryforward	<u>81,555</u>	<u>13,200</u>	<u>94,755</u>
	<u>\$ 82,125</u>	<u>\$ 13,133</u>	<u>\$ 95,258</u>

(IV) Deductible temporary differences and unused loss carryforward from deferred tax assets not recognized in the consolidated balance sheet

	December 31, 2024	December 31, 2023
Loss carryforward		
Due to 2024	\$ -	\$ 30,714
Due to 2025	48,909	7,531
Due to 2026	57,794	66,305
Due to 2027	38,938	45,826
Due to 2028	100,076	76,738
Due to 2029	<u>82,583</u>	<u>-</u>
	<u>\$328,300</u>	<u>\$227,114</u>
Deductible temporary differences	<u>\$ 52,963</u>	<u>\$ 57,736</u>

(V) Unused loss carryforwards relevant information

As of December 31, 2024, the relevant information of the loss carryforwards are as follows:

Balance has not been carried forward	The last year of carried forward
\$ 48,909	2025
106,934	2026
38,938	2027
132,396	2028
144,255	2029
102,554	2030
74,534	2031
74,368	2032
66,258	2033
<u>10,555</u>	2034
<u>\$700,887</u>	

(VI) Income tax examination

The profit-seeking enterprise income tax returns filed by the Copartner Company up to 2021 have been approved by the tax collection authority.

XXIII. Earnings (loss) per share

Unit: NT\$ per share

	2024	2023
Loss per share - basic	(\$ 2.01)	(\$ 4.14)
Loss per share - diluted	(\$ 2.01)	(\$ 4.14)

The net earnings (net losses) and the weighted average number of ordinary shares adopted to calculate the earnings (losses) per share are as follows:

Current net loss

	2024	2023
Net loss attributable to owners of the parent company	(\$176,144)	(\$362,509)
Net loss used in the computation of the basic and diluted losses per share	(\$176,144)	(\$362,509)

Quantity

		Unit: thousand shares
	2024	2023
Weighted average number of ordinary shares in computation of basic losses per share	87,550	87,550
Weighted average number of ordinary shares used in the computation of diluted losses per share	87,550	87,550

If the Company can settle the compensation to employees in cash or shares, the Group assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXIV. Capital risk management

The Company manages capital to ensure enterprises within the Company can maximize shareholder returns by optimizing the balance of debt and equity before continuing to operate. There has been no material change in the Company's overall strategy.

The Company's capital structure consists of net debt (ie, borrowings less cash and cash equivalents) and equity (ie, common stock, capital surplus, retained earnings, other equity, and other non-controlling interests).

The Company is not subject to other external capital requirements.

The Company's main management reviews its capital structure quarterly, including considering the costs of various types of capital and relevant risks while investing in financial products to increase the Company's income and manage the capital structure. Based on the recommendations of main management, the Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, and issuing new debts or repaying old debts.

XXV. Financial instruments

(I) Fair value - financial instruments not at fair value

The Company's management believes that the carrying amount of financial assets and financial liabilities not measured at fair value approximates their fair value.

(II) Fair value - financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Foreign unlisted stocks	\$ -	\$ -	\$ 3,193	\$ 3,193

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Foreign unlisted stocks	\$ -	\$ -	\$ 3,041	\$ 3,041

No transfer between Level 1 and Level 2 fair values in 2023 and 2022.

2. Valuation techniques and inputs applied for Level 3 fair value measurement
Foreign unlisted equity investment adopts the asset-based approach to evaluate the total value of individual assets and individual liabilities covered by the target to reflect the overall value of the enterprise or business. If the liquidity discount of significant unobservable input value decreases, the fair value of these investments will increase.

(III) Categories of financial instruments

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 879,109	\$ 1,075,676
Notes receivable, net	121,745	161,091
Notes receivable due from related parties, net	-	26
Accounts receivable, net	1,237,636	1,052,736
Accounts receivable due from related parties, net	732	1,338
Other receivables, net	23,234	12,583
Refundable deposits	22,234	19,651
Investments in equity instruments of financial assets at fair value through other comprehensive income	3,193	3,041
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term borrowings	770,004	931,479
Short-term notes payable	209,765	194,141
Accounts payable	1,735	1,405
Accounts payable due from related parties	28,422	772,078
Long-term borrowings due within one year	498,406	97,804
Long-term borrowings	600,000	-
Deposits received	11,052	6,079

(IV) Financial risk management objective and policies

The Company's main financial instruments include equity investments, Notes and accounts receivable, accounts payable, short-term notes payable, lease liabilities, and borrowings. The Company's financial management department provides services to various business units, coordinates the operations in the

domestic and international financial markets, and supervises and manages the financial risks related to the Company's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The main financial risks borne by the Company due to its operating activities are the fluctuation of foreign exchange rate (refer to below (1)) and interest rate (refer to below (2)).

There has been no change to the Company's exposures to financial instrument market risk and the way it manages and measures these exposures.

(1) Exchange rate risk

Part of the Company's main operating activities are sales and purchases in foreign currencies, so there is a natural risk hedging effect; the Company's exchange rate risk management is for hedging, not profit. To avoid the value drop and future cash flow fluctuations caused by exchange rate changes, the Company has signed a foreign exchange hedging line with the bank and will consider the Company's foreign currency position at any time and take hedging measures in response to exchange rate fluctuations, to reduce the impact of exchange rate changes on the Company's operations.

For the carrying amount of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note XXIX.

Sensitivity analysis

The Company is mainly affected by fluctuations in the exchange rates of USD, HKD and RMB.

The sensitivity rate of 3% is used by the Company when reporting exchange rate risk to main management and also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis only

includes monetary items in foreign currencies in circulation, and the year-end translation is adjusted by a 3% exchange rate change. The table below shows the amount of increase or decrease in net profit before tax when each functional currency appreciates/depreciates by 3% relative to the relevant currencies.

	Effect on USD		Effect on HKD		Effect on RMB	
	2024	2023	2024	2023	2024	2023
Gains (losses)	(\$ 3,115)	(\$ 5,279)	(\$ 1,099)	(\$ 1,106)	\$ 1,961	\$ 41

Management believes that the sensitivity analysis can not represent the risk inherent in exchange rates.

(2) Interest rate risk

The Company's entities holds assets and borrowing capital by adopting fixed and floating interest rates at the same time, thus, interest rate risk exposure arises. The Company regularly evaluates hedging activities to make them consistent with interest rate views and existing risk preferences to ensure the most cost-effective hedging strategies are adopted.

The carrying amount of the Company's financial assets and financial liabilities exposed to the interest rate risk at the balance sheet date is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Interest rate risk at fair value		
Financial assets	\$ 204,987	\$ 265,494
Financial liabilities	868,164	928,756
Cash flow interest rate risk		
Financial assets	673,538	809,415
Financial liabilities	1,296,832	1,201,361

Sensitivity analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivative instruments as of the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amount of assets and liabilities outstanding on the balance sheet date is outstanding during the reporting period.

If the interest rate increased by 1% and all other variables remain unchanged, the Company's net income for 2024 and 2023 would have increased by NT\$ 6,223 thousand and increased by NT\$ 3,919 thousand respectively, mainly because of the Company's deposits and borrowings at floating interest rates exposed to the cash flow interest rate risk.

2. Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial losses to the Company. As of the balance sheet date, the Company's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the carrying amount of financial assets recognized in the consolidated balance sheet.

In order to mitigate credit risk, the management of the company assigns a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the Company will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Company's management believes that its credit risk has been significantly reduced.

The Company continuously evaluates the financial situation of accounts receivable customers. Accounts receivable cover many customers and are not related to each other, so the concentration of credit risk is not high.

The Company does not hold any collateral or other credit to enhance the hedge the credit risk of financial assets.

3. Liquidity risk

The Company manages and maintains sufficient cash to support the Company's operations and mitigate the impact of cash flow fluctuations. The management of the Company supervises the use of bank financing lines and ensures compliance with the terms of the loan agreement.

- (1) Table of liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities. Therefore, the bank borrowings with repayment on demand clause were included in the earliest period in the table below for the Company, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled under the agreed repayment date.

December 31, 2024

	Demand immediate payment or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
<u>Non-derivative</u> <u>financial liabilities</u>					
Non-interest-bearing liabilities	\$ 146,190	\$ 142,525	\$ 113,017	\$ 59,892	\$ 6,055
Lease liabilities	9,852	12,588	51,447	205,277	22,720
Floating interest rate instruments	135,488	301,023	361,915	405,484	92,922
Fixed interest rate instruments	-	-	-	600,000	-
	<u>\$ 291,530</u>	<u>\$ 456,136</u>	<u>\$ 526,379</u>	<u>\$1,270,653</u>	<u>\$ 121,697</u>

Further information of maturity analysis on the lease liability is as follows:

	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years
Lease liabilities	<u>\$ 73,887</u>	<u>\$ 205,277</u>	<u>\$ 22,720</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	Demand immediate payment or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
<u>Non-derivative</u> <u>financial liabilities</u>					
Non-interest-bearing liabilities	\$ 171,203	\$ 109,536	\$ 94,003	\$ 67,675	\$ 1,499
Lease liabilities	9,324	11,832	53,201	216,651	90,924
Floating interest rate instruments	211,102	452,205	440,250	36,124	61,680
Fixed interest rate instruments	-	-	600,000	-	-
	<u>\$ 391,629</u>	<u>\$ 573,573</u>	<u>\$1,187,454</u>	<u>\$ 320,450</u>	<u>\$ 154,103</u>

Further information of maturity analysis on the lease liability is as follows:

	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years
Lease liabilities	<u>\$ 74,357</u>	<u>\$216,651</u>	<u>\$ 90,924</u>	<u>\$ -</u>	<u>\$ -</u>

The amount of floating interest rate instruments for the above non-derivative financial assets and liabilities will change due to the difference between the floating interest rate and the estimated rate on the balance sheet date.

XXVI. Related party transaction

The transactions, account balances, as well as income and expenses between Copartner Technology Corp. and its subsidiaries (which are related parties of Copartner Technology Corp.) are all eliminated upon consolidation, so they are not disclosed in this note. The transactions between the Company and other related parties are as follows.

(I) Name of related parties and relationship

<u>Name of related party</u>	<u>Relationship with the Company</u>
HPC Technology Inc.	Associate
Yingding Wire and Cable Co., Ltd.	Substantive related party

(II) Sales revenue

<u>Related party category</u>	<u>2024</u>	<u>2023</u>
Associate	\$ 2,738	\$ 6,589
Substantive related party	<u>-</u>	<u>20</u>
	<u>\$ 2,738</u>	<u>\$ 6,609</u>

The transaction price and conditions of sales between the Company and related parties are based on reference to cost and market prices, which are comparable to other non-related parties.

(III) Purchases

<u>Related party category</u>	<u>2024</u>	<u>2023</u>
Substantive related party	<u>\$ 6,359</u>	<u>\$ 1,705</u>

The transaction price and conditions of purchases between the Company and related parties are based on reference to cost and market prices, which are comparable to other non-related parties.

(IV) Receivables from related parties

Account title	Related party category	December 31, 2024	December 31, 2023
Notes receivable due from related parties	Substantive related party	\$ <u>-</u>	\$ <u>26</u>
Notes receivable due from related parties	Associate	\$ <u>732</u>	\$ <u>1,338</u>

The period for accounts receivable from related parties is equivalent to that of other non-related parties. The outstanding receivables from related parties are not guaranteed. No allowance for losses was provided for receivables accounts from related parties.

(V) Payables from related parties

Account title	Related party category	December 31, 2024	December 31, 2023
Accounts payable due from related parties	Substantive related party	\$ <u>1,735</u>	\$ <u>1,405</u>

The payment period for related party accounts is equivalent to that of other non-related parties. The outstanding payables to related parties is not guaranteed.

(VI) Remuneration of key management personnel

	2024	2023
Short-term employee benefits	\$ 22,421	\$ 23,114
Post-employment benefits	<u>1,098</u>	<u>1,141</u>
	<u>\$ 23,519</u>	<u>\$ 24,255</u>

The remuneration to directors and other main management is determined by the Compensation Committee in accordance with individuals' performance and market trends.

XXVII. Pledged assets

The following assets of the Company have been provided as collateral for long-term borrowings from banks, lines, issuance letters for guarantee, operating leases, and customs duties on raw materials imported:

	December 31, 2024	December 31, 2023
Property, plant and equipment	\$596,026	\$313,147
Refundable deposits paid	22,234	19,651
Right-of-use assets	<u>1,855</u>	<u>1,874</u>
	<u>\$620,115</u>	<u>\$334,672</u>

XXVIII. Other Matters

1. On November 8, 2024, Copartner Technology, through its Audit Committee and Board of Directors, approved the recognition of other receivables from related parties amounting to NT\$246,504 thousand as of September 30, 2024, for payments made on behalf of Copartner Technology (ShenZhen) Co.,Ltd. To mitigate the risk of other receivables and optimize the use of funds, the company signed a debt assignment agreement with Copartner Wire And Cable (ShenZhen) Co.,Ltd. The agreement entails the sale of the other receivables to Copartner Wire And Cable (ShenZhen) Co.,Ltd. on a non-recourse basis, offsetting the company's receivables from Copartner Wire And Cable (ShenZhen) Co.,Ltd. amounting to NT\$246,504 thousand (recognized as other payables to related parties). The content of the debt assignment agreement follows standard terms typically found in debt assignment contracts, with no deviation from usual practices concerning the purchase price, the details of the other receivables, transfer method, and risk assumption.
2. On November 8, 2024, Copartner Technology, through its Audit Committee and Board of Directors, approved the recognition of other receivables from related parties amounting to NT\$66,148 thousand as of September 30, 2024, for payments made on behalf of Shin Ya Wire And Cable (ShenZhen) Co.,Ltd. To reduce the risk associated with other receivables and optimize the use of funds, the company signed a debt assignment agreement with Copartner Wire And Cable (ShenZhen) Co.,Ltd. Under this agreement, the other receivables were sold to Copartner Wire And Cable (ShenZhen) Co.,Ltd. on a non-recourse basis, offsetting the company's receivables from Copartner Wire And Cable (ShenZhen) Co.,Ltd. amounting to NT\$66,148 thousand (recognized as other payables to related parties). The content of the debt assignment agreement follows standard terms typically found in debt assignment contracts, with no deviation from usual practices concerning the purchase price, the details of the other receivables, transfer method, and risk assumption.
3. On November 8, 2024, Copartner Technology, through its Audit Committee and Board of Directors, approved the recognition of other receivables from related parties amounting to NT\$234,947 thousand as of September 30, 2024, for payments made on behalf of Hotek Technology Corporation. To reduce the risk associated with other receivables and optimize the use of funds, the company signed a debt assignment agreement with Copartner Wire & Cable Manufacturing Limited Under this agreement, the other receivables were sold to Copartner Wire & Cable Manufacturing Limited on a

non-recourse basis, offsetting the company's receivables from Copartner Wire & Cable Manufacturing Limited amounting to NT\$234,947 thousand (recognized as other payables to related parties). The content of the debt assignment agreement follows standard terms typically found in debt assignment contracts, with no deviation from usual practices concerning the purchase price, the details of the other receivables, transfer method, and risk assumption.

XXIX. Information on foreign currency assets and liabilities with significant impact

The information below is aggregated and presented in foreign currencies other than the functional currency of each entity of the Company. The exchange rates disclosed refer to the exchange rates of such foreign currencies to the presentation currency. Information on foreign currency assets and liabilities with significant impact are as follows:

Unit: Thousands of foreign currencies				
	December 31, 2024		December 31, 2023	
	Foreign currencies	Exchange rate	Foreign currencies	Exchange rate
Foreign currencies assets				
<u>Monetary items</u>				
NTD	\$ 213	0.21926	\$ 213	0.23022
USD	4,851	32.78482	7,311	30.76492
HKD	8,767	4.22348	9,469	3.93632
RMB	91,612	4.56080	105,186	4.34367
Foreign currencies liabilities				
<u>Monetary items</u>				
NTD	\$ 1,684	32.78482	\$ 1,591	30.76492
USD	97	4.22348	105	3.93632
HKD	105,948	4.56080	105,501	4.34367
RMB	\$ 1,684	32.78482	\$ 1,591	30.76492

The Company mainly bears foreign currency exchange rate risks for NTD, USD, HKD, and RMB. The information below is aggregated and presented in the functional currencies of the entities holding foreign currencies, and the exchange rates disclosed refer to the exchange rates of these functional currencies to the presentation currency. The foreign currency exchange gains (losses) (realized and unrealized) with a significant impact are as follows:

Functional currency	2024			2023		
	Functional currency to presentation currency		Net gains (losses) on foreign currency exchange	Functional currency to presentation currency		Net gains (losses) on foreign currency exchange
NTD	1	(NTD: NTD)	\$ 4,814	1	(NTD: NTD)	(\$ 2,062)
RMB	4.5099	(RMB: NTD)	2,794	4.4240	(RMB: NTD)	4,284
			<u>\$ 7,608</u>			<u>\$ 2,222</u>

XXX. Notes to disclosures

(I) Information on significant transactions and (II) Information on investees: nothing else is to disclose unless the matters below. All parent companies and subsidiaries' transactions and balances are eliminated in full upon consolidation.

1. Loaning funds to others: Table 1.
2. Providing endorsements or guarantees for others: Table 2.
3. Marketable securities held at the end of period (excluding investment in subsidiaries and associates): Table 3.
4. The amount for acquiring real estate reaches NT\$300 million or 20% of the paid-in capital: Table 4.
5. The amount of purchases and sales with related parties reaching NT\$100 million or 20% of paid-in capital or more: Table 5
6. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Table 6.
7. Information on investee: Table 7.

(III) Information on investment in Mainland China

1. Information on any investee in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8.
2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 7.
3. The Copartner Company's reinvestment in Calex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. is based on August 23, 1993, (1993) Tai-Cai (Liu) No. 01968 Letter Note 3, entrusted

investment to investors in the mainland area, and the main contents of the entrusted contract should be disclosed as follows:

The Copartner Company entrusts Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. The two parties agree to abide by the terms as follows:

The Copartner Company uses a capital of USD 913 thousand (including USD 400 thousand in cash, machinery, equipment, and spare parts at a price of US\$ 513 thousand) and capital of USD 2,324 thousand (including USD 512 thousand in cash, machinery, and equipment and spare parts at a price of US\$ 764 thousand and raw materials at a price of US\$ 1,048 thousand) designated Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd., respectively.

(1) Agreement on the outflow method of investment funds:

Copartner Wire & Cable Manufacturing Limited applied to relevant parties in mainland China to invest in Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd., all in the name of Copartner Wire & Cable Manufacturing Limited, and the funds were inflow from Hong Kong to mainland China by Copartner Wire & Cable Manufacturing Limited.

(2) Agreement on the method of repatriation of funds if the investee company distributes earnings or closes its business:

- A. Copartner Wire & Cable Manufacturing Limited shall transfer all interests from Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. to the Copartner Company after obtaining if they have income or interests distribution.
- B. If Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. must return the investment funds due to capital reduction, business closure, or other reasons, Copartner Wire & Cable Manufacturing Limited shall

transfer all the funds to the Copartner Company after obtaining the funds.

C. Based on the above reasons, Copartner Wire & Cable Manufacturing Limited shall notify the Copartner Company when transferring investment funds or interests and income, and the Copartner Company shall designate the payment method.

(3) The agreement on the ownership of the rights and obligations of the invested companies:

A. Based on this entrusted investment relationship, Copartner Wire & Cable Manufacturing Limited transfers the rights and obligations arising from Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. to the Copartner Company. Copartner Wire & Cable Manufacturing Limited does not guarantee its income and profit or loss.

B. Copartner Wire & Cable Manufacturing Limited shall handle responsibly and prudently and have full authority to handle matters such as investment, foreign exchange settlement, and receiving interests.

(IV) The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Table 9.

(V) Information on major shareholders: List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: Table 10.

XXX. Department information

The information used by the Company's chief operating decision-maker to allocate resources and evaluate departmental performance focuses on the type of product or labor service. The measurement basis for this financial report information is the same as this consolidated financial report. The reportable segments of the Company are the production and sales of signal transmission wires and wire sets, the production and sales of plastic pellets, and others.

(I) Segment revenue and operating results

The analysis of the revenue and operating results response to the reportable segment of the Company's continuing operations is as follows:

	Segment revenue		Segment income	
	2024	2023	2024	2023
Production and sales segment of signal transmission wires and wire sets	\$ 2,202,756	\$ 2,141,349	(\$ 188,223)	(\$ 286,244)
Production and sales segment of plastic pellets	628,125	593,186	(44,048)	(53,136)
Other	<u>589,413</u>	<u>908,045</u>	(<u>553</u>)	(<u>21,440</u>)
Total from continuing operations	<u>\$ 3,420,294</u>	<u>\$ 3,642,580</u>	(232,824)	(360,820)
Unamortized amount				
Non-operating income and expenses			<u>71,110</u>	<u>5,882</u>
Net income (loss) before tax			(<u>\$ 161,714</u>)	(<u>\$ 354,938</u>)

The above reportable revenue generates from transactions between external customers.

Segment profit (loss) refers to the profit earned by each segment, excluding unamortized non-operating income and expenditures. The amounts measured are provided to the chief operating decision maker to allocate resources to the segment and measure its performance.

(II) Segment total assets and liabilities

The measure amounts of assets and liabilities are not provided to the Company's operation decision-makers, thus, the measure amounts of segments assets are zero.

(III) Revenue from main products

The analysis of the revenue main products of the Company's continuing operations is as follows:

	2024	2023
Signal transmission line and wire harness	\$ 2,792,169	\$ 3,049,394
Plastic pellets	<u>628,125</u>	<u>593,186</u>
	<u>\$ 3,420,294</u>	<u>\$ 3,642,580</u>

(IV) Segment by geographical location

The Company operates mainly in two regions - China and Taiwan.

The information on the revenue from the Company's continuing operations from external customers based on operating location and the location where non-current assets are located is listed below:

	Income from external customers		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Taiwan	\$ 219,696	\$ 283,076	\$ 132,638	\$ 135,297
China	<u>3,200,598</u>	<u>3,359,504</u>	<u>1,325,811</u>	<u>1,205,863</u>
	<u>\$ 3,420,294</u>	<u>\$ 3,642,580</u>	<u>\$ 1,458,449</u>	<u>\$ 1,341,160</u>

Non-current assets exclude financial assets at fair value through other comprehensive income, investments accounted for using equity method, deferred income tax assets, refundable deposits paid, and other non-current assets.

(V) Major customer information

No individual customer contributes to at least 10% of the Company's total revenue in 2024 and 2023.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
LOANING FUNDS TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE 1

Unit: NT\$ thousand and foreign currency, unless otherwise specified

No.	Company that loaning funds	Borrower	Current account	A related party or not	Maximum balance for the current period (Note 5)	Ending balance (Note 4)	Amount drawn (Note 4)	Interest rate range	Loaning funds nature (Note 1)	Amount of trading	Reasons for the need for short-term financing	The appropriate amount of allowance for uncollectible accounts	Collateral		Prescribe limits on the amount of such loans permitted to a single borrower (Note 2)	Prescribe limits on the aggregate amount of such loans (Note 3)
													Name	Value		
1	Copartner Wire And Cable (ShenZhen) Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	Other receivables	Yes	\$ 98,934 (RMB 22,000)	\$ 9,122 (RMB 2,000)	\$ 9,122 (RMB 2,000)	2.10%	2	\$ -	For the Company's working capital	\$ -	None	\$ -	\$ 1,197,309	\$ 1,197,309
2	ShenZhen Copartner Communication Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	Other receivables	Yes	138,997 (RMB 32,000)	41,047 (RMB 9,000)	41,047 (RMB 9,000)	2.10%	2	-	For the Company's working capital	-	None	-	626,234 (RMB 137,308)	626,234 (RMB 137,308)
		Copartner Technology (Anfu) Co.,Ltd.	Other receivables	Yes	326,097 (RMB 71,500)	326,097 (RMB 71,500)	326,097 (RMB 71,500)	2.10%	2	-	For the Company's working capital	-	None	-	626,234 (RMB 137,308)	626,234 (RMB 137,308)
3	Copartner Wire And Cable (KunShan) Co.,Ltd.	Wujiang Wanfeng Plastic Cement Co.,Ltd.	Other receivables	Yes	4,614 (RMB 1,000)	-	-	-	2	-	For the Company's working capital	-	None	-	144,037 (RMB 31,581)	288,074 (RMB 63,162)
		Copartner Technology (DongTai) Co.,Ltd.	Other receivables	Yes	60,905 (RMB 13,200)	-	-	-	2	-	For the Company's working capital	-	None	-	720,183 (RMB 157,907)	720,183 (RMB 157,907)
4	Cablex Wire (ShenZhen) Mfg Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	Other receivables	Yes	136,824 (RMB 30,000)	136,824 (RMB 30,000)	136,824 (RMB 30,000)	2.10%	2	-	For the Company's working capital	-	None	-	368,894 (RMB 80,884)	368,894 (RMB 80,884)
		Cablex Metal Material (Anfu) Co.,Ltd.	Other receivables	Yes	158,639 (RMB 36,000)	91,216 (RMB 20,000)	91,216 (RMB 20,000)	2.10%	2	-	For the Company's working capital	-	None	-	368,894 (RMB 80,884)	368,894 (RMB 80,884)
5	United Electric Wire (KunShan) Co.,Ltd.	Copartner Technology (DongTai) Co.,Ltd.	Other receivables	Yes	159,628 (RMB 35,000)	159,628 (RMB 35,000)	159,628 (RMB 35,000)	3.10%~3.45%	2	-	For the Company's working capital	-	None	-	318,780 (RMB 69,896)	318,780 (RMB 69,896)
6	Wanfu Plastic (ShenZhen) Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	Other receivables	Yes	22,923 (RMB 5,000)	9,122 (RMB 2,000)	9,122 (RMB 2,000)	2.10%	2	-	For the Company's working capital	-	None	-	103,259 (RMB 22,641)	103,259 (RMB 22,641)
		Jia Xin New Materials (Anfu) CO., LTD.	Other receivables	Yes	73,354 (RMB 16,000)	41,047 (RMB 9,000)	41,047 (RMB 9,000)	2.10%	2	-	For the Company's working capital	-	None	-	103,259 (RMB 22,641)	103,259 (RMB 22,641)
7	Cablex Wire And Cable(KunShan) Mfg.	Wujiang Wanfeng Plastic Cement Co.,Ltd.	Other receivables	Yes	9,169 (RMB 2,000)	9,122 (RMB 2,000)	9,122 (RMB 2,000)	3.45%	2	-	For the Company's working capital	-	None	-	56,089 (RMB 12,298)	112,178 (RMB 24,596)

		Copartner Technology (ShenZhen) Co.,Ltd.	Other receivables	Yes	45,608 (RMB 10,000)	45,608 (RMB 10,000)	45,608 (RMB 10,000)	3.10%	2	-	For the Company's working capital	-	None	-	280,443 (RMB 61,490)	280,443 (RMB 61,490)
8	Jia Xin Plastic(ShenZhen) Co.,Ltd.	Jia Xin New Materials (Anfu) CO., LTD.	Other receivables	Yes	136,824 (RMB 30,000)	136,824 (RMB 30,000)	136,824 (RMB 30,000)	2.10%	2	-	For the Company's working capital	-	None	-	327,648 (RMB 71,840)	327,648 (RMB 71,840)
9	Huisheng Plastic (ShenZhen) Co.,Ltd.	Jia Xin New Materials (Anfu) CO., LTD.	Other receivables	Yes	145,946 (RMB 32,000)	145,946 (RMB 32,000)	145,946 (RMB 32,000)	2.10%	2	-	For the Company's working capital	-	None	-	321,355 (RMB 70,460)	321,355 (RMB 70,460)

Note 1: 2 need for short-term financing.

Note 2: For a Group that needs short-term financing, the loan shall not exceed 20% of the loan Company's net worth. The Company's direct and indirect holding of 100% of the voting shares of foreign companies engaged in loaning funds shall not exceed the loan Company's net worth.

Note 3: Prescribe limits on the aggregate amount of such loans to others shall not exceed 40% of the loan Company's net worth. The Company's direct and indirect holding of 100% of the voting shares of foreign companies engaged in loaning funds shall not exceed the loan Company's net worth.

Note 4: Current exchange rate to NTD based on RMB\$ 1=NT\$ 4.56080 on December 31, 2024.

Note 5: Current exchange rate to NTD based on the end of the month with the highest balance in the current period.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
PROVIDING ENDORSEMENTS OR GUARANTEES FOR OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE 2

Unit: NT\$ thousand and foreign currency, unless otherwise specified

No.	Company name of endorsement/ guarantee	Party endorsed/guaranteed		Limit of endorsement/ guarantee for single enterprise	Maximum endorsement/ guarantee balance for the year	Balance of endorsement/ guarantee at end of the year	Amount drawn	Amount of endorsements/ guarantees with assets pledged	Ratio of cumulative endorsements/ guarantees to net worth as in the latest financial statements (%)	Upper limit on endorsements/ guarantees	Parent company to subsidiary	Subsidiary to parent company	To entity in Mainland China
		Company name	Relation										
0	Copartner Technology Corp.	Copartner Wire & Cable Manufacturing Limited (Copartner Wire & Cable Manufacturing Limited)	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	\$ 1,451,218 (Note 1)	\$ 85,250	\$ 72,600 (Note 6)	\$ -	\$ -	5	\$ 2,176,827 (Note 1)	Yes	—	—
		Copartner Technology (DongTai) Co.,Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	1,451,218 (Note 1)	65,839 (USD 2,000) (Note 9)	65,570 (USD 2,000) (Note 7)	-	-	5	2,176,827 (Note 1)	Yes	—	Yes
1	United Electric Wire (KunShan) Co.,Ltd.	Copartner Technology (DongTai) Co.,Ltd.	A company in which the Company directly or indirectly holds more than 90 percent of the voting shares	318,780 (Note 2)	274,060 (RMB 60,000) (Note 9)	136,824 (RMB 30,000) (Note 8)	-	-	43	318,780 (Note 2)	—	—	Yes
2	Copartner Wire And Cable (KunShan) Co.,Ltd.	Copartner Technology (DongTai) Co.,Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	720,183 (Note 3)	249,158 (RMB 54,000) (Note 9)	246,283 (RMB 54,000) (Note 8)	134,252 (RMB 29,436) (Note 8)	246,283 (RMB 54,000) (Note 8)	34	720,183 (Note 3)	Yes	—	Yes
3	Jia Xin Plastic(ShenZhen) Co.,Ltd.	Jia Xin New Materials (Anfu) CO., LTD.	A company in which the Company directly or indirectly holds more than 90 percent of the voting shares	327,648 (Note 4)	46,140 (RMB 10,000) (Note 9)	45,608 (RMB 10,000) (Note 8)	-	-	14	327,648 (Note 4)	—	—	Yes
4	ShenZhen Copartner Communication Co.,Ltd.	Copartner Technology (Anfu) Co.,Ltd.	A company in which the Company directly or indirectly holds more than 90 percent of the voting shares	626,234 (Note 5)	199,398 (RMB 43,720) (Note 9)	199,398 (RMB 43,720) (Note 8)	65,493 (RMB 14,360) (Note 8)	-	32	626,234 (Note 5)	—	—	Yes

- Note 1 : The accumulated total external endorsements/guarantees responsibilities provided by the Company are limited to no more than 150% of the Company's net worth at the end of the period, and the total endorsements/guarantees provided to a single enterprise is limited to no more than 100% of the Company's net worth at the end of the period.
- Note 2 : United Electric Wire (KunShan) Co.,Ltd. has a total cumulative endorsement guarantee liability to external parties, limited to not exceeding 100% of the company's net worth. The endorsement guarantee limit for a single enterprise shall not exceed 100% of the company's net worth.
- Note 3 : Copartner Wire And Cable (KunShan) Co.,Ltd. has a total cumulative endorsement guarantee liability to external parties, limited to not exceeding 100% of the company's net worth. The endorsement guarantee limit for a single enterprise shall not exceed 100% of the company's net worth.
- Note 4 : Jia Xin Plastic(ShenZhen) Co.,Ltd. has a total cumulative endorsement guarantee liability to external parties, limited to not exceeding 100% of the company's net worth. The endorsement guarantee limit for a single enterprise shall not exceed 100% of the company's net worth.
- Note 5 : ShenZhen Copartner Communication Co.,Ltd. has a total cumulative endorsement guarantee liability to external parties, limited to not exceeding 100% of the company's net worth. The endorsement guarantee limit for a single enterprise shall not exceed 100% of the company's net worth.
- Note 6 : The ending balance also includes the endorsement/ guarantee of NT\$ 85,250 thousand shared by the Company and Copartner Wire & Cable Manufacturing Limited.
- Note 7 : Current exchange rate to NTD according to US\$1 = NT\$32.78482 on December 31, 2024.
- Note 8 : Current exchange rate to NTD according to RMB\$1 = NT\$4.56080 on December 31, 2024.
- Note 9 : Current exchange rate to NTD based on the end of the month with the highest balance in the current period.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD
DECEMBER 31, 2024

TABLE 3

Unit: NT\$ thousand, unless otherwise specified

Holds of the Company	Type and name of marketable securities	Marketable securities relationship with securities issuer	Account title	End of period				Remark
				Quantity (thousand shares)	Carrying amount	Ratio of shareholding (%)	Fair value	
Copartner Technology Corp.	A Point Technology Co., Ltd.	Investees at fair value	Financial assets at fair value through other comprehensive income - non-current	4,160	\$ -	19	\$ -	Note 1
Copartner Technology (ShenZhen) Co., Ltd.	Yisite Precision Instrument (Dongguan) Co., Ltd.	Investees at fair value	Financial assets at fair value through other comprehensive income - non-current	-	3,193	19	3,193	-

Note 1: According to the assessment of recoverable value, impairment loss has been appropriated.

Note 2: At the end of December 2024, the securities listed above did not provide guarantees, pledged loans, or other restricted users as agreed

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
THE ACQUISITION AMOUNT OF REAL ESTATE REACHES NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL.
DECEMBER 31, 2024

Table 4

Unit: NT\$ thousand, unless otherwise specified

Company Acquiring the Real Estate	Property Name	Date of Occurrence	Transaction Amount	Payment Terms	Counterparty to the Transaction	Relationship	If the Counterparty is a Related Party, Information on the Previous Transfer:				Basis for Determination of Price	Purpose and Intended Use	Other Contractual Terms
							Previous Owner	Relationship with the Issuer	Transfer Date	Transfer Amount			
Copartner Technology (Anfu) Co.,Ltd.	houses & buildings	2023.4.17	\$ 320,045 (RMB 70,173) (Note 5)	Payment according to the terms of the order	Jiangxi Juxing Civil Engineering Construction Co., Ltd.	—	Not suitable	Not suitable	Not suitable	Not suitable	Price comparison and negotiation	production	None
Jia Xin New Materials (Anfu) CO., LTD.	houses & buildings	2021.7.1	185,228 (RMB 40,613) (Note 5)	Payment according to the terms of the order	Fuzhou Linchuan Housing Construction Engineering Company	—	Not suitable	Not suitable	Not suitable	Not suitable	Price comparison and negotiation	production	None

Note 1 : For assets that are required to be appraised, the appraisal results must be specified in the “Basis for Determination of Price” column.

Note 2 : Paid-in capital refers to the paid-in capital of the parent company. For issuers whose stocks have no par value or a par value per share other than NT\$10, the threshold for transactions reaching 20% of paid-in capital shall be calculated based on 10% of equity attributable to owners of the parent company on the balance sheet.

Note 3 : The date of occurrence refers to the earlier of the contract signing date, payment date, commission transaction date, title transfer date, board resolution date, or any other date sufficient to determine the counterparty and transaction amount.

Note 4 : These houses and buildings were constructed on self-owned land. As multiple contractors were involved, the one with the highest transaction amount is used as the representative counterparty.

Note 5 : Amounts are converted into New Taiwan Dollars based on the exchange rate as of December 31, 2024: RMB\$1 = NT\$4.56080.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES

THE AMOUNT OF PURCHASES AND SALES WITH RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE 5

Unit: NT\$ thousand, unless otherwise specified

Company	Name of Transaction	Relation	Transaction situation				Situations and reasons where the trading conditions differ from regular transactions.		Accounts receivable (payable)		Note
			Sales and purchases	Amounts	The ratio of sales (purchases) to total sales (purchases). (Note 3)	Credit period	Unit price	Credit period	Balance (Note 2)	The ratio of accounts receivable (payable) to total accounts receivable (payable) (Note 3)	
ShenZhen Copartner Communication Co.,Ltd.	Copartner Technology (Anfu) Co.,Ltd.	Same with ultimate parent company	Purchase	\$ 318,069	100%	Net 90 days	Note 1	Note 1	(\$ 68,251)	100%	—
Copartner Technology (ShenZhen) Co.,Ltd.	Cablex Metal Material (Anfu) Co.,Ltd.	Same with ultimate parent company	Purchase	224,284	61%	Net 70 days	Note 1	Note 1	(8,735)	14%	—
Cablex Metal Material (Anfu) Co.,Ltd.	Copartner Technology (Anfu) Co.,Ltd.	Same with ultimate parent company	Sales	156,287	15%	Net 15 days	Note 1	Note 1	21,855	18%	—
Copartner Technology (DongTai) Co.,Ltd.	United Electric Wire (KunShan) Co.,Ltd.	Same with ultimate parent company	Sales	126,148	84%	Net 30 days	Note 1	Note 1	54,032	82%	—
Jia Xin Plastic(ShenZhen) Co.,Ltd.	Jia Xin New Materials (Anfu) CO., LTD.	Same with ultimate parent company	Sales	119,609	83%	Net 120 days	Note 1	Note 1	57,006	68%	—

Note 1 : The accounts receivable (payable) period is similar to that of other unrelated parties.

Note 2 : Calculated based on the total amount before write-off.

Note 3 : Calculated based on the total sales (purchases) amount of the trading company or the total accounts receivable (payable) amount.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
DECEMBER 31, 2024

TABLE 6

Unit: NT\$ thousand

Company under the account of receivables	Counterparty	Relation	Balance of receivables from related parties (Note 1)	Turnover	Overdue receivables from related parties		Amount of receivables from related parties recovered after the balance sheet date	The appropriate amount of allowance for uncollectible accounts
					Amount	Handling method		
<u>Recognized other receivables from related parties</u>								
Copartner Wire And Cable (ShenZhen) Co.,Ltd.	Copartner Technology Corp.	Parent company	\$ 250,544	Note 2	\$ -	—	\$ -	\$ -
Copartner Wire And Cable (ShenZhen) Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	Same with ultimate parent company	258,004	Note 2	-	—	-	-
Huisheng Plastic (ShenZhen) Co.,Ltd.	Copartner Technology Corp.	Ultimate parent company	174,904	Note 2	-	—	-	-
Huisheng Plastic (ShenZhen) Co.,Ltd.	Jia Xin New Materials (Anfu) CO., LTD.	Same with ultimate parent company	146,034	Note 2	-	—	-	-
Copartner Wire & Cable Manufacturing Limited (Copartner Wire & Cable Manufacturing Limited)	Hotek Technology Corporation	Indirectly holds of the subsidiaries	234,947	Note 2	-	—	-	-
Jia Xin Plastic(ShenZhen) Co.,Ltd.	Copartner Technology Corp.	Ultimate parent company	114,330	Note 2	-	—	-	-
Jia Xin Plastic(ShenZhen) Co.,Ltd.	Jia Xin New Materials (Anfu) CO., LTD.	Same with ultimate parent company	137,051	Note 2	-	—	-	-
Cablex Wire (ShenZhen) Mfg Co.,Ltd.	Copartner Technology Corp.	Parent company	140,853	Note 2	-	—	-	-
Cablex Wire (ShenZhen) Mfg Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	Same with ultimate parent company	136,912	Note 2	-	—	-	-
ShenZhen Copartner Communication Co.,Ltd.	Copartner Technology (Anfu) Co.,Ltd.	Same with ultimate parent company	326,306	Note 2	-	—	-	-
United Electric Wire (KunShan) Co.,Ltd.	Copartner Technology (DongTai) Co.,Ltd.	Same with ultimate parent company	163,810	Note 2	-	—	-	-

Note 1: Calculated based on the total amount before write-off.

Note 2: Other receivables (payments) from related parties are mainly payment or receiving payments for goods on behalf of subsidiaries, and the receivables (payments) period depends on the status of funds.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
INFORMATION ON INVESTEE
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE 6

Unit: NT\$ thousand and foreign currency, unless otherwise specified

Investment company	Invested company	Location	Main business activities	Initial investment amount		Holding at the end of the period			Invested company's profit and/or loss this term (Note 1)	Profit and/or loss recognized this term (Note 1)	Remark
				End of the current period	End of last year	Quantity (thousand shares)	Percentage (%)	Carrying amount			
Copartner Technology Corp.	Hotek Technology Corporation	SAMOA	Investment	\$ 615,298 (USD 20,000) (Note 2)	\$ 615,298 (USD 20,000) (Note 2)	20,000	100	\$ 1,817,207	(\$ 151,024)	(\$ 151,024)	Subsidiary
	Copartner Technology (Thailand) Co., Ltd.	Thailand	Production and sales of wires, cables, and computer cables	54,292 (USD 1,656) (Note 2)	-	5,880	80	50,215	(8,039)	(6,431)	Subsidiary
	HPC Technology Inc.	New Taipei City	Manufacture, wholesale and retail of wires, cables, wired and wireless communication machinery and equipment, electronic components, etc.	30,600	30,600	2,057	48.98	40,805	(4,094)	(2,006)	Pricing investees accounted for using equity method
Hotek Technology Corporation	Copartner Wire & Cable Manufacturing Limited	Hong Kong	General international trade and general investment business	527,065 (USD 17,132) (Note 2)	527,065 (USD 17,132) (Note 2)	-	100	2,066,996	(147,341)	(147,341)	Indirectly holds of the subsidiaries

Note 1: The recognized profit and loss for the year are calculated based on the financial statements audited by accountants for the same period.

Note 2: Current exchange rate to NTD according to US\$ 1=NT\$ 32.78482on December 31, 2024.

Note 3: Please refer to Table 8 for relevant information on investees in Mainland China.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE 7

Unit: NT\$ thousand and foreign currency, unless otherwise specified

Name of investee	Main business activities	Paid-in shares capital	Investment method	Accumulated outflow of investment from Taiwan as of January 1, 2022 (Note 1)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Invested company's profit and/or loss this term	The Company's direct or indirect holding percentage (%)	Profit and/or loss recognized this term (Note 2)	Carrying amount of investments as of December 31, 2022 (Note 2)	Cumulative amount of investment income repatriated to Taiwan as of the current period
					Outflow	Inflow						
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Production and sales of copper wires	\$ 58,819 (Note 6)	The mainland company entrusted to invest by the Company	\$ 13,114 (USD 400)	\$ -	\$ -	\$ 13,114 (USD 400)	\$ 4,161	100	\$ 4,161	\$ 368,894	\$ -
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Investment	63,900	The mainland company entrusted to invest by the Company	16,786 (USD 512)	-	-	16,786 (USD 512)	4,068	100	4,068	1,197,309	299,470 (USD 1,461 and RMB56,000) (Note 5,7)
United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	59,646 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(33,283)	100	(34,460)	316,579	-
Copartner Wire And Cable (KunShan) Co., Ltd.	Investment	203,827 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	13,114 (USD 400)	-	-	13,114 (USD 400)	(51,844)	100	(51,844)	720,183	-
Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	247,127 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(66,533)	100	(66,533)	168,277	-
Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	67,987 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	38,134	100	36,332	278,269	60,884 (RMB 13,500) (Note 7)

Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	76,118 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	1,378	100	1,378	103,259	-
Huisheng Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	84,862 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	8,024	100	8,376	322,782	-
Copartner Technology (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	321,928 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(1,180)	100	(1,180)	294,587	-
ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	267,220 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	7,012	100	9,299	626,234	-
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	37,987 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	10,066	100	10,066	156,301	-
Wujiang City Wanfeng Plastic Limited Company	Production and sales of plastic pellets	\$ 28,505 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	\$ -	\$ -	\$ -	\$ -	(\$ 1,804)	82.4	(\$ 1,487)	\$ 46,296	\$ -
Jia Xin Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	31,378 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(9,121)	100	(10,610)	326,142	-

Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	176,995 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	\$ -	\$ -	\$ -	\$ -	(\$ 15,303)	100	(\$ 16,092)	\$ 148,994	\$ -
Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	44,317 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	20,907	100	20,370	83,458	-
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	184,105 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	(28,102)	100	(28,414)	63,339	-

Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Limit on Investments in Mainland China imposed by the Investment Commission
\$ 43,014 (Note 1) (USD 1,312 thousand)	\$ 464,200 (Note 1) (USD 16,021 thousand) (Note 3)	\$ 884,056 (Note 4)

Note 1: Current exchange rate to NTD according to the exchange rate of US\$ 1=NT\$ 32.78482 on December 31, 2024.

Note 2: The recognized investment gains and losses for the current period are calculated based on the financial statements audited by accountants during the same period.

Note 3: It includes the approved amount of direct investment of subsidiaries.

Note 4: It is calculated based on the higher of the net value or 60% of the combined net value in accordance with the amendment proposal for the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland by the Investment Commission of the Ministry of Economic Affairs on December 30, 2020.

Note 5: Current exchange rate to NTD according to the 2024 average exchange rate US\$ 1=NT\$ 32.11210.

Note 6: Current exchange rate to NTD according to the exchange rate RMB\$ 1=NT\$ 4.56080 on December 31, 2024.

Note 7: Current exchange rate to NTD based on the 2024 average exchange rate RMB\$ 1=NT\$ 4.50990.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY, AND THE CIRCUMSTANCES AND
AMOUNTS OF ANY SIGNIFICANT TRANSACTIONS BETWEEN THEM

2024

Table 9

Unit: NT\$ thousand

No.	Company Name	Counterparty	Relationship with the Company(Note 4)	Transaction			
				Financial statement account	Amount(Note 5)	Transaction Condition	As a percentage of Consolidated total operating revenues or total assets
0	Copartner Technology Corp.	Copartner Technology (ShenZhen) Co.,Ltd.	2	Purchase	\$ 13,266	Note 1	-
			2	Accounts payable	4,820	Note 3	-
			1	Other receivables from related parties	190	Note 2	-
		ShenZhen Copartner Communication Co.,Ltd.	2	Purchase	14,495	Note 1	-
			2	Accounts payable	5,683	Note 3	-
			2	Other payables from related parties	2,062	Note 2	-
		HOTEK TECHNOLOGY CORP.	1	Other receivables from related parties	1,387	Note 2	-
			1	Other receivables from related parties	47	Note 2	-
		Copartner Technology (Thailand) Co., Ltd.	1	Other receivables from related parties	47	Note 2	-
		Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	2	Purchase	1,473	Note 1	-
			2	Accounts payable	1,130	Note 3	-
		Cablex Wire And Cable(KunShan) Mfg.	2	Purchase	95,934	Note 1	3%
			2	Accounts payable	31,696	Note 3	1%
		Cablex Wire (ShenZhen) Mfg Co.,Ltd.	1	Revenue	346	Note 1	-
			1	Accounts receivables	146	Note 3	-
			2	Other payables from related parties	140,853	Note 2	3%
		Copartner Wire & Cable Manufacturing Limited	2	Sales and management expenses	493	Note 1	-
			2	Other payables from related parties	14,924	Note 2	-
		Huisheng Plastic (ShenZhen) Co.,Ltd.	2	Other payables from related parties	174,904	Note 2	4%
		Copartner Wire And Cable (ShenZhen) Co.,Ltd.	2	Other payables from related parties	250,544	Note 2	6%
		United Electric Wire (KunShan) Co.,Ltd.	2	Purchase	18,409	Note 1	1%
			2	Accounts payable	3,715	Note 3	-

(Carried forward)

(brought forward)

No.	Company Name	Counterparty	Relationship with the Company(Note 4)	Transaction			
				Financial statement account	Amount(Note 5)	Transaction Condition	As a percentage of Consolidated total operating revenues or total assets
0	Copartner Technology Corp.	Jia Xin Plastic(ShenZhen) Co.,Ltd.	2	Purchase	339	Note 1	-
			2	Other payables from related parties	114,330	Note 2	3%
		Jia Xin New Materials (Anfu) CO., LTD.	3	Purchase	302	Note 1	-
1	ShenZhen Copartner Communication Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	3	Accounts payable	275	Note 3	-
			3	Other receivables from related parties	41,074	Note 2	1%
		United Electric Wire (KunShan) Co.,Ltd.	3	Interest revenue	1,477	Note 1	-
			3	Revenue	2,911	Note 1	-
		Cablex Wire And Cable(KunShan) Mfg.	3	Accounts receivables	2,388	Note 3	-
1	ShenZhen Copartner Communication Co.,Ltd.	Copartner Technology (Anfu) Co.,Ltd.	3	Revenue	454	Note 1	-
			3	Accounts receivables	203	Note 3	-
		Copartner Technology (ShenZhen) Co.,Ltd.	3	Interest revenue	\$ 5,890	Note 1	-
			3	Other receivables from related parties	326,306	Note 2	8%
			3	Purchase	318,069	Note 1	9%
2	Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Accounts payable	68,251	Note 3	2%
			3	Revenue	165	Note 1	-
		Copartner Technology (ShenZhen) Co.,Ltd.	3	Accounts receivables	64	Note 3	-
			3	Revenue	4	Note 1	-
		United Electric Wire (KunShan) Co.,Ltd.	3	Accounts receivables	1	Note 3	-
			3	Purchase	478	Note 1	-
			3	Accounts payable	197	Note 3	-
			3	Other payables from related parties	203	Note 2	-
			3	Purchase	201	Note 1	-
		Cablex Metal Material (Anfu) Co.,Ltd.	3	Accounts payable	91	Note 3	-
			3	Purchase	53,400	Note 1	2%
3	Cablex Wire (ShenZhen) Mfg Co.,Ltd.	Jia Xin Plastic(ShenZhen) Co.,Ltd.	3	Accounts payable	525	Note 3	-
			3	Buy fixed assets	251	Note 2	-
		Copartner Technology (ShenZhen) Co.,Ltd.	3	Rental income	39	Note 1	-
			3	Interest revenue	1,682	Note 1	-

(Carried forward)

(brought forward)

No.	Company Name	Counterparty	Relationship with the Company(Note 4)	Transaction			
				Financial statement account	Amount(Note 5)	Transaction Condition	As a percentage of Consolidated total operating revenues or total assets
3	Cablex Wire (ShenZhen) Mfg Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	3	Other receivables from related parties	136,912	Note 2	3%
		Cablex Metal Material (Anfu) Co.,Ltd.	3	Interest revenue	2,278	Note 1	-
			3	Other receivables from related parties	91,275	Note 2	2%
4	Copartner Wire And Cable (KunShan) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Rental income	3,578	Note 1	-
		United Electric Wire (KunShan) Co.,Ltd.	3	Rental income	6,617	Note 1	-
			3	Other receivables from related parties	9	Note 2	-
		Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Interest revenue	112	Note 1	-
		Copartner Technology (DongTai) Co.,Ltd.	3	Interest revenue	1,328	Note 1	-
5	Copartner Wire And Cable (ShenZhen) Co.,Ltd.	Copartner Technology (ShenZhen) Co.,Ltd.	3	Interest revenue	1,611	Note 1	-
			3	Other receivables from related parties	258,004	Note 2	6%
		Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	3	Other receivables from related parties	66,785	Note 2	2%
6	United Electric Wire (KunShan) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	20,896	Note 1	1%
			3	Accounts receivables	11,230	Note 3	-
			3	Purchase	914	Note 1	-
			3	Other receivables from related parties	127	Note 2	-
		Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Purchase	17,468	Note 1	1%
	United Electric Wire (KunShan) Co.,Ltd.		3	Accounts payable	5,751	Note 3	-
		Copartner Technology (DongTai) Co.,Ltd.	3	Interest revenue	\$ 3,092	Note 1	-
			3	Other receivables from related parties	163,810	Note 2	4%
			3	Revenue	36,418	Note 1	1%
			3	Accounts receivables	12,820	Note 3	-
			3	Sale fixed assets	25,917	Note 2	-
		Copartner Technology (ShenZhen) Co.,Ltd.	3	Revenue	67	Note 1	-
			3	Accounts receivables	76	Note 3	-

(Carried forward)

(brought forward)

No.	Company Name	Counterparty	Relationship with the Company(Note 4)	Transaction			
				Financial statement account	Amount(Note 5)	Transaction Condition	As a percentage of Consolidated total operating revenues or total assets
7	Huisheng Plastic (ShenZhen) Co.,Ltd.	Jia Xin Plastic(ShenZhen) Co.,Ltd.	3	Purchase	1,326	Note 1	-
		Jia Xin New Materials (Anfu) CO., LTD.	3	Sale fixed assets	861	Note 2	-
			3	Purchase	3,135	Note 1	-
			3	Interest revenue	1,732	Note 1	-
			3	Other receivables from related parties	146,034	Note 2	3%
8	Copartner Technology (ShenZhen) Co.,Ltd.	Jia Xin Plastic(ShenZhen) Co.,Ltd.	3	Sale fixed assets	397	Note 2	-
		Cablex Wire And Cable(KunShan) Mfg.	3	Purchase	2,402	Note 1	-
			3	Accounts payable	366	Note 3	-
			3	Revenue	1,072	Note 1	-
			3	Accounts receivables	834	Note 3	-
			3	Interest expenses	95	Note 1	-
			3	Other payables from related parties	45,651	Note 2	1%
		Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Interest expenses	258	Note 1	-
			3	Other payables from related parties	9,127	Note 2	-
		Cablex Metal Material (Anfu) Co.,Ltd.	3	Purchase	224,284	Note 1	7%
		Copartner Technology (Anfu) Co.,Ltd.	3	Accounts payable	8,735	Note 3	-
			3	Purchase	8,838	Note 1	-
			3	Accounts payable	6,980	Note 3	-
			3	Revenue	125	Note 1	-
9	Jia Xin Plastic(ShenZhen) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Sale fixed assets	222	Note 2	-
			3	Buy fixed assets	131	Note 2	-
			3	Revenue	9	Note 1	-
			3	Revenue	119,609	Note 1	3%
		Jia Xin New Materials (Anfu) CO., LTD.	3	Accounts receivables	57,006	Note 3	1%
			3	Purchase	12,242	Note 1	-
			3	Accounts payable	363	Note 3	-
			3	Interest revenue	1,452	Note 1	-
			3	Sales and management expenses	26,306	Note 1	1%
			3	Other receivables from related parties	137,051	Note 2	3%

(Carried forward)

(brought forward)

No.	Company Name	Counterparty	Relationship with the Company(Note 4)	Transaction			
				Financial statement account	Amount(Note 5)	Transaction Condition	As a percentage of Consolidated total operating revenues or total assets
10	Cablex Wire And Cable(KunShan) Mfg.	Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Purchase	\$ 53	Note 1	-
			3	Accounts payable	21	Note 3	-
			3	Interest revenue	290	Note 1	-
			3	Other receivables from related parties	9,131	Note 2	-
11	Cablex Metal Material (Anfu) Co.,Ltd.	United Electric Wire (KunShan) Co.,Ltd. Copartner Technology (Anfu) Co.,Ltd.	3	Revenue	2,130	Note 1	-
			3	Revenue	156,287	Note 1	5%
			3	Accounts receivables	21,855	Note 3	1%
			3	Other receivables from related parties	26	Note 2	-
12	Jia Xin New Materials (Anfu) CO., LTD.	Copartner Technology (DongTai) Co.,Ltd.	3	Rental expenses	728	Note 1	-
			3	Sale fixed assets	2,236	Note 2	-
		Wanfu Plastic (ShenZhen) Co.,Ltd.	3	Interest expenses	1,176	Note 1	-
			3	Other payables from related parties	41,074	Note 2	1%
		Copartner Technology (Anfu) Co.,Ltd.	3	Revenue	41,315	Note 1	1%
			3	Accounts receivables	18,911	Note 3	-
		Copartner Technology (ShenZhen) Co.,Ltd.	3	Revenue	21,827	Note 1	1%
			3	Accounts receivables	9,136	Note 3	-
		Shin Ya Wire And Cable (ShenZhen) Co.,Ltd.	3	Other payables from related parties	9	Note 2	-
			3	Revenue	3,817	Note 1	-
		ShenZhen Copartner Communication Co.,Ltd.	3	Accounts receivables	1,278	Note 3	-
			3	Revenue	22	Note 1	-
13	Copartner Technology (DongTai) Co.,Ltd.	Cablex Wire And Cable(KunShan) Mfg.	3	Revenue	117	Note 1	-
			3	Accounts receivables	102	Note 3	-
		Wujiang Wanfeng Plastic Cement Co.,Ltd.	3	Purchase	49	Note 1	-
			3	Revenue	126,148	Note 1	4%
		United Electric Wire (KunShan) Co.,Ltd.	3	Accounts receivables	54,032	Note 3	1%
			3	Rental income	249	Note 1	-
		Copartner Technology (Anfu) Co.,Ltd.	3	Buy fixed assets	895	Note 2	-
			3	Other payables from related parties	905	Note 2	-

14	Copartner Wire & Cable Manufacturing Limited	HOTEK TECHNOLOGY CORP.	3	Other receivables from related parties	234,947	Note 2	5%
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Note 1: It refers to the costs and market prices determined by both parties.

Note 2: The method of receivable and payable depends on the funds.

Note 3: The period for accounts receivable and payable is equivalent to related parties.

Note 4: 1 represents transactions from parent to subsidiary; 2 represents transactions from subsidiary to parent; 3 represents transactions from subsidiary to subsidiary.

Note 5: It is listed based on the amount of processing consigned material that has been deducted. Receivables (payables) and other receivables (payables) due from related parties are presented in total.

COPARTNER TECHNOLOGY CORP.
INFORMATION FOR MAIN SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2024

Table 10

Name for main shareholders	Shares	
	Amount	Portion
Chen, Chin-Hung	4,715,079	5.38%