

**AUDEN TECHNO CORP.****Parent Company Only Financial Statements****With Independent Auditors' Report  
For the Years Ended December 31, 2024 and 2023**

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

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## Independent Auditors' Report

To the Board of Directors of Auden Techno Corp.:

### Opinion

We have audited the accompanying parent company only financial statements of Auden Techno Corp. ("the Company"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of material accounting policies.

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

### Basis for Opinion

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

### Key Audit Matters

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

### Revenue Recognition

Please refer to notes 4(n) and 6(v) for the related to disclosures on the revenue recognition of the parent company only financial statements.

### Description of the key audit matter

The Company's operating income is a key indicator for management to evaluate the financial or business performance, and is highly expected by the investors. Therefore, the revenue recognition has been identified as a key audit matter.

**How the matter was addressed in our audit:**

Our audit procedures include testing the effectiveness of the design and implementation of the internal controls in relation to sales and cash collection, conducting trend analysis for the top ten customers by comparing the changes or differences to evaluate if there is any significant irregularity, performing random sample checking on the sales transactions to evaluate the authenticity of these transactions, the correctness of the recognized amount of sales revenue and the reasonableness of the timing of recording, and reviewing samples of sales transactions for a specified period before and after the end of the year to assess the correctness of the revenue attribution period and recognition.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

The engagement partners on the audit resulting in this independent auditors' report are Wu, Chia-Han and Wu, Chung-Shun.

KPMG

Taipei, Taiwan (Republic of China)  
March 6, 2025

#### **Notes to Readers**

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
Auden Techno Corp.

Parent Company Only Statements of Financial Position

December 31, 2024 and 2023

(All amounts expressed in thousands of New Taiwan dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	<b>Assets</b>					21xx	<b>Liabilities and Equity</b>				
	<b>Current assets:</b>						<b>Current liabilities:</b>				
1100	Cash and cash equivalents (note 6(a))	\$ 498,040	14	693,872	24	2100	Short-term borrowings (notes 6(m) and 8)	\$ 261,000	7	50,000	2
1113	Current financial assets at fair value through profit or loss (note 6(b))	10,075	-	-	-	2150	Notes payable	123	-	123	-
1150	Notes receivable, net (notes 6(d) and (v))	8	-	-	-	2170	Accounts payable	42,115	1	46,848	2
1170	Accounts receivable, net (notes 6(d) and (v))	382,767	11	325,616	11	2180	Accounts payable—related parties (note 7)	169,333	5	160,940	5
1180	Accounts receivable—related parties, net (notes 6(d), (v) and 7)	20,323	1	17,426	1	2200	Other payables (note 6(w))	271,045	8	221,237	8
1200	Other receivables (note 6(e))	8,195	-	26,456	1	2220	Other payables—related parties (note 7)	825	-	355	-
1210	Other receivables—related parties (notes 6(e) and 7)	42,837	2	19,423	1	2230	Current tax liabilities	-	-	14,605	-
1220	Current income tax assets	2,449	-	88	-	2280	Current lease liabilities (note 6(p))	476	-	1,697	-
130X	Inventories (note (f))	72,291	2	176,121	6	2320	Long term liabilities due during a year or operating cycle (notes 6(n), (o)				
1410	Prepayments	29,466	1	18,778	-		and 8)	405,043	12	5,588	-
1476	Other financial assets—current (notes 6(l), (o) and 8)	400,000	11	38,065	1	2399	Other current liabilities (notes 6(s) and (v))	41,296	1	147,726	5
1479	Other current assets	124	-	2,705	-		<b>Total current liabilities</b>	1,191,256	34	649,119	22
	<b>Total current assets</b>	1,466,575	42	1,318,550	45	25xx	<b>Non-Current liabilities:</b>				
15xx	<b>Non-current assets:</b>					2530	Bonds payables (note 6(o))	-	-	395,662	13
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	36,343	1	-	-	2540	Long-term borrowings (notes 6(n) and 8)	81,156	2	184,412	6
1517	Non-current financial assets at fair value through other comprehensive					2570	Deferred tax liabilities (note 6(r))	78,255	2	71,861	3
	income (note 6(c))	146,340	4	86,172	3	2580	Non-current lease liabilities (note 6(p))	560	-	296	-
1550	Investments accounted for using equity method (notes 6(g) and (t))	938,724	26	833,024	28	2640	Non-current net defined benefit liability (note 6(q))	1,043	-	1,782	-
1600	Property, plant and equipment (notes 6(h), 7 and 8)	846,637	24	583,423	20	2645	Guarantee deposits	130	-	130	-
1755	Right-of-use assets (note 6(i))	1,026	-	1,974	-		<b>Total non-current liabilities</b>	161,144	4	654,143	22
1760	Investment property (note 6(j))	37,632	1	38,006	1	2xxx	<b>Total liabilities</b>	1,352,400	38	1,303,262	44
1780	Intangible assets (note 6(k))	24,031	1	2,778	-	31xx	<b>Equity attributable to owners of parent (notes 6(g), (o), (q), (s) and (t)):</b>				
1840	Deferred tax assets (note 6(r))	20,608	1	18,905	-	3110	Ordinary shares	503,104	14	468,004	16
1980	Other financial assets—non-current (notes 6(l), (o) and 8)	2,019	-	82,249	3	3200	Capital surplus	890,313	26	505,922	17
1990	Other non-current assets—others	2,056	-	540	-	3300	Retained earnings	743,242	21	721,234	24
	<b>Total non-current assets</b>	2,055,416	58	1,647,071	55	3400	Other equity interest	32,932	1	(32,801)	(1)
						3xxx	<b>Total equity</b>	2,169,591	62	1,662,359	56
1xxx	<b>Total assets</b>	\$ 3,521,991	100	2,965,621	100	2-3xxx	<b>Total liabilities and equity</b>	\$ 3,521,991	100	2,965,621	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
Auden Techno Corp.

**Parent Company Only Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

(All amounts expressed in thousands of New Taiwan dollars)

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(v) and 7)</b>	\$ 1,322,868	100	1,402,873	100
5000	<b>Operating costs (notes 6(f) and 7)</b>	<u>802,722</u>	<u>61</u>	<u>809,513</u>	<u>58</u>
5900	<b>Gross profit</b>	520,146	39	593,360	42
5910	Less: Unrealized profit (loss) from sales	<u>(7,537)</u>	<u>(1)</u>	<u>(14,352)</u>	<u>(1)</u>
5900	<b>Gross profit</b>	<u>527,683</u>	<u>40</u>	<u>607,712</u>	<u>43</u>
6000	<b>Operating expenses (notes 6(d), (q), (t), (w) and 7):</b>				
6100	Selling expenses	144,867	11	122,467	9
6200	Administrative expenses	124,725	10	155,196	11
6300	Research and development expenses	186,993	14	145,469	10
6450	(Reversal of) expected credit losses	<u>183</u>	<u>-</u>	<u>(31)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>456,768</u>	<u>35</u>	<u>423,101</u>	<u>30</u>
6900	<b>Net operating income</b>	<u>70,915</u>	<u>5</u>	<u>184,611</u>	<u>13</u>
7000	<b>Non-operating income and expenses (notes 6(c), (o), (p), (x) and 7):</b>				
7100	Interest income	9,685	1	6,567	-
7010	Other income	50,253	4	38,952	3
7020	Other gains and losses	38,884	3	5,598	-
7050	Finance costs	(12,037)	(1)	(12,406)	(1)
7070	Share of profit of the subsidiaries accounted for using equity method	<u>14,153</u>	<u>1</u>	<u>33,473</u>	<u>3</u>
	<b>Total non-operating income and expenses</b>	<u>100,938</u>	<u>8</u>	<u>72,184</u>	<u>5</u>
7900	<b>Income before income tax</b>	171,853	13	256,795	18
7950	<b>Less: Income tax expenses (note 6(r))</b>	<u>19,631</u>	<u>1</u>	<u>50,388</u>	<u>3</u>
	<b>Net income</b>	<u>152,222</u>	<u>12</u>	<u>206,407</u>	<u>15</u>
8300	<b>Other comprehensive income (notes 6(q), (r) and (s)):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurement of defined benefit plans	686	-	(1,190)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	30,168	2	1,014	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	<u>137</u>	<u>-</u>	<u>(238)</u>	<u>-</u>
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	<u>30,717</u>	<u>2</u>	<u>62</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Foreign currency translation differences for foreign operations	30,960	2	(9,731)	(1)
8399	Less: income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that will be reclassified subsequently to profit or loss</b>	<u>30,960</u>	<u>2</u>	<u>(9,731)</u>	<u>(1)</u>
8300	<b>Other comprehensive income (loss), net of tax</b>	<u>61,677</u>	<u>4</u>	<u>(9,669)</u>	<u>(1)</u>
8500	<b>Total comprehensive income</b>	<u>\$ 213,899</u>	<u>16</u>	<u>196,738</u>	<u>14</u>
<b>Earnings per share (expressed in New Taiwan dollars) (note 6(u))</b>					
9750	Basic earnings per share	<u>\$ 3.05</u>		<u>4.42</u>	
9850	Diluted earnings per share	<u>\$ 3.04</u>		<u>4.41</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

## Auden Techno Corp.

## Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(All amounts expressed in thousands of New Taiwan dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Total	Other equity interest				Total equity
				Special reserve	Unappropriated earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Others	Total	
<b>Balance at January 1, 2023</b>	\$ 467,131	476,307	74,936	28,767	575,565	679,268	(23,307)	9,222	(1,859)	(15,944)	1,606,762
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	32,106	-	(32,106)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(163,489)	(163,489)	-	-	-	-	(163,489)
Net income for the year	-	-	-	-	206,407	206,407	-	-	-	-	206,407
Other comprehensive income (loss) for the year	-	-	-	-	(952)	(952)	(9,731)	1,014	-	(8,717)	(9,669)
Total comprehensive income (loss) for the year	-	-	-	-	205,455	205,455	(9,731)	1,014	-	(8,717)	196,738
Restricted stock to employee adjustments	873	11,022	-	-	-	-	-	-	(11,895)	(11,895)	-
Share-based payments	-	17,927	-	-	-	-	-	-	3,755	3,755	21,682
Changes in non-controlling interests	-	666	-	-	-	-	-	-	-	-	666
Balance at December 31, 2023	468,004	505,922	107,042	28,767	585,425	721,234	(33,038)	10,236	(9,999)	(32,801)	1,662,359
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	20,546	-	(20,546)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(130,763)	(130,763)	-	-	-	-	(130,763)
Net income for the year	-	-	-	-	152,222	152,222	-	-	-	-	152,222
Other comprehensive income (loss) for the year	-	-	-	-	549	549	30,960	30,168	-	61,128	61,677
Total comprehensive income (loss) for the year	-	-	-	-	152,771	152,771	30,960	30,168	-	61,128	213,899
Issue of shares	35,000	383,830	-	-	-	-	-	-	-	-	418,830
Restricted stock to employee adjustments	100	565	-	-	-	-	-	-	(665)	(665)	-
Share-based payment	-	(4)	-	-	-	-	-	-	5,270	5,270	5,266
<b>Balance at December 31, 2024</b>	<b>\$ 503,104</b>	<b>890,313</b>	<b>127,588</b>	<b>28,767</b>	<b>586,887</b>	<b>743,242</b>	<b>(2,078)</b>	<b>40,404</b>	<b>(5,394)</b>	<b>32,932</b>	<b>2,169,591</b>

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
Auden Techno Corp.

**Parent Company Only Statements of Cash Flows**  
**For the years ended December 31, 2024 and 2023**  
(All amounts expressed in thousands of New Taiwan dollars)

	<u>2024</u>	<u>2023</u>
<b>Cash flows from (used in) operating activities:</b>		
Income before tax	\$ 171,853	256,795
<b>Adjustments:</b>		
Adjustments to reconcile profit and loss		
Depreciation expense	24,084	23,206
Amortization expense	7,369	4,328
(Reversal of) expected credit losses	183	(31)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(863)	80
Interest expense	12,037	12,406
Interest income	(9,685)	(6,567)
Dividend income	(1,315)	(2,447)
Share-based payments	3,816	18,589
Share of profit of subsidiaries accounted for using equity method	(14,153)	(33,473)
Gain on disposal of property, plant and equipment	-	(1,438)
Unrealized profit (loss) from sales	(7,537)	(14,352)
Total adjustments to reconcile profit and loss	<u>13,936</u>	<u>301</u>
Changes in operating assets and liabilities relating:		
Net changes in operating assets:		
Notes receivable	(8)	-
Accounts receivable	(57,334)	(136,574)
Accounts receivable—related parties	(2,897)	20,180
Other receivables	18,261	11,176
Other receivables—related parties	(23,414)	41,976
Inventories	103,830	34,891
Prepayments	(10,688)	(1,862)
Other current assets	2,581	(485)
Total net changes in operating assets	<u>30,331</u>	<u>(30,698)</u>
Net changes in operating liabilities:		
Accounts payable	(4,733)	(24,725)
Accounts payable—related parties	8,393	59,390
Other payables	(25,573)	60,230
Other payables—related parties	470	69
Other current liabilities	(68,365)	(18,185)
Net defined benefit liability	(53)	(65)
Total net changes in operating liabilities	<u>(89,861)</u>	<u>76,714</u>
Total net changes in operating assets and liabilities	<u>(59,530)</u>	<u>46,016</u>
Total adjustments	<u>(45,594)</u>	<u>46,317</u>
Cash inflow generated from operations	126,259	303,112
Interest received	9,685	6,567
Dividends received	1,315	2,447
Interest paid	(7,790)	(8,283)
Income taxes paid	(32,043)	(51,076)
<b>Net cash flows from operating activities</b>	<u>97,426</u>	<u>252,767</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(30,000)	(1,000)
Acquisition of financial assets at fair value through profit or loss	(45,555)	-
Acquisition of investments accounted for using equity method	(51,151)	(54,000)
Acquisition of property, plant and equipment	(210,228)	(242,999)
Proceeds from disposal of property, plant and equipment	-	1,738
Acquisition of intangible assets	(28,622)	(953)
Increase in other financial assets—non-current	(281,705)	(9,917)
Increase in other non-current assets	(1,516)	-
<b>Net cash flows used in investing activities</b>	<u>(648,777)</u>	<u>(307,131)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	371,000	50,000
Decrease in short-term loans	(160,000)	-
Repayments of long-term loans	(103,608)	-
Payment of lease liabilities	(1,875)	(1,961)
Cash dividends paid	(130,763)	(163,489)
Proceeds from issuing shares	380,765	-
<b>Net cash flows from (used in) financing activities</b>	<u>355,519</u>	<u>(115,450)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(195,832)</u>	<u>(169,814)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>693,872</u>	<u>863,686</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 498,040</u>	<u>693,872</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**Auden Techno Corp.**

**Notes to the Parent Company Only Financial Statements**

**For the years ended December 31, 2024 and 2023**

**(All amounts expressed in thousands of New Taiwan dollars, unless otherwise stated)**

**(1) Company history**

Auden Techno Corp. (hereinafter referred to as the "Company") is established on February 1990 in accordance to ROC Company Act. The shares of the Company were listed and sold on the Taiwan Stock Exchange on December 11, 2020. The principal activities of the Company are the design and manufacture of wired and wireless antennas, the performance verification and testing of communications products and the trading agent of precision instrument.

**(2) Approval date and procedures of the financial statements**

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

**(3) Application of new and revised standards, amendments and interpretations:**

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

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

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

- (b) The impact of IFRS issued by the FSC but not yet effective

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

- Amendments to IAS21 "Lack of Exchangeability"

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**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

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

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

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

**(4) Summary of material accounting policies**

The significant accounting policies applied in the preparation of the parent company only financial statements are set out below. Except for those specially indicated, the significant accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

**(a) Statement of compliance**

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

**(b) Basis of preparation**

**(i) Basis of measurement**

The accompanying parent company only financial statements have been prepared on a historical cost basis, except as otherwise specified in the notes to accounting policies.

**(ii) Functional and presentation currency**

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

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. The resulting exchange differences are included in profit or loss for the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

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

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When The Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. For a partial disposal of the Company's ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising items from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income and presented in the translation reserve in equity.

(d) Assets and liabilities classified as current and non-current

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

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

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits are classified as cash and cash equivalents only when they meet the aforementioned definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

All regular way purchases or sales of financial assets classified as the same categories are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) – equity investment, and fair value through profit or loss (FVTPL).

The Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

## AUDEN TECHNO CORP.

### Notes to the Parent Company Only Financial Statements

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial assets measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost, which is the initial recognition amount deduct the cumulative amortization using the effective interest method and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets at fair value through other comprehensive income (FVOCI)

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

Such financial assets are initially recognized at fair value, plus any directly attributable transaction costs. Subsequently, these assets are measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(Continued)

## AUDEN TECHNO CORP.

### Notes to the Parent Company Only Financial Statements

#### 4) Impairment of financial assets

The Company assessed against expected credit loss of impairment loss on financial assets measured at amortized cost.

Loss allowance for notes and accounts receivable and contract assets is always measured at an amount of lifetime ECL. Other financial assets measured at amortized cost are considered reasonable and supportable information (available without excessive costs or inputs). This includes both quantitative and qualitative information, as well as an analysis based on the Company's historical experience, credit assessment, and forward-looking information. Loss allowance for other financial assets measured at amortized cost is measured by using the 12-month ECL, in which the credit risk did not increase significantly since the initial recognition. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to the lifetime ECL.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

#### 5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the assets are terminated, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

#### (ii) Financial liabilities and equity instruments

##### 1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and equity instruments.

##### 2) Equity instruments

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

##### 3) Compound financial instruments

Compound financial instruments issued by The Company comprise convertible bonds that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(Continued)



## **AUDEN TECHNO CORP.**

### **Notes to the Parent Company Only Financial Statements**

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

5) **Derecognition of financial liabilities**

The Company derecognizes a financial liability when its contractual obligation has been discharged or canceled or expire. The difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) **Offsetting of financial assets and liabilities**

The Company presents financial assets and liabilities on a net basis when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(g) **Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition. Fixed manufacturing overhead is allocated to finished products and work in process based on normal capacity.

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

(h) **Investment in subsidiaries**

When preparing the parent company only financial statements, the investments in subsidiaries are recognized by the Company using the equity method. Under the equity method, the net income, other comprehensive income, and equity in the parent company only financial statements are equivalent to those attributable to the shareholders of the parent company in the consolidated financial statements.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property, plant and equipment are the same as those of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent cost is capitalized only if it is probable that the future economic benefits associated with the cost will flow to the Company. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a straight line basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

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

1) Buildings	25~50 years
2) Machinery and equipment	2~8 years
3) Other equipment	2~26 years

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date. If expectations differ from the previous estimates, the changes are accounted for as a change in accounting estimate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment purpose.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(j) Lease

(i) Identifying a lease

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

(ii) As a lessee

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

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

Lease liabilities are initially measured at the present value of the lease payments outstanding at the beginning of the lease using the discounted incremental borrowing rate. Interest is subsequently charged using the effective interest method and are measured when there are changes in the lease payments and the lease period, and the carrying amount of the right-to-use assets is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

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

(iii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. Lease income from operating lease is recognized in income on a straight-line basis over the lease term.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including patents and computer software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Except for other intangible assets, amortization is calculated over the cost of the asset, less its estimated residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- |                      |           |
|----------------------|-----------|
| 1) Patents           | 3 years   |
| 2) Computer software | 3~6 years |

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

(m) Impairment – non-financial assets

With regard to non-financial assets (other than inventories, deferred tax assets and employee benefits), the Company assesses at the end of each reporting period whether there is any indication that an impairment loss has occurred and estimates the recoverable amount of assets with an indication of impairment. If it is not possible to estimate the recoverable amount of an individual asset, then the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs for the purpose of assessing impairment.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to its recoverable amount and an impairment loss shall be recognized. An impairment loss shall be recognized immediately in profit or loss.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for non-financial assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. Impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount, increasing the individual asset's or cash-generating unit's carrying amount to its recoverable amount. The reversal of an impairment loss of an individual asset or cash-generating unit cannot exceed the carrying amount of the individual asset or cash-generating unit, less any depreciation or amortization, had no impairment loss been recognized in prior years.

(n) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods

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

(ii) Rendering of services

The Company recognizes revenue when it satisfies a performance obligation by transferring control of service to a customer.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A post-employment benefit plan other than a defined contribution plan is a defined benefit plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The discount rate is the yield at the reporting date (market yields of high-quality corporate bonds or government bonds) on bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(Continued)

**AUDEN TECHNO CORP.**  
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The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss.

Remeasurements of the net defined benefit liability (asset), which comprise (1) actuarial gains and losses; (2) the return on plan assets excluding the amounts included in net interest on the net defined benefit liability (assets); and (3) any change in the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability (assets); The Company recognizes the remeasurements of the net defined benefit liability (assets) in other comprehensive and recognizes the remeasurements of defined benefit plans in retained earnings.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the resting period of the awards. The compensation cost is adjusted to reflect the number of awards given to employees for which the performance and non-market conditions are expected to be met, such that the amount ultimately recognized shall be based on the number of equity instruments that eventually have vested.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company and employees reach a consensus in the subscription price and number of shares.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

The share-based payment arrangement of the Company's equity settlement with the employees of the subsidiary is considered to be an capital contribution to the subsidiary and measured by the fair value of the equity instruments grant date, which is recognized during the vesting period as an increase in the carrying amount of the investment in the subsidiary. Then, adjust the capital reserve-employee share options accordingly.

(q) Income taxes

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore, they were accounted for under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years.

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

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;
- (ii) Temporary differences arising from equity investments in subsidiaries, affiliates and joint ventures where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- (iii) Initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

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

- (i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) levied by the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

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

(r) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares.

The Company's dilutive potential common shares comprise employee remuneration, convertible bond and employee stock options.

(s) Segment information

The Company has disclosed segment information in the consolidated financial statements, and hence does not disclose such information in the parent company only financial statements.

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

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

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

There are no critical judgments in applying the accounting policies that have a significant effect on the amounts recognized in the parent company only financial statements.

There is no significant risk of resulting in a material adjustment within the next financial year about assumptions and estimation uncertainties.

**(6) Explanation of significant accounts**

(a) Cash and cash equivalents

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash	\$ 228	180
Checking and demand deposits	383,031	693,659
Time deposits	114,781	33
	<u><u>\$ 498,040</u></u>	<u><u>693,872</u></u>

(Continued)



**AUDEN TECHNO CORP.**  
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The above cash and cash equivalents were not pledged as collateral. Please refer to notes 6(l) and 8 for disclosure of the Company's time deposits, recorded under other financial assets – current, with maturity ranging from three months to one year.

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

(i) Current financial assets at fair value through profit or loss:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Financial assets mandatorily measured at fair value through profit or loss :		
Convertible bonds	<b>\$ 10,075</b>	<b>-</b>

(ii) Non-current financial assets at fair value through profit or loss:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Simple Agreement for Future Equity (SAFE)	<b>\$ 36,343</b>	<b>-</b>

(c) Financial assets at fair value through other comprehensive income

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Equity instruments at fair value through other comprehensive income:		
Domestic unlisted common shares – Ceradex Corporation	\$ 9,237	11,635
Domestic unlisted common shares – TMY Technology, Inc.	30,632	7,120
Domestic unlisted common shares – WHALETEQ CO., LTD	21,087	18,777
Domestic unlisted common shares – SOIC Marine Solutions CO., LTD	1,000	1,000
Domestic unlisted common shares – Cruise10 CO., LTD	26,184	-
Oversea unlisted shares – Dotspace Inc.	58,200	47,640
Total	<b>\$ 146,340</b>	<b>86,172</b>

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

No strategic investments were disposed for the years ended December 31, 2024 and 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

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**AUDEN TECHNO CORP.**  
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During the years ended December 31, 2024 and 2023, the dividends of \$1,315 thousand and \$2,447 thousand, respectively, related to equity instruments at fair value through other comprehensive income held on the year ended, were recognized under other income.

Please refer to note 6(y) for market risk ◦

(d) Notes receivable and accounts receivable

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Notes receivable	\$ 8	-
Accounts receivable	382,950	325,616
Accounts receivable—related parties	20,323	17,426
Less: loss allowance—accounts receivables	(183)	-
	<b><u>\$ 403,098</u></b>	<b><u>343,042</u></b>

The Company does not regard as any collateral or discount for notes and accounts receivable.

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivable. To measure the expected credit losses, notes and accounts receivable has been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

Based on historical default records, the Company did not experience any credit losses on notes receivable. As of the reporting date, there were no overdue notes receivable, nor was the credit quality of the notes receivable changed from the original grant date. Therefore, the Company did not recognize credit losses on its notes receivable, and these notes receivable were not included in the expected credit loss analysis.

The Company's test equipment segment applies the expected credit losses analysis to accounts receivable as of December 31, 2024 and 2023, as determined below:

	<b>December 31, 2024</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Loss allowance for lifetime expected credit losses</b>
Not past due	\$ 56,209	-	-
Past due 1~30 days	4,147	-	-
Past due 91~180 days	20,859	0.88	183
	<b><u>\$ 81,215</u></b>		<b><u>183</u></b>

(Continued)

**AUDEN TECHNO CORP.**  
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	<b>December 31, 2023</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Loss allowance for lifetime expected credit losses</b>
Not past due	\$ 85,559	-	-
Past due 31~90 days	788	-	-
	<b>\$ 86,347</b>		<b>-</b>

The Company's RFID antenna segment applies the expected credit losses analysis to accounts receivable as of December 31, 2024 and 2023, as determined below:

	<b>December 31, 2024</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Loss allowance for lifetime expected credit losses</b>
Not past due	\$ 309,832	-	-
Past due 1~30 days	12,226	-	-
	<b>\$ 322,058</b>		<b>-</b>

	<b>December 31, 2023</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Loss allowance for lifetime expected credit losses</b>
Not past due	\$ 246,251	-	-
Past due 1~30 days	9,656	-	-
Past due 31~90 days	788	-	-
	<b>\$ 256,695</b>		<b>-</b>

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

	<b>2024</b>	<b>2023</b>
Beginning balance	\$ -	31
Impairment losses	183	-
Reversal of impairment losses	-	(31)
Ending balance	<b>\$ 183</b>	<b>-</b>

(Continued)

**AUDEN TECHNO CORP.**  
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(e) Other receivables

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Other receivables	\$ 8,195	26,456
Other receivables—related parties	42,837	19,423
Less: Loss allowance	-	-
	<b>\$ 51,032</b>	<b>45,879</b>

As of December 31, 2024 and 2023, there were no other receivables that was past due for The Company. Please refer to note 6(y) for other credit risk.

(f) Inventories

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Merchandise inventory	\$ 33,765	132,145
Finished good	38,404	43,489
Semi-finished products and work in progress	17	17
Raw materials	105	470
	<b>\$ 72,291</b>	<b>176,121</b>

The details of the inventory costs recognized as expenses were as follows:

	<b>2024</b>	<b>2023</b>
Provision (reversal) of the allowance for inventory	\$ 580	(10,087)
Loss on disposal of inventory	-	524
Total	<b>\$ 580</b>	<b>(9,563)</b>

As of December 31, 2024 and 2023, the Company did not pledge its inventories as collateral.

(g) Investments accounted for using equity method

The details of the investments accounted for under the equity method at the reporting date were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Subsidiaries	<b>\$ 938,724</b>	<b>833,024</b>

The Company's subsidiary, Auray Technology Corp, conducted a cash capital increase by issuing new shares amounting to \$40,000 thousand, with a base date set on January 12, 2023, based on a resolution approved during the board meeting held on November 8, 2022. The Company fully subscribed the entire shares. All related registration procedures were completed on February 1, 2023.

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In September 2023, Auden Intelligence Carbon Solution Co., Ltd. conducted a cash capital increase by issuing 2,000 thousand new shares for an amount of \$20,000 thousand. The Company contributed \$14,000 thousand to the capital increase and adjusted the capital surplus by \$666 thousand. As the full subscription was not made in proportion to the shareholding ratio, the ownership percentage decreased to 80%.

In June 2024, the Company remitted USD1,570 thousand (NTD51,151 thousand) to establish Auden Polska Accreditation S.A. The Company fully subscribed the entire shares, and all related registration procedures were completed in July 2024.

For subsidiaries, please refer to the consolidated financial statements for the years ended December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the investments accounted for using equity method were not pledged as collateral.

(h) Property, plant and equipment

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:						
Balance at January 1, 2024	\$ 313,457	35,561	122,663	44,942	235,745	752,368
Additions	-	-	20,182	1,859	263,017	285,058
Disposals	-	-	(334)	(54)	-	(388)
Balance at December 31, 2024	<u>\$ 313,457</u>	<u>35,561</u>	<u>142,511</u>	<u>46,747</u>	<u>498,762</u>	<u>1,037,038</u>
Balance at January 1, 2023	\$ 313,457	35,561	121,423	43,018	17,750	531,209
Additions	-	-	3,629	1,664	217,840	223,133
Reclassification	-	-	-	762	155	917
Disposals	-	-	(2,389)	(502)	-	(2,891)
Balance at December 31, 2023	<u>\$ 313,457</u>	<u>35,561</u>	<u>122,663</u>	<u>44,942</u>	<u>235,745</u>	<u>752,368</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2024	\$ 29,935	27,283	80,224	31,503	-	168,945
Depreciation	-	1,028	16,346	4,470	-	21,844
Disposals	-	-	(334)	(54)	-	(388)
Balance at December 31, 2024	<u>\$ 29,935</u>	<u>28,311</u>	<u>96,236</u>	<u>35,919</u>	<u>-</u>	<u>190,401</u>
Balance at January 1, 2023	\$ 29,935	26,255	67,251	27,146	-	150,587
Depreciation	-	1,028	15,112	4,809	-	20,949
Disposals	-	-	(2,139)	(452)	-	(2,591)
Balance at December 31, 2023	<u>\$ 29,935</u>	<u>27,283</u>	<u>80,224</u>	<u>31,503</u>	<u>-</u>	<u>168,945</u>
Carrying amount						
Balance at December 31, 2024	<u>\$ 283,522</u>	<u>7,250</u>	<u>46,275</u>	<u>10,828</u>	<u>498,762</u>	<u>846,637</u>
Balance at December 31, 2023	<u>\$ 283,522</u>	<u>8,278</u>	<u>42,439</u>	<u>13,439</u>	<u>235,745</u>	<u>583,423</u>

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**AUDEN TECHNO CORP.**  
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On March 7, 2023, the Company signed a contract with a non-related party for the construction of its office building, with a total contract price of \$690,000 thousand (before tax), of which, the amounts of \$468,457 thousand and \$213,157 thousand, recorded as construction in progress, and \$221,543 thousand and \$476,843 thousand, have been paid and have yet to be paid, respectively, as of December 31, 2024 and 2023. Please refer to note 9(a).

Please refer to note 8 for the details of items pledged to secure long term bank borrowings and financing facility as of December 31, 2024 and 2023.

(i) Right-of-use assets

The Company leases many assets including land and buildings, transportation equipment and other equipment. Information about leases for which The Company as a lessee is presented below:

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2024	\$ 5,664	488	6,152
Additions	918	-	918
Reductions	(919)	(212)	(1,131)
Balance at December 31, 2024	<u>\$ 5,663</u>	<u>276</u>	<u>5,939</u>
Balance at December 31, 2023 (as of balance January 1, 2023)	<u>\$ 5,664</u>	<u>488</u>	<u>6,152</u>
Accumulated depreciation of right-of-use asset:			
Balance at January 1, 2024	\$ 3,875	303	4,178
Depreciation	1,765	101	1,866
Reductions	(919)	(212)	(1,131)
Balance at December 31, 2024	<u>\$ 4,721</u>	<u>192</u>	<u>4,913</u>
Balance at January 1, 2023	\$ 2,109	186	2,295
Depreciation	1,766	117	1,883
Balance at December 31, 2023	<u>\$ 3,875</u>	<u>303</u>	<u>4,178</u>
Carrying amount:			
Balance at December 31, 2024	<u>\$ 942</u>	<u>84</u>	<u>1,026</u>
Balance at December 31, 2023	<u>\$ 1,789</u>	<u>185</u>	<u>1,974</u>

(j) Investment property

	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance at December 31, 2024 (as of balance at January 1, 2024)	<u>\$ 25,334</u>	<u>16,727</u>	<u>42,061</u>
Balance at December 31, 2023 (as of balance at January 1, 2023)	<u>\$ 25,334</u>	<u>16,727</u>	<u>42,061</u>

(Continued)

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	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Accumulated depreciation and impairment loss			
Balance January 1, 2024	\$ -	4,055	4,055
Depreciation	<u>-</u>	<u>374</u>	<u>374</u>
Balance December 31, 2024	<u>\$ -</u>	<u>4,429</u>	<u>4,429</u>
Balance January 1, 2023	\$ -	3,681	3,681
Depreciation	<u>-</u>	<u>374</u>	<u>374</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>4,055</u>	<u>4,055</u>
Carrying amount:			
Balance at December 31, 2024	<u>\$ 25,334</u>	<u>12,298</u>	<u>37,632</u>
Balance at December 31, 2023	<u>\$ 25,334</u>	<u>12,672</u>	<u>38,006</u>
Fair value:			
Balance at December 31, 2024			<u>\$ 51,136</u>
Balance at December 31, 2023			<u>\$ 49,128</u>

The fair value of the investment property held by The Company is presented on the basis of the assessment by an independent evaluation expert, who adopted the income approach direct capitalization and comparative approach for valuation. The input values used in fair value evaluation techniques are of the level 3 of fair value hierarchy and there was no transfer to or from level 3 fair value during the period. The capitalization of earnings (including depreciation deposit rate) used in the years ended December 31, 2024 and 2023 were 1.44%~2.07% and 1.90%~2.02%, respectively.

Investment properties comprise a number of commercial properties that are leased to third parties. Each leasing contract includes an original noncancelable lease term, and the lease term of the renewal is available for discussion with the lessee.

(k) Intangible assets

	<u>Patents</u>	<u>Computer software</u>	<u>Other intangible assets</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 6,734	35,645	-	42,379
Additions	<u>1,626</u>	<u>25,096</u>	<u>1,900</u>	<u>28,622</u>
Balance at December 31, 2024	<u>\$ 8,360</u>	<u>60,741</u>	<u>1,900</u>	<u>71,001</u>
Balance at January 1, 2023	\$ 6,512	34,915	-	41,427
Additions	<u>223</u>	<u>730</u>	<u>-</u>	<u>953</u>
Balance at December 31, 2023	<u>\$ 6,735</u>	<u>35,645</u>	<u>-</u>	<u>42,380</u>

(Continued)

**AUDEN TECHNO CORP.**  
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	<u>Patents</u>	<u>Computer software</u>	<u>Other intangible assets</u>	<u>Total</u>
Accumulated depreciation				
Balance at January 1, 2024	\$ 6,061	33,540	-	39,601
Amortization	<u>654</u>	<u>6,715</u>	<u>-</u>	<u>7,369</u>
December 31, 2024	<u><u>\$ 6,715</u></u>	<u><u>40,255</u></u>	<u><u>-</u></u>	<u><u>46,970</u></u>
Balance at January 1, 2023	\$ 5,447	29,827	-	35,274
Amortization	<u>615</u>	<u>3,713</u>	<u>-</u>	<u>4,328</u>
December 31, 2023	<u><u>\$ 6,062</u></u>	<u><u>33,540</u></u>	<u><u>-</u></u>	<u><u>39,602</u></u>
Carrying amount:				
Balance at December 31, 2024	<u><u>\$ 1,645</u></u>	<u><u>20,486</u></u>	<u><u>1,900</u></u>	<u><u>24,031</u></u>
Balance at December 31, 2023	<u><u>\$ 673</u></u>	<u><u>2,105</u></u>	<u><u>-</u></u>	<u><u>2,778</u></u>

(l) Other current financial assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current		
Dedicated bank account - collection of shares	\$ -	38,065
Convertible bond secured deposits	<u>400,000</u>	<u>-</u>
Subtotal	<u>400,000</u>	<u>38,065</u>
Non-current		
Time deposits	1,122	1,111
Convertible bond secured deposits	-	80,000
Refundable deposits	<u>897</u>	<u>1,138</u>
Subtotal	<u>2,019</u>	<u>82,249</u>
Total	<u><u>\$ 402,019</u></u>	<u><u>120,314</u></u>

The Company remitted its foreign funds to special accounts for foreign exchange deposits in September 2020, in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. Thereafter, the Company recorded the above foreign funds under other financial assets current and other financial assets – noncurrent based on the Company's investment plan schedule in December 31, 2022. In accordance with the IFRS Q&A released on January 5, 2024, by the Securities and Future Bureau of the Financial Supervisory Commission, R.O.C. The balance of \$27,350 thousand in offshore funds as of December 31, 2023, was recognized under the cash and cash equivalent.

As of December 31, 2024 and 2023, the other financial assets were pledged as collateral, please refer to note 8.

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**AUDEN TECHNO CORP.**  
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(m) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings	\$ 70,000	30,000
Unsecured borrowings	191,000	20,000
Total	<u>\$ 261,000</u>	<u>50,000</u>
Unused short-term credit lines	<u>\$ 496,496</u>	<u>158,567</u>
Range of interest rates (%)	<u>0.50~2.22</u>	<u>1.85~1.90</u>

For the collateral for bank borrowings, please refer to note 8.

(n) Long-term borrowings

The details of the Company's long-term borrowings were as follows:

Activity	Loan period and payment term	Range of interest rates(%)	December 31, 2024
Secured borrowings			
— Bank of Taiwan	June 8, 2021 ~June 8, 2041, interest is paid on a monthly basis for the first three years, and the principal is paid monthly from the fourth year. (a total of 204 installments)	1.93~2.155	\$ 86,392
Less: current portion (note)			5,236
Total			<u>\$ 81,156</u>
Unused long-term credit lines			<u>\$ -</u>

Activity	Loan period and payment term	Range of interest rates(%)	December 31, 2023
Secured borrowings			
— Bank of Taiwan	June 8, 2021 ~June 8, 2041, interest is paid on a monthly basis for the first three years, and the principal is paid monthly from the fourth year. (a total of 204 installments)	1.68~1.93	\$ 190,000
Less: current portion (note)			5,588
Total			<u>\$ 184,412</u>
Unused long-term credit lines			<u>\$ -</u>

Note: Recognized as long-term liability matured within one year or the normal operating cycle.  
For the collateral for bank borrowings, please refer to note 8.

(Continued)

**AUDEN TECHNO CORP.**  
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(o) Bonds payable

(i) The Company's secured ordinary corporate bonds were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total convertible corporate bonds issued	\$ 400,000	400,000
Unamortized discounted corporate bonds payable	(193)	(4,338)
Less: Corporate bonds matured within one year or the normal operating cycle, or executed redemption (included in long-term liabilities due within one year or operating one cycle)	(399,807)	-
Corporate bonds issued balance at year-end	<u>\$ -</u>	<u>395,662</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ 93,058</u>	<u>93,058</u>
	<b>2024</b>	<b>2023</b>
Interest expense (note)	<u>\$ 4,145</u>	<u>4,103</u>

Note: The effective interest rate of the first issued secured convertible bonds was 1.0477%.

(ii) Pursuant to the official certificate No.11003774351 in effect by FSC on December 24, 2021, the Company's first domestic secured convertible bond was issued on January 18, 2022, with a total issue amounting to \$484,010 thousand. All the payment has been collected. The main terms of issuing the above mentioned convertible corporate bonds were as follows:

- 1) Issuance period: 3 years (January 18, 2022, to January 18, 2025).
- 2) Total issuance amount: \$400,000 thousand.
- 3) Issue price: 121% of the nominal value of the share, with a par value of \$100 thousand per share.
- 4) Coupon rate: 0%
- 5) Repayment method: Except for conversion to ordinary shares of the Company by creditors in accordance with the regulations, or recovery in advance by the Company in accordance with the regulations, the bonds are repaid in cash at one time at their face value upon maturity.
- 6) Secured method: Mega International Commercial Bank is authorized as the bank to provide guarantee.
- 7) Conversion period:

The bond holders may opt to have its bonds converted into the Company's ordinary shares within the period between three months after the issuance date (April 19, 2022) and the maturity date (January 18, 2025) under the conversion method.

(Continued)

**AUDEN TECHNO CORP.**  
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8) Conversion price and its adjustment

The conversion price was \$230 per share on the issuance date.

After this convertible bond is issued, except for securities of any kind issued (or private placement) by the Company with conversion rights to ordinary shares or share option and exchanged to ordinary shares or new shares issued for the compensation of employees, In the event of an increase in the number of ordinary shares of the Company issued (or private placement) (including, but not limited to, cash capital increase, retained earnings transferred to capital, capital increase from capital surplus, issuance of new shares due to acquisition of shares of another company or merger with another company, share split and issue of shares for overseas depositary receipt), the Company shall adjust the conversion price according to the formula outlined in conversion policy (calculated up to the New Taiwan dollar 10 cents. Adjust downward not upward and rounded to the nearest cent). Then wrote to Taipei Exchange (hereinafter referred to as "TPEX"), for official announcement set out that adjustments made on the base day of ex rights for issuing new shares. If the increase in issuing ordinary shares is due to a change in the nominal value of the shares, adjustment shall be made on the base day of transfer new shares; but adjustment is made on share payment date for payment that has actually been received. If the issue price of the new shares is changed after the ex-rights base day of issuing new shares by cash capital increase, the revised issue price of the new shares and the current price per share (The base day of revised issue price setting as decided by the Company is the setting base day for revised current price per share) will be adjusted again in accordance with the formula of the conversion policy. If the adjusted conversion price is lower than the adjusted conversion price announced before the original base day of ex rights, TPEX should be informed with letter to announce on the new adjustment.

After the issuance of this convertible bond, in the event that the Company allot cash dividends of ordinary shares, the Company shall reduce the conversion price (calculated up to the NTD 10 cents. Adjust downward not upward and rounded to the nearest cent) by the formula of the conversion policy on ex-dividend base day. Then wrote to TPEX, for official announcement on the conversion price after adjustment. The provision of this conversion price adjustment is not applicable for a person who has requested a conversion prior to the base day of the ex-dividend, ex rights (excluded).

After this convertible bond is issued, except when the Company issue again securities of any kind (or private placement) with conversion rights to ordinary shares or share option with conversion prices or subscription price below current price per share, the Company shall adjust the conversion price according to the formula outlined in conversion policy (calculated up to the New Taiwan dollar 10 cents. Adjust downward not upward and rounded to the nearest cent). Then wrote to TPEX, for official announcement to set out that adjustments should be made on date of issuing share options and above mentioned securities or the delivery date for private placement of securities.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

The conversion price has been adjusted from \$224.6 to \$219.7 since May 3, 2023, due to ex-dividend.

The conversion price has been adjusted from \$219.7 to \$216.0 since January 26, 2024, due to the cash capital increase.

The conversion price has been adjusted from \$216.0 to \$211.6 since July 22, 2024, due to ex-dividend.

9) Redemption:

Within the period between three month after the issuance date (April 19, 2022) and 40 days (December 9, 2024) before the last convertible date, if the closing price of common shares on the TWSE for a period of 30 consecutive trading days before redemption has been at least 30% of the conversion price in effect on each such trading day, or in the event that the outstanding balance of the convertible bonds is less than 10% of the total amount originally issued, the Company may redeem all convertible bonds in accordance to conversion policy.

When the Company issued the above convertible bonds, the share options were separated from the liabilities, and the equity and liabilities components were recognized separately as follows:

	<u>Amount</u>
Total amount issued of convertible bonds	\$ 484,010
Fair value of embedded derivatives at the time of issue	1,640
Transaction cost of issuance	(4,905)
Fair value of proceeds from issuing bonds	<u>(387,687)</u>
Equity component – share options, included in capital surplus– stock options	<u><u>\$ 93,058</u></u>

As of December 31, 2024, the Company had not redeemed any convertible bond.

(iii) Financial assets at fair values through profit or loss- non-current, the details are as follows:

	<u>The first time</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Balance at beginning of period	\$ -	80
profit or loss on evaluation	<u>-</u>	<u>(80)</u>
Equity at end of period, December 31	<u><u>\$ -</u></u>	<u><u>-</u></u>

As a result of issuing corporate debt, the Company has provided a bank deposit from Mega International Commercial Bank as collateral (accounted for under other financial assets - current and other financial assets - non-current for the year ended December 31, 2024 and 2023), please refer to note 8 for details.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(p) Lease liabilities

The carrying amounts of lease liabilities for the Company were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Current	\$ <u>476</u>	<u>1,697</u>
Non-current	\$ <u>560</u>	<u>296</u>

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

The amounts recognized in profit or loss were as follows:

	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>28</u>	<u>36</u>
Expenses relating to short-term leases	\$ <u>1,259</u>	<u>690</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>343</u>	<u>384</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	<b>2024</b>	<b>2023</b>
Net cash outflows from operating activities	\$ 1,630	1,110
Net cash outflow from financing activities	1,875	1,961
Total cash outflow for leases	\$ <u>3,505</u>	<u>3,071</u>

(i) Real estate leases

As of December 31, 2024 and 2023, the Company leases land and buildings for its office space at factories. The leases of office space typically run for 3 to 5 years.

(ii) Other leases

The Company leases other equipment, with lease terms of 3 to 5 years.

(q) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations and the fair value adjustments of the plan assets for the Company were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Present value of the defined benefit obligations	\$ (6,363)	(6,546)
Fair value of plan assets	5,320	4,764
Net defined benefit liability	\$ <u>(1,043)</u>	<u>(1,782)</u>

(Continued)

**AUDEN TECHNO CORP.**  
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The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. Under the Labor Standards Act, each employee's retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from the two-year time deposits with the interest rates offered by local banks.

As of December 31, 2024, the Company's pension fund with Bank of Taiwan amounted to \$5,320 thousand. For information on the utilization of the labor pension fund assets including the asset allocation and yield rate of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of the Company's defined benefit obligations for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Defined benefit obligation at January 1	\$ (6,546)	(5,250)
Current service costs and interest	(81)	(67)
Remeasurement of net liabilities for defined benefit obligations		
— Actuarial loss (gain) arising from experience adjustments	26	(1,197)
— Actuarial loss (gain) arising from financial assumptions	238	(32)
Defined benefit obligation at December 31	<u><u>\$ (6,363)</u></u>	<u><u>(6,546)</u></u>

3) Movements in fair value of plan assets

The movements in the fair value of the Company's plan assets for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at January 1	\$ 4,764	4,593
Interest income	59	59
Remeasurements of the net defined benefit liabilities — return on plan assets (excluding interest income)	422	39
The amount that has been withdrawn to the plan	75	73
Fair value of plan assets at December 31	<u><u>\$ 5,320</u></u>	<u><u>4,764</u></u>

(Continued)

**AUDEN TECHNO CORP.**  
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4) Expenses recognized in profit or loss

The Company's expenses recognized on profit or loss for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current service costs	\$ -	-
Net interest on the defined benefit liabilities	<u>22</u>	<u>8</u>
	<u>\$ 22</u>	<u>8</u>
Administrative expenses	\$ -	3
Research and development expenses	<u>22</u>	<u>5</u>
	<u>\$ 22</u>	<u>8</u>

5) Remeasurements of net defined benefit liability recognized in other comprehensive income

The remeasurement of the net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	<u>2024</u>	<u>2023</u>
Cumulative amount at January 1	\$ (5,616)	(4,426)
Recognized in current period	<u>686</u>	<u>(1,190)</u>
Cumulative amount at December 31	<u>\$ (4,930)</u>	<u>(5,616)</u>

6) Actuarial assumptions

The Company's assumptions used on calculating the present value of the defined benefit obligation at reporting date were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.65 %	1.25 %
Future salary increases rate	3.00 %	3.00 %

The expected contribution to be made by the Company to the defined benefit plans for the next annual reporting period is \$103 thousand.

The weighted average duration of the defined benefit plan is 9 years.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

7) Sensitivity analysis for actuarial assumption

As of December 31, 2024 and 2023, the effect of changes in actuarial assumptions on the present value of the defined benefit obligations were as follows:

	<b>The impact of defined benefit obligation</b>	
	<b>Increase</b>	<b>Decrease</b>
At December 31, 2024		
Discount rate (changes 0.25%)	\$ (143)	148
Future salary increasing rate (changes 0.25%)	145	(142)
At December 31, 2023		
Discount rate (changes 0.25%)	\$ (158)	163
Future salary increasing rate (changes 0.25%)	160	(155)

The above sensitivity analysis is based on the effect of changes in a single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability in the balance sheet are the same.

The method used for the sensitivity analysis in for this year is the same as the method used in the previous year.

(ii) Defined contribution plans

The Company contributes an amount equal to 0% of the employee's monthly. The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company's pension costs under the defined contribution method were \$6,558 thousand and \$6,392 thousand for the years ended December 31, 2024 and 2023, respectively.

(Continued)



**AUDEN TECHNO CORP.**  
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(r) Income taxes

(i) Income tax expense

The amounts of the Company's income tax expense (benefit) for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current taxes expense		
Current period	\$ 18,437	36,762
Adjustment for prior periods	<u>(3,360)</u>	<u>(6,761)</u>
	<u>15,077</u>	<u>30,001</u>
Deferred tax expense		
Origination and reversal of temporary differences	6,034	10,982
Adjustment for prior years' deferred income tax	<u>(1,480)</u>	<u>9,405</u>
	<u>4,554</u>	<u>20,387</u>
Income tax expense	<u><u>\$ 19,631</u></u>	<u><u>50,388</u></u>

The amounts of the Company's income tax benefit (expense) recognized under other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Items that may not be reclassified into profit and loss:		
Remeasurement of defined benefit plans	<u><u>\$ (137)</u></u>	<u><u>238</u></u>
Items that may be reclassified subsequently to profit or loss:		

Reconciliations of the Company's income tax expense (benefit) and income before tax for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Income before tax	<u><u>\$ 171,853</u></u>	<u><u>256,795</u></u>
Income tax using the Company's domestic tax rate	\$ 34,371	51,359
Profit or loss of domestic investments accounted for using equity method	509	2,306
Profit or loss of foreign investments accounted for using equity method	256	-
Change in unrecognized temporary differences	(3,596)	(8,999)
Investment tax credit	(6,652)	(1,767)
Adjustment for deferred income tax of prior years	(1,480)	9,405
Change in provision in prior periods	(3,360)	(6,761)
Additional tax on undistributed earnings	-	5,982
Other	<u>(417)</u>	<u>(1,137)</u>
Total	<u><u>\$ 19,631</u></u>	<u><u>50,388</u></u>

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

As of December 31, 2024 and 2023, the temporary differences associated with investments in certain subsidiaries were not recognized as deferred income tax liabilities as the Company has the ability to control the reversal of these temporary differences which are not expected to reverse in the foreseeable future. Details are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 247,815</u>	<u>211,737</u>
Unrecognized deferred tax liabilities	<u>\$ 49,563</u>	<u>42,347</u>

2) Unrecognized deferred tax assets: None.

3) Recognized deferred income tax assets and liabilities

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

Deferred tax liabilities:

	<b>Long term gains on investments (foreign)</b>	<b>Others</b>	<b>Total</b>
<b>Balance at January 1, 2024</b>	\$ (71,861)	-	(71,861)
Recognized in profit or loss	(4,868)	(1,526)	(6,394)
<b>Balance at December 31, 2023</b>	<u>\$ (76,729)</u>	<u>(1,526)</u>	<u>(78,255)</u>
<b>Balance at January 1, 2023</b>	\$ (71,873)	(259)	(72,132)
Recognized in profit or loss	12	259	271
<b>Balance at December 31, 2023</b>	<u>\$ (71,861)</u>	<u>-</u>	<u>(71,861)</u>

Deferred tax assets:

	<b>Impairments loss of assets</b>	<b>Others</b>	<b>Total</b>
<b>Balance at January 1, 2024</b>	\$ 6,619	12,286	18,905
Recognized in profit or loss	-	1,840	1,840
Recognized in other comprehensive income	-	(137)	(137)
<b>Balance at December 31, 2024</b>	<u>\$ 6,619</u>	<u>13,989</u>	<u>20,608</u>
<b>Balance at January 1, 2023</b>	\$ 6,619	32,706	39,325
Recognized in profit or loss	-	(20,658)	(20,658)
Recognized in other comprehensive loss	-	238	238
<b>Balance at December 31, 2023</b>	<u>\$ 6,619</u>	<u>12,286</u>	<u>18,905</u>

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(iii) Examination and approval

The ROC income tax authorities have examined the Company's income tax returns through 2022.

(s) Share capital and other equity

As of December 31, 2024 and 2023, the Company's authorized share capital amounted to \$600,000 thousand; divided into 60,000 thousand shares with par value of \$10 per share, in which \$60,000 thousand is reserved for employee stock option certificates. As of December 31, 2024 and 2023, 50,310 thousand ordinary shares and 46,800 thousand shares are issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for December 31, 2024 and 2023 were as follows:

	(In thousands of shares)	
	<b>Ordinary share</b>	
	<b>2024</b>	<b>2023</b>
Outstanding at January 1	46,707	46,655
Capital increase by cash	3,500	-
Vesting condition of restricted stock to employee	24	52
Outstanding at December 31	50,231	46,707
Restricted stock to employee issued by January 1	93	58
Vesting condition of restricted stock to employee	(24)	(52)
Write down of restricted stock to employee	(21)	(6)
Issue restricted stock to employee	31	93
Restricted stock to employee issued but not outstanding by December 31	79	93
Equity at end of period, December 31	<b>50,310</b>	<b>46,800</b>

(i) Ordinary shares

In order to enrich its working capital and repay borrowings, a resolution was decided during the board meeting held on September 22, 2023 for the Company to conduct a cash capital increase by issuing 3,500 thousand ordinary shares, at a par value of \$10 per share and a temporary issuance price of \$120 per share, as well as the anticipated total amount of \$420,000 thousand, with the chairman being granted the authority to adjust issuance price between \$105 and \$150 after being approved by the FSC. On November 7, 2023, upon obtaining approval from the FSC, the base date for the capital increase had been set on January 26, 2024. For the year ended December 31, 2023, the amount of \$38,065 thousand had been paid and was accounted for under other non-current liabilities-other-advance receipts for ordinary share. The actual amount of \$420,000 thousand was paid up upon issuance. All relevant statutory registration procedures had been completed on February 23, 2024.

(Continued)

**AUDEN TECHNO CORP.**  
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In pursuant to the shareholders' meeting resolved on August 27, 2021, the Company was granted to issue 300 thousand shares of restricted stock as employee stock option, with a par value of \$10 per share, amounting to \$3,000 thousand, to qualified full-time employees of the Company and its subsidiaries at no costs. Thereafter, the first new restricted employee shares of 93 thousand shares for 2021 were issued, wherein the chairman had been authorized to set the base date on August 14, 2023, based on a resolution decided during the board meeting held on August 8, 2023. The second new restricted employee shares of 31 thousand shares for 2021 were issued, wherein the chairman has been authorized to set the base date on August 14, 2024, based on a resolution of the Board of Directors on August 8, 2024. All statutory registration procedures have since been completed. Please refer to note 6(s) for information on the Company's restricted employee new shares.

In 2024, the Company recovered 21 thousand new restricted employee shares, with a par value of \$210 thousand, due to the employee turnover. This resulted in a reduction of capital stock by \$210 thousand and capital surplus by \$2,489 thousand, and a relative adjustment of other equity-unearned employee remuneration by \$2,699 thousand, and the Board of Directors has authorized the chairman set the base date to be March 15, 2024, August 13, 2024, and December 18, 2024, and the related legal registration procedures were completed on April 18, 2024, October 1, 2024, and January 14, 2025, respectively.

On June 30, 2023, the Company recovered 4 thousand new restricted employee shares, with a par value of \$37 thousand, due to employee turnover. This resulted in a reduction of capital, with the base date set on August 15. Adjustments was made to capital surplus and unearned employee remuneration by \$603 thousand and \$640 thousand, respectively. All relevant statutory registration procedures were completed on August 31, 2023.

On December 31, 2022, the Company recovered 2 thousand new restricted employee shares, with a par value of \$20 thousand, due to employee turnover. This resulted in a reduction of capital, with the base date set on March 10, 2023. Adjustments was made to capital surplus and unearned employee remuneration by \$326 thousand and \$346 thousand, respectively. All relevant statutory registration procedures were completed on March 16, 2023.

(ii) Capital surplus

The balances of the Company's capital surplus were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Share capital at premium	\$ 787,123	400,247
Restricted stock to employee	9,470	11,951
Share option –equity components recognized for convertible bonds issued	93,058	93,058
Recognition of changes in ownership interest in subsidiaries	662	666
	<u><u>\$ 890,313</u></u>	<u><u>505,922</u></u>

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

The Company's capital surplus is derived from the premiums on the issuance of ordinary shares. In accordance with the ROC Company Act, the capital surplus must be used to offset losses, then the realized capital surplus can be used to issue new shares or cash in proportion to the shareholders' original shares. The aforementioned realized capital surplus includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

(iii) Retained earnings

In accordance with the Articles of Incorporation of the Company, if there is any surplus in the annual earnings of the Company, in addition to the payment of tax contributions in accordance with the law, the Company shall first make up for the loss in previous years and provide for the legal reserve in accordance with the law. To set aside or reverse the special reserve and combine its balance to the unallocated earnings at the beginning of the period as distributable earnings, to be retained at the discretion of the Board with reference to the distribution rate of prior years' earnings and future operating demands of the Company, Further, in respect of the retained earnings, the Board shall propose a distribution proposal for the earnings to be distributed in the form of issuing new shares, which shall be submitted to the general shareholders' meeting for resolution for distribution. For distribution be made in cash, the board of directors is authorized to distribute by special resolution and then be reported to the shareholders' meeting.

The dividend policy of the Company is based on the residual dividend policy in order to continue to expand business size and to increase the profitability, and to tie in with the Company's capital requirements as well as long-term financial planning for sustainable operation and stable development. Dividends shall be distributed on the basis of not less than 15% of the distributable earnings, provided that any dividend per share which is less than \$0.25 as a result of such distribution may be proposed by the Board not to be distributed and then submitted to the Shareholders' meeting for recognition. The earnings distribution may be distributed by way of cash dividend and/or stock dividend. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution.

1) Legal reserve

If the Company experienced profit for the year, the distribution of the statutory earnings reserve, either by new shares or by cash, shall be decided at the shareholders' meeting, and the distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 "First time Adoption of International Financial Reporting Standards" during the Company's first time adoption of the International Financial Reporting Standards endorsed by the FSC, retained earnings increased by \$28,767 thousand by recognizing the cumulative translation adjustments (gains) on the adoption date as deemed cost. In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, the increase in retained earnings (\$28,767 thousand) due to the first time adoption of IFRSs shall be reclassified as special reserve, and when the relevant asset is used, disposed of, or reclassified, this special reserve, shall be reversed as distributable earnings proportionately. The carrying amount of special reserve amounted to \$28,767 thousand as of December 31, 2024 and 2023.

In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Distribution of earnings

The appropriations of 2023 and 2022 earnings have been approved by the Company's shareholders in its meetings held on March 13, 2024, and March 14, 2023, respectively. The appropriations and dividends per share were as follows:

	<b>2023</b>		<b>2022</b>	
	<b>Amount per share (dollars)</b>	<b>Total Amount</b>	<b>Amount per share (dollars)</b>	<b>Total Amount</b>
Dividends distributed to ordinary shareholders:				
Cash	\$ 2.60	<u><u>130,763</u></u>	3.50	<u><u>163,489</u></u>

On March 5, 2025, the Company's Board of Directors resolved to appropriate the 2024 earnings. These earnings were appropriated as follows:

	<b>2024</b>	
	<b>Amount per share (dollars)</b>	<b>Total Amount</b>
Dividends distributed to ordinary shareholders:		
Cash	\$ 2.50	<u><u>125,776</u></u>

The information on prior year's distribution of the Company's earnings were announced through the Market Observation Post System on the internet.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(iv) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Share-based payments - Unearned compensation cost	Total
Balance at January 1, 2024	\$ (33,038)	10,236	(9,999)	(32,801)
Exchange differences on translation of net assets of foreign operations	30,960	-	-	30,960
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	30,168	-	30,168
Restricted stock to employee adjustments	-	-	(665)	(665)
Share-based payment	-	-	5,270	5,270
Balance at December 31, 2024	<u>\$ (2,078)</u>	<u>40,404</u>	<u>(5,394)</u>	<u>32,932</u>
Balance at January 1, 2023	\$ (23,307)	9,222	(1,859)	(15,944)
Exchange differences on translation of net assets of foreign operations	(9,731)	-	-	(9,731)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	1,014	-	1,014
Restricted stock to employee adjustments	-	-	(11,895)	(11,895)
Share-based payment	-	-	3,755	3,755
Balance at December 31, 2023	<u>\$ (33,038)</u>	<u>10,236</u>	<u>(9,999)</u>	<u>(32,801)</u>

(t) Share-based payment

(i) The information of the Company's restricted employee shares (in thousands) is as follows:

The restricted stock is kept by a trust, which is appointed by the Company, before the vesting condition is met. These shares shall not be sold, pledged, transferred, gifted, hypothecated or disposed of by any other means to third parties during the custody period. Holders of restricted stock awards are entitled to the same rights as the Company's existing ordinary shareholders except for the fact that restricted stock awards are held in trust and have vesting conditions. Also, the Company has the right to take back all unvested shares without compensation and to cancel all restricted stock awards issued to employees who fail to comply with the vesting condition.

	Second Restricted Employee Shares For The Year Ended December 31, 2021 (Issued In 2024)	First Restricted Employee Shares For The Year Ended December 31, 2021 (Issued In 2023)
Grant date	August 14, 2024	August 14, 2023
Number of options granted (thousand shares)	31 (Note 1)	93 (Note 2)
Contract term (years)	1~3	1~3
Vesting conditions	Note 3	Note 3
Exercise price per share (dollars)	\$0	\$0
Adjusted performance price (dollars)	\$0	\$0

Note 1: 17 thousand shares to employees of the Company and 14 thousand shares to employees of the Company's subsidiary, Auray Technology Corp.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

Note 2: 54 thousand shares to employees of the Company and 39 thousand shares to employees of the Company's subsidiary, Auray Technology Corp.

Note 3: Vesting conditions

(i) years of service

- 1) 30% of the shares are vested in employees who remain in service for one year after receiving the restricted employee shares. The number of options granted will be based on the individual's performance as stated below:
- 2) 30% of the shares are vested in employees who remain in service for two years after receiving the restricted employee shares. The number of options granted will be based on the individual's performance as stated below:
- 3) 40% of the shares are vested in employees who remain in service for three years after receiving the restricted employee shares. The number of options granted will be based on the individual's performance as stated below:

(ii) individual performance

Since the year of issuing new restricted employee shares, an employee who scores a personal performance of indicator A, B, C, and D, will be entitled to 100%, 75%, 25%, and 0% vested shares, respectively.

1) Measurable parameter of fair value at grant date

The 1st and 2nd restricted employee shares for the years ended December 31, 2021, which were issued in 2024 and 2023, were based on the fair value of the share-based payment at the closing price of \$108.5 and \$138.5, respectively, on the grant date.

2) Expenses recognized in profit or loss

For the years ended December 31, 2024 and 2023, the employee remuneration of \$3,816 thousand and \$2,547 thousand, respectively, were accounted for as operation expenses. As of December 31, 2024 and 2023, the Company has deferred the unearned employee remuneration arising from the issuance of restricted stock awards amounting to \$5,394 thousand and \$9,999 thousand, respectively, recorded as deduction of other equity. Please refer to note 6(s).

(Continued)



**AUDEN TECHNO CORP.**  
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- (ii) The information of the Company's cash capital increase reserved for employee subscription is as follows:

	<b>Cash capital increase reserved for employee subscription</b>
Given date	December 1, 2023
Given amount	350 (note)
Years of contract	0.16
Granting of object	All employees
Vesting condition	Immediately vested

Note: The employees of the Company subscribed 312 thousand shares, while the employees of the subsidiaries, Auray Technology Corp. and Auden Intelligence Carbon Solution Co. Ltd., subscribed 29 thousand and 9 thousand shares, respectively.

- 1) Measurable parameter of fair value at grant date

The Company adopted Black Scholes option evaluation model to estimate the fair value of share-based payment at grant date amounting to \$51.5.

- 2) Expenses recognized in profit or loss

For the year ended December 31, 2023, the remuneration cost for employee stock option of \$16,042 thousand was accounted for as operation expense. The remuneration costs for employee stock option for the employees of the subsidiaries, Auray Technology Corp. and Auden Intelligence Carbon Solution Co. Ltd., amounting to \$1,494 thousand and \$391 thousand, respectively, were recognized as investments accounted for using equity method. Thereafter, the adjustment made to the capital reserve for employee stock option amounted to \$17,927 thousand.

- (u) Earnings per share

	<b>2024</b>	<b>2023</b>
<b>Basic earnings per share</b>		
Net income attributable to ordinary shareholders of the Company	\$ <u><u>152,222</u></u>	<u><u>206,407</u></u>
Weighted-average number of ordinary shares outstanding (in thousands of shares)	<u><u>49,977</u></u>	<u><u>46,684</u></u>
Basic earnings per share (in New Taiwan dollars)	\$ <u><u>3.05</u></u>	<u><u>4.42</u></u>

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**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

	<u>2024</u>	<u>2023</u>
<b>Diluted earnings per share</b>		
Net profit attributable to ordinary equity holders of the Company (dilutive)	\$ <u>152,222</u>	<u>206,407</u>
Weighted-average number of ordinary shares outstanding (in thousands of shares)	49,977	46,684
Effect of dilutive potential ordinary shares		
Effect of employee remuneration	40	44
New restricted employee shares	<u>50</u>	<u>34</u>
Weighted average number of ordinary shares outstanding (after adjusting the effect of dilutive the potential ordinary share) (in thousands of shares)	<u>50,067</u>	<u>46,762</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>3.04</u>	<u>4.41</u>

For the year ended December 31, 2024 and 2023, the Company did not include its convertible bonds in the calculation of its diluted earnings per share since those convertible bonds have antidilutive effect.

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2024</u>	<u>2023</u>
Primary geographical markets:		
Mainland China	\$ 969,485	1,020,265
Taiwan	311,850	357,728
Other countries	<u>41,533</u>	<u>24,880</u>
	<u>\$ 1,322,868</u>	<u>1,402,873</u>

(ii) Contract balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Notes receivable	\$ 8	-	-
Accounts receivable	382,950	325,616	189,042
Accounts receivable — related parties	20,323	17,426	37,606
Less: loss allowance	<u>(183)</u>	<u>-</u>	<u>(31)</u>
Total	<u>\$ 403,098</u>	<u>343,042</u>	<u>226,617</u>
Contract liability (recognized in other current liabilities — others)	<u>\$ 38,455</u>	<u>107,709</u>	<u>164,283</u>

For the details on accounts receivable and allowance for impairment, please refer to note 6(d).

(Continued)

**AUDEN TECHNO CORP.**  
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The amount of revenue recognized for the years ended December 31, 2024 and 2023 included the contract liability balance at the beginning of the period were \$107,704 thousand and \$159,061 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received.

(w) Remuneration to employees, and directors

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee remuneration and not more than 2% as directors' and supervisors' remuneration when there is profit for the year. (income before tax, excluding remuneration to employees and directors) A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the preceding two paragraphs distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The Company estimated its remuneration to employees amounting to \$3,573 thousand and \$5,324 thousand and directors' and supervisors' remuneration amounting to \$3,216 thousand and \$4,792 thousand for the years ended December 31, 2024 and 2023, respectively. The estimated amounts mentioned above are calculated based on the profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Company's article. These remunerations were expensed under operating expenses during 2024 and 2023. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2023, the remunerations to employees amounted to \$5,324 thousand. The remuneration to directors and supervisors amounted to \$4,792 thousand. There was no difference from the actual distribution. The related information can be accessed from market observation post system website.

(x) Non-operating income and expenses

(i) Interest income

The details of interest income of the Company were as follows:

	2024	2023
Interest income from bank deposits	\$ <u>9,685</u>	<u>6,567</u>

(Continued)

**AUDEN TECHNO CORP.**  
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(ii) Other income

The details of other income of the Company were as follows:

	<b>2024</b>	<b>2023</b>
Rent income	\$ 1,345	1,198
Dividend income	1,315	2,447
Other income — other		
Revenues from management	2,066	3,244
Revenues from project	41,837	29,795
Others	3,690	2,268
Other income — other subtotal	47,593	35,307
	<b>\$ 50,253</b>	<b>38,952</b>

(iii) Other gains and losses

The details of other gains and losses of the Company were as follows:

	<b>2024</b>	<b>2023</b>
Loss on disposal of property, plant and equipment	\$ -	1,438
Net on foreign exchange gains	38,021	4,240
Net gain (loss) on financial assets or liabilities at fair value through profit and loss	863	(80)
	<b>\$ 38,884</b>	<b>5,598</b>

(iv) Finance cost

The details of finance cost of the Company were as follows:

	<b>2024</b>	<b>2023</b>
Interest on bank borrowings	\$ 3,864	4,267
Interest expenses on lease liabilities	28	36
Discount amortization of corporate bonds payable	4,145	4,103
The guaranteed service fee of corporate bond	4,000	4,000
	<b>\$ 12,037</b>	<b>12,406</b>

(Continued)

**AUDEN TECHNO CORP.**  
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(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2024 and 2023, 52% and 55%, respectively, of accounts receivable (including related parties) were three major customers.

3) Credit risk of accounts receivable

For credit risk exposure of note and trade receivables, please refer to note 6(d). For details of other receivables, please refer to note 6(e). These are mainly rebates from suppliers, revenues from government projects and other receivables and are therefore financial assets with low credit risk.

(ii) Liquidity risk

The following table showed the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1-2 years</u>	<u>2-5years</u>	<u>Over 5 years</u>
<b>December 31, 2024</b>						
Short-term borrowings	\$ 261,000	262,796	262,796	-	-	-
Notes payable	123	123	123	-	-	-
Accounts receivable (related parties included)	211,448	211,448	211,448	-	-	-
Other payables (related parties included)	271,870	271,870	271,870	-	-	-
Lease liabilities	1,036	1,065	489	192	384	-
Long-term borrowings (including current portion)	86,392	101,674	7,036	6,924	20,094	67,620
Bonds payables	399,807	400,000	400,000	-	-	-
Guarantee deposits	130	130	130	-	-	-
	<u>\$ 1,231,806</u>	<u>1,249,106</u>	<u>1,153,892</u>	<u>7,116</u>	<u>20,478</u>	<u>67,620</u>

(Continued)

**AUDEN TECHNO CORP.**  
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1-2 years</u>	<u>2-5years</u>	<u>Over 5 years</u>
<b>December 31, 2023</b>						
Short-term borrowings	\$ 50,000	50,177	50,177	-	-	-
Notes payable	123	123	123	-	-	-
Accounts receivable (related parties included)	207,788	207,788	207,788	-	-	-
Other payables (related parties included)	221,592	221,592	221,592	-	-	-
Lease liabilities	1,993	2,008	1,711	297	-	-
Long-term borrowings (including current portion)	190,000	222,850	9,224	14,619	42,562	156,445
Convertible bonds payable	395,662	400,000	-	400,000	-	-
Guarantee deposits	130	130	130	-	-	-
	<u>\$ 1,067,288</u>	<u>1,104,668</u>	<u>490,745</u>	<u>414,916</u>	<u>42,562</u>	<u>156,445</u>

The Company does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Currency risk exposure

The Company's financial assets and liabilities exposed to significant foreign currency risk were as follows:

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	20,690	678,327	18,934	30.7050	581,382
CNY		12,881	57,682	11,987	4.3270	51,868
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		3,121	102,310	2,688	30.7050	82,543
CNY		32,055	143,543	34,613	4.3270	149,771

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and other receivables, loans, accounts and other payables that are denominated in foreign currency. A strengthening (weakening) of 3% of the NTD against the USD, the CNY at December 31, 2024 and 2023, would have increased or decreased the profit before tax by \$11,764 thousand and \$9,622 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

(Continued)

**AUDEN TECHNO CORP.**  
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3) Foreign exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Company, the Company disclosed its exchange gains and losses of monetary items aggregately. The Company's exchange gains (losses), including realized and unrealized, were \$38,021 thousand and \$4,240 thousand for the years ended December 31, 2024 and 2023, respectively.

(iv) Fair value information

1) Categories and fair value of financial instruments

The Company measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amount and fair value of the financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, includes cash and cash equivalent, notes receivable, accounts receivable, other receivables, other financial assets - current and non-current, bank borrowings, notes payable, accounts payable, other payables, lease liabilities, corporate bonds payable and deposits of margins, and is not required to disclose fair value information according to the regulations

	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss					
Convertible bonds	\$ <u>10,075</u>	<u>-</u>	<u>-</u>	<u>10,075</u>	<u>10,075</u>
Non-current financial assets measured at fair value through profit or loss					
Simple Agreement for Future Equity (SAFE)	\$ <u>36,343</u>	<u>-</u>	<u>-</u>	<u>36,343</u>	<u>36,343</u>
Financial assets at fair value through other comprehensive income					
Equity instrument without quoted price measured at fair value	\$ <u>146,340</u>	<u>-</u>	<u>-</u>	<u>146,340</u>	<u>146,340</u>

(Continued)

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	December 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Equity instrument without quoted price measured at fair value	\$ <u>86,172</u>	<u>-</u>	<u>-</u>	<u>86,172</u>	<u>86,172</u>

2) Valuation techniques and assumptions used in fair value determination

The above financial instruments held by the Company are not derivative financial instruments, the Company estimated the fair value of the remaining financial instruments by using the valuation techniques. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

Equity instruments without quoted price: the measurements of fair value of equity instruments without an active market are based on income approach, the market comparable listed company approach or comparable transaction method of market approach, the market comparable listed company approach assumes that the fair value is measured by the investee's estimated net worth of equity, enterprise value and price-book ratio, enterprise value multiplier and price earnings ratio multiplier estimated based on comparable quoted market price. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security. The income approach is individually assessed on the average net profit after tax and dividends of the evaluated companies in recent years, and on the average capitalization and yield of the comparable company.

3) Fair value hierarchy

The Company used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair values levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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**AUDEN TECHNO CORP.**  
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- 4) Transfers from Level 1 financial instrument to Level 2 financial instrument

There were no Level 2 financial assets in 2024 and 2023, therefore, there were no level transfers between Level 1 to Level 2 in 2024 and 2023.

- 5) The reconciliation of Level 3 fair values

	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>
	<b>Financial assets mandatorily measured at fair value through profit or loss</b>	<b>Unquoted equity instruments</b>
<b>Balance at January 1, 2024</b>	\$ -	86,172
Total gains and losses		
Recognized in profit or loss	863	-
Recognized in other comprehensive income	-	30,168
Purchase	45,555	30,000
<b>Balance at December 31, 2024</b>	<b>\$ 46,418</b>	<b>146,340</b>
<b>Balance at January 1, 2023</b>	\$ -	84,158
Total gains and losses		
Recognized in other comprehensive income	-	1,014
Purchase	-	1,000
<b>Balance at December 31, 2023</b>	<b>\$ -</b>	<b>86,172</b>

- 6) The quantified information for significant unobservable inputs (level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income.

The Company classified the equity investment has significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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**AUDEN TECHNO CORP.**  
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Quantified information regarding significant unobservable inputs are as follows:

<b>December 31, 2024</b>			
<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Interrelationship between significant unobservable inputs and fair value measurement</b>
Financial assets at fair value through profit or loss – Privately placed convertible bonds	Comparable companies approach	<ul style="list-style-type: none"> <li>• P/B ratio (2.03)</li> <li>• Volatility (36.08%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiples, the higher the fair value</li> <li>• The higher the volatility, the higher the fair value</li> </ul>
Financial assets at fair value through profit or loss – Simple Agreement for Future Equity (SAFE)	Income approach	<ul style="list-style-type: none"> <li>• Discount for lack of market liquidity (30%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the market liquidity discount rate, the lower the fair value</li> </ul>
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable listed companies approach; Income approach	<ul style="list-style-type: none"> <li>• P/B ratio (1.49~2.33)</li> <li>• The multiplier of enterprise Value and EBITDA (11.28)</li> <li>• Discount for lack of market liquidity (14.95%~30%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiples, the higher the fair value</li> <li>• The higher the multiples, the higher the fair value</li> <li>• The higher the market liquidity discount rate, the lower the fair value</li> </ul>
<b>December 31, 2023</b>			
<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Interrelationship between significant unobservable inputs and fair value measurement</b>
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable listed companies approach	<ul style="list-style-type: none"> <li>• P/B ratio (1.81 and 3.55)</li> <li>• The multiplier of enterprise Value and EBITDA (14.05)</li> <li>• Discount for lack of market liquidity (25.10%~30%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiples, the higher the fair value</li> <li>• The higher the multiples, the higher the fair value</li> <li>• The higher the market liquidity discount rate, the lower the fair value</li> </ul>

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

- 7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Inputs	Upward or downward movement	Other comprehensive income arising from changes in fair value		Profit or loss from change in fair value	
			Favorable	Unfavorable	Favorable	Unfavorable
Balance at December 31, 2024						
Financial assets at fair value through profit or loss						
Privately placed convertible bonds	Volatility	5%	-	-	-	-
Simple Agreement for Future Equity (SAFE)	Discount for lack of market liquidity	5%	-	-	262	(244)
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	P/B ratio	5%	3,341	(3,341)	-	-
	The multiplier of enterprise Value and EBITDA	5%	702	(702)	-	-
	Discount for lack of market liquidity	5%	8,441	(8,039)	-	-
Balance at December 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	P/B ratio	5%	939	(939)	-	-
	The multiplier of enterprise Value and EBITDA	5%	638	(634)	-	-
	Discount for lack of market	5%	6,209	(6,153)	-	-

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

(Continued)

**AUDEN TECHNO CORP.**  
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(z) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note discloses information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risks. Please see other related notes for quantitative information.

(ii) Risk management framework

The Board of Directors of the Company is full responsible for the establishment and management of the Company's risk management framework. The Chairman is responsible for the development and control of the Company's risk management policy and reports regularly to the Board of Directors on its operation.

The Company's risk management policies are established to identify and analyze the risks being faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by Internal Audit with undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and financial assets in debt securities.

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1) Accounts receivable and other receivables

In accordance with the credit policies set out internally by the Company, each operating entity within the Company is required to perform management and credit risk analysis on each of its new customers before setting the terms and conditions for payment and delivery. Internal risk controls assess the credit quality of customers by taking into account of their financial position, past experience and other factors. The use of credit facilities is monitored on a regular basis.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by The Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Company do not have compliance issues and no significant credit risk.

3) Guarantees

Pursuant to the Company's policies, it is only permissible to provide financial guarantees to subsidiaries and companies that the Company has business with.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that there is sufficient cash to meet all contractual obligations. The Company has unused bank facilities for \$496,496 thousand and \$158,567 thousand as of December 31, 2024 and 2023.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Foreign currency risk

The Company's exposure to the risk of fluctuation in foreign currency exchange rates relates primarily to the Company's sales, purchases, and borrowings transactions, and those are denominated in a currency different from the functional currencies of the Company. These transactions are denominated in New Taiwan dollar (NTD), US dollar (USD) and Chinese Yuan (CNY).

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**AUDEN TECHNO CORP.**  
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The Company has no significant differences or material changes in the accounts receivable and therefore the Company currently uses natural hedging as its primary exchange risk prevention policy in respect of exchange rate risk.

2) Interest rate risk

The financial assets exposed to fair value risk due to changes in interest rates are bank deposits; While, the financial liabilities exposed to fair value risk due to changes in interest rates are short term and long term borrowings; however, the effect of changes in interest rates on fair value of such financial assets is not significant.

(aa) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year.

The Company uses the debt-to-equity ratio to manage capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

Information on the aggregate amount of the items under the capital management of the Company is as follows:

	December 31, 2024	December 31, 2023
Liabilities	\$ <u>1,352,400</u>	<u>1,303,262</u>
Total equity	\$ <u>2,169,591</u>	<u>1,662,359</u>
Debt-to-equity ratio	<u>62.33</u> %	<u>78.40</u> %

(ab) Investing and financing activities not affecting cash flows

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2024 and 2023, were as follows:

	January 1, 2024	Cash flows	Non-cash changes			December 31, 2024
			Changes in lease payments	Foreign exchange movement	Interest expense	
Short-term borrowings	\$ 50,000	211,000	-	-	-	261,000
Bonds payable	395,662	-	-	-	4,145	399,807
Long-term borrowings	190,000	(103,608)	-	-	-	86,392
Lease liabilities	1,993	(1,875)	918	-	-	1,036
Total liabilities from financing activities	\$ <u>637,655</u>	<u>105,517</u>	<u>918</u>	<u>-</u>	<u>4,145</u>	<u>748,235</u>

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

	January 1, 2023	Cash flows	Non-cash changes			December 31, 2023
			Changes in lease payments	Foreign exchange movement	Interest expense	
Short term borrowings	\$ -	50,000	-	-	-	50,000
Bonds payable	391,559	-	-	-	4,103	395,662
Long-term borrowings	190,000	-	-	-	-	190,000
Lease liabilities	3,954	(1,961)	-	-	-	1,993
Total liabilities from financing activities	<u>\$ 585,513</u>	<u>48,039</u>	<u>-</u>	<u>-</u>	<u>4,103</u>	<u>637,655</u>

Only part of the investment activities paid with cash by the Company acquired the property, plant and equipment. The cash flow information is as follows:

	2024	2023
Property, plant and equipment purchases	\$ 285,058	223,133
Add: Payable on machinery and equipment at beginning of period	877	20,743
Less: Ending balance of payable on machinery and equipment	(75,707)	(877)
Cash payments	<u>\$ 210,228</u>	<u>242,999</u>

**(7) Related-party transactions**

**(a) Names and relationship with related parties**

The following are entities that have had transactions with related parties during the periods covered in the parent company only financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
AUDEN TECHNO (BVI) CORPORATION (AUDEN BVI)	Subsidiary of the Company
LUCKY RITE INTERNATIONAL CO., LTD. (LUCKY)	Subsidiary of the Company
AUDEN TECHNO VIETNAM CO., LTD. (AUDEN VIETNAM)	Subsidiary of the Company (note 1)
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd.	Subsidiary of the Company
Auden Techno Corp. (Shanghai)	Subsidiary of the Company
Auray Technology Corp.	Subsidiary of the Company
Auden Intelligence Carbon Solution Co. Ltd.	Subsidiary of the Company
Auden Polska Accreditation S.A.	Subsidiary of the Company (note 2)
Yaoke Investment Co., Ltd.	Same chairman with the Company

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<u>Name of related party</u>	<u>Relationship with the Company</u>
Chang, Yu-Pin	Chairman of The Company
Auden Education Foundation	Foundation of the Company

Note 1: The Company established a new subsidiary located in Vietnam in January 2023.

Note 2: The Company established a new subsidiary located in Poland in July 2024.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales transactions between the Company and its related parties were as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries		
Auden Techno Corp. (Shanghai)	\$ 106,073	144,823
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd.	3,768	-
Subsidiaries	<u>-</u>	<u>6,965</u>
	<u>\$ 109,841</u>	<u>151,788</u>

The pricing of equipment sales transactions with other related parties by the Company is not significantly different from that of regular vendors. The payment terms for antenna purchase from related parties were 90 days after purchase. The payment terms with related parties were not materially different from those with third parties.

(ii) Purchases

The amounts of significant purchase transactions between the Company and its related parties were as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries		
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	\$ 489,045	439,084
Auden Techno Corp. (Shanghai)	344	-
AUDEN VIETNAM	<u>53,190</u>	<u>-</u>
Total	<u>\$ 542,579</u>	<u>439,084</u>

The Company purchased the products from related party, and none of such products are purchased from the general manufacturer and therefore the purchase price of the products is not comparable. The payment terms of purchase transactions with related parties were 90 days, which was not significantly different from those offered by other vendors.

(Continued)



**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(iii) Agent - purchased materials

The amounts of raw materials procured on behalf of its related parties as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries		
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	\$ <u>40,020</u>	<u>34,600</u>

(iv) Receivables from related parties

As the result of the aforementioned transactions, the details of the Company's receivable from its related parties were as follows:

<u>Account</u>	<u>Type of related parties</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	Subsidiaries		
	Auden Techno Corp. (Shanghai)	\$ 17,583	17,426
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	2,740	-
		<u>20,323</u>	<u>17,426</u>
Other receivables	Subsidiaries		
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	42,837	19,423
		<u>\$ 63,160</u>	<u>36,849</u>

As of December 31, 2024 and 2023, no account receivables from related party were recognized as loss allowance for impairment loss

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(v) Payables to related parties

The details of the Company's payable to its related parties were as follows:

<u>Account</u>	<u>Related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable	Subsidiaries		
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	\$ 160,768	160,297
	AUDEN VIETNAM	7,886	643
	Auden Intelligence Carbon Solution Co. Ltd	189	-
	Auray Technology Corp.	274	-
	Auden Techno Corp. (Shanghai)	216	-
		<u>169,333</u>	<u>160,940</u>
Other payables	Subsidiaries		
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd.	710	10
	Auray Technology Corp.	<u>115</u>	<u>345</u>
		<u>825</u>	<u>355</u>
		<u><b>\$ 170,158</b></u>	<u><b>161,295</b></u>

(vi) Rental income

The lease income to related parties were as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries		
Auray Technology Corp.	\$ 658	658
Auden Intelligence Carbon Solution Co. Ltd.	<u>11</u>	<u>11</u>
	<u><b>\$ 669</b></u>	<u><b>669</b></u>

The Company leased laboratories to its subsidiaries, Auray Technology Corp and Auden Intelligence Carbon Solution Co. Ltd in the years ended December 31, 2024 and 2023 and collects rent at an agreed rate between the two parties for a term of 30 days per month.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(vii) Revenues from management

For the years ended December 31, 2024 and 2023, the expenses arising from prepayment of salary on behalf of subsidiary and revenue from rendering management service were amounted to \$2,066 thousand and \$3,244 thousand, respectively.

(viii) Service expenses

The amounts of service rendered by the subsidiaries were as follows:

	<u>2024</u>	<u>2023</u>
Subsidiaries		
Auray Technology Corp.	\$ 1,186	1,679
Auden Intelligence Carbon Solution Co. Ltd.	<u>732</u>	<u>248</u>
	<u><u>\$ 1,918</u></u>	<u><u>1,927</u></u>

The amounts and the payment term offered by the subsidiaries to the Company were not different from those of the general customers.

(ix) Property transactions

The Company sold fixed assets and computer software to its subsidiaries, namely, Auray Technology Corp, for a total price amounting to \$40,313 thousand and \$1,563 thousand, respectively, for a total sum amounting to \$41,876 thousand. The payments have not been collected as of December 31, 2022 and were accounted for as other receivables due from related parties. As of December 31, 2023, the receivables have been fully collected.

(x) Donation

In order to fulfill its corporate social responsibility, the Company engages in cultural and educational welfares activities to give back to the community by setting up a national charity called "Auden Education Foundation" The amounts of \$2,400 thousand and \$30,000 thousand, totaling \$32,400 thousand, were based on resolutions decided during its board meetings held on March 14, 2023, and November 8, 2022, respectively. Upon the establishment of the foundation, the Chairman has been fully authorized to handle relevant matters. In October 2023, the Company funded \$30,000 thousand to establish this foundation, and subsequently donated \$1,200 thousand to the foundation, totaling \$31,200 thousand. In September 2024, the Company donated an additional \$1,200 thousand to the foundation, which was accounted for under administrative expenses.

On August 8, 2024, the Board of Directors resolved to donate \$1,000 thousand to Auden Education Foundation to support the operating activities of the foundation.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

(c) Management personnel compensation

Key management personnel compensation comprised:

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 31,465	45,609
Share-based payment	<u>-</u>	<u>2,549</u>
Total	<u>\$ 31,465</u>	<u>48,158</u>

Please refer to note 6(t) for the details of share-based payment.

**(8) Pledged assets**

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other non-current financial assets			
Demand deposits	Convertible bonds	\$ 400,000	-
Other non-current financial assets			
Time deposits	Guarantee fund of Customs Duty	1,122	1,111
Demand deposits	Convertible bonds	-	80,000
Property, plant, and equipment:			
Land and buildings	Short-term and long-term borrowings	290,772	291,801
Investment property			
Land and building	Short-term and long-term borrowings	32,560	32,795
		<u>\$ 724,454</u>	<u>405,707</u>

**(9) Commitments and contingencies**

(a) The aggregate unpaid amounts of contracts are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant and equipment	\$ <u>255,154</u>	<u>482,231</u>

The Company entered into an agreement on March 7, 2023 for the construction of its office building. For the amounts of payments that have been made, please refer to note 6(h).

(b) The Company issued a performance bond guarantee by the bank for the business needs on December 31, 2024 and 2023. The guaranteed amounts were \$22,504 thousand and \$3,433 thousand, respectively. The guarantee period outlined in guaranteed letter is from April 18, 2024 to June 30, 2025, and July 6, 2023 to June 30, 2024, respectively.

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

**(10) Losses due to major disasters: None**

**(11) Subsequent events**

- (a) To fund the repayment of the principal of the first issued domestic secured convertible bonds upon maturity and to cover the capital expenditures for the construction of the Group's headquarters, the Board of Directors resolved, on November 6, 2024, to issue the second domestic secured convertible bonds through a competitive bidding process, with a total issuance amount of \$700,000 thousand. This issuance was approved and declared effective by the Securities and Futures Bureau of the Financial Supervisory Commission on December 13, 2024, and the bonds were issued on January 10, 2025, with a total issuance amount of \$700,000 thousand. The funds have been fully received. The bonds carry a 0% coupon rate, have a maturity period of three years, and will be repaid in full in cash at face value upon maturity based on the face value. The conversion price is set at \$118 per share.

- (b) For earnings distribution in the year ended December 31, 2024, please refer to note 6(s).

**(12) Other**

A summary of employee benefit expenses, depreciation, depletion and amortization by function, were as follows:

By nature	By function	Year ended December 31 2024			Year ended December 31 2023		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		-	188,731	188,731	-	190,522	190,522
Labor and health insurance		-	13,066	13,066	-	12,396	12,396
Pension		-	6,580	6,580	-	6,400	6,400
Directors' remuneration		-	6,143	6,143	-	6,298	6,298
Others		-	7,858	7,858	-	6,934	6,934
Depreciation		-	24,084	24,084	-	23,206	23,206
Amortization		-	7,369	7,369	-	4,328	4,328

The Company's number of employees and additional information on employee benefits for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Number of employees	<u>145</u>	<u>133</u>
Number of non-employees directors	<u>7</u>	<u>7</u>
Average employee benefit	\$ <u>1,567</u>	\$ <u>1,716</u>
Average salary	\$ <u>1,368</u>	\$ <u>1,512</u>
Adjustment of employees' average salary	<u>(10)%</u>	
Supervisor remuneration	\$ <u>-</u>	\$ <u>-</u>

(Continued)

**AUDEN TECHNO CORP.**  
**Notes to the Parent Company Only Financial Statements**

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

Directors' remuneration of the Company is subjected to Article 19 of the Articles of Incorporation, if the Company makes a profit this year, the director's remuneration shall be allocated less than 2%. Since the remuneration is cap at certain percentage of the earnings for the year. Therefore, it is highly relevant to the operational performance of the Company.

For remuneration to the directors, in addition to making reference to the Company's past operating performance payments, the criteria, structure and system for the remuneration to directors' will be adjusted flexibly in the light of future risk factors, that is, when the economy outlooks is gloomy or the operational risks of the Company increase; the directors' remuneration will be adjusted accordingly and the results of the Board's performance evaluation will be taken into account as an important consideration in the allocation.

The remuneration of managers and employees can be divided into three categories including salaries, bonuses and employee remuneration. The salary is set at the rate to property reflect work performance while considering factors such as job performance, overall environment and market standards. The bonus links departmental operational performance and performance of individual employees in order to process and to retain outstanding talents in accordance with the relevant regulations governing the administration of employees' salaries and benefits and the regulations governing the new restricted employees' shares. The remuneration to employees is based on the provisions of Article 19 of the Articles of Incorporation, if the Company makes a profit this year, the remuneration to employees shall be allocated less than 2%. Since the remuneration is cap at certain percentage of the earnings for the year. Therefore, it is highly relevant to the operational performance of the Company.

The remuneration mentioned above, in addition to making reference to domestic and foreign industry peers as well as past operational performance of the Company. The distribution standards, structure and system shall be reviewed timely, taking in account actual operating conditions and changes in pertinent statutory requirements, so as to prevent executives from pursuing compensation by exceeding the Company's risk appetite. In addition, the Company's compensation Committee regularly assesses the compensation to executives and submits recommendations to the Board of Directors for approval in order to balance the Company's business sustainability with risk control.

(Continued)

AUDEN TECHNO CORP.  
Notes to Interim Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company in 2024:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties

No.	Name of company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for one party (Note 1)	Highest balance for guarantees and endorsements during the year	Ending balance of guarantees and endorsements (Note 2)	Amount actually drawn	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum allowable amount for guarantees and endorsements (Note 1)	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the company (Note 3)										
0	The Company	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd.	4	433,918	44,780	44,780	-	-	2.06 %	867,836	Y	N	Y
0	The Company	AUDEN VIETNAM	4	433,918	108,191	108,191	-	-	4.99 %	867,836	Y	N	N
1	AUDEN BVI	AUDEN VIETNAM	4	120,945	65,570	65,570	16,514	65,570	10.84 %	241,889	N	N	N

- Note 1: The total amount of guarantee shall not exceed 40% of the Company's net worth. The total amount of guarantee provided by the Company to any individual entity shall not exceed 20%
- Note 2: The calculation was based on the accumulated amounts of guarantees and endorsements divided by the net worth of the latest audited financial statements.
- Note 3: The relationship between guarantor and guarantee is as follows:
- 1) A company wherein it has business transaction with.
  - 2) A company in which the public company, directly and indirectly, holds more than 50% of the voting shares.
  - 3) A company who holds, directly and indirectly, more than 50% of the voting shares in the public company.
  - 4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
  - 5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project
  - 6) A company wherein all capital contributing shareholders endorse/ guarantee for their jointly invested company in proportion to their shareholding percentages.
  - 7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-constructed building pursuant to the Consumer Protection Act for each other.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures)

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of units	Book value	Holding percentage	Market value	
The Company	Convertible bond Ohmplus Technology Inc.	—	Financial assets mandatorily measured at fair value through profit or loss — current	-	10,075	- %	10,075	
The Company	Simple Agreement for Future Equity (SAFE) Dotspace Inc.	—	Financial assets at fair value through profit or loss — non-current	-	3,558	- %	3,558	
The Company	Advanced Test Management and Certification LABS, Inc.	—	Financial assets at fair value through profit or loss — non-current	-	32,785	- %	32,785	

## AUDEN TECHNO CORP.

### Notes to Interim Financial Statements

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of units	Book value	Holding percentage	Market value	
The Company	Stock Ceradex Corporation	—	Financial assets at fair value through other comprehensive income — non-current	636,130	9,237	8.20 %	9,237	
The Company	TMY Technology Inc.	—	Financial assets at fair value through other comprehensive income — non-current	800,000	30,632	1.33 %	30,632	
The Company	WHALETEQ CO., LTD	—	Financial assets at fair value through other comprehensive income — non-current	452,800	21,087	8.57 %	21,087	
The Company	SOIC Marine Solutions CO., LTD	—	Financial assets at fair value through other comprehensive income — non-current	100,000	1,000	7.14 %	1,000	
The Company	Cruise10 CO., LTD	—	Financial assets at fair value through other comprehensive income — non-current	1,200,000	26,184	4.64 %	26,184	
The Company	Dotspace Inc.	—	Financial assets at fair value through other comprehensive income — non-current	12,000,000	58,200	16.78 %	58,200	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock

Name of company	Counter-party	Relationship	Transaction details				Status and reason for deviation from arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / (Sale)	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
The Company	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Subsidiaries	Purchase	489,045	70.06 %	Note 1	-	Note 1	(160,768)	(75.99)%	
The Company	Auden Techno Corp. (Shanghai)	Subsidiaries	Sales	(106,073)	(8.02)%	Note 1	-	Note 2	17,583	4.36 %	
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd.	The Company	Parent Company	Sales	(489,045)	(54.27)%	Note 2	-	Note 2	160,768	40.85 %	
Auden Techno Corp. (Shanghai)	The Company	Parent Company	Purchase	106,073	91.61 %	Note 1	-	Note 1	(17,583)	(97.37)%	

Note 1: There were no significant differences in the transaction terms between related parties and regular customers.

Note 2: There were no significant differences in the selling prices and terms of collection between related parties and regular customers.

(Continued)



## AUDEN TECHNO CORP.

### Notes to Interim Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock

(In Thousands of New Taiwan Dollars)

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Overdue amount		Amounts received in subsequent period (Note 1)	Allowances for bad debts
					Amount	Action taken		
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	The Company	Subsidiaries	160,768	3.05	-		71,503	-

Note 1: As of February 24, 2025.

(ix) Trading in derivative instruments: None.

(b) Information on investees

The following is the information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

Unit: in Thousands of New Taiwan Dollars

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Net income (loss) of investee (Note 1)	Investment income (loss) (Note 1)	Remarks
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Book value (Note 1 and 2)			
The Company	AUDEN BVI	The British Virgin Islands	Investment Holding (investee)	113,861 (USD3,399)	113,861 (USD3,399)	3,398,888	100.00 %	604,305	17,273	17,730	(Note 3)
The Company	LUCKY	MAURITIUS	Investment Holding (investee)	62,117 (USD1,998)	62,117 (USD1,998)	1,997,980	100.00 %	175,755	61	249	(Note 3)
The Company	Auray Technology Corp.	Taiwan	Tests of communication products	100,000	100,000	10,000,000	100.00 %	97,401	4,639	4,642	(Note 4)
The Company	Auden Intelligence Carbon Solution Co., Ltd.	Taiwan	Carbon reduction consultation and assistance improvements	24,000	24,000	2,400,000	80.00 %	11,962	(8,988)	(7,190)	(Note 5)
The Company	Auden Polska	Poland	Testing and certification services	51,151 (USD1,570)	-	6,000,000	100.00 %	49,301	(1,278)	(1,278)	
AUDEN BVI	AUDEN VIETNAM	Vietnam	Manufacture and sales of various types of antenna and other optical equipment and instruments	163,771 (USD5,100)	61,856 (USD2,000)	510,000	100.00 %	135,080	(9,815)	(9,815)	

Note 1: The carrying amounts and investment profit are calculated based on the financial statements of the investee company auditor by the accountants for the same period.

Note 2: Transactions between the Company and each subsidiary of the consolidated entity, including the amount of business transaction, accounts receivable, accounts payable, carrying amount of long term investments and investment profit recognized for the period, have been eliminated in the preparation of the consolidated financial statements.

Note 3: The difference between investment profit recognized for the period and current profit and loss of investee is arising from side stream transactions.

Note 4: The difference between investment profit recognized is effect of IFRS16.

Note 5: The difference between investment profit recognized is due to the fact that the company holds only 80% equity in the investee company and is recognized proportionally to the shareholding percentage.

(c) Information on investment in mainland China

(i) The names of investees in Mainland China, the main businesses and products, and other information

Unit: in Thousands of New Taiwan Dollars

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2024 (Note 3)	Investment flow during current period		Cumulative investment (amount) from Taiwan as of December 31, 2024 (Note 3)	Net income (losses) of the investee	Direct / indirect investment holding percentage	Investment income (losses) (Note 2)	Book value (Note 2)	Accumulated remittance of earnings in current period
					Remittance amount	Repatriation amount						
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Manufacture and sales of various types of antenna and other optical equipment and instruments	81,963 (USD2,500)	2	81,963 (USD2,500)	-	-	81,963 (USD2,500)	35,470	100.00 %	35,470	378,181	75,367
Auden Techno Corp. (Shanghai)	Sales of instruments	49,178 (USD1,500)	2	49,178 (USD1,500)	-	-	49,178 (USD1,500)	2,048	100.00 %	2,048	90,504	-

(Continued)

AUDEN TECHNO CORP.  
Notes to Interim Financial Statements

Note 1: Three types of investment method are as follows:

1.Direct investment in Mainland China.

2.Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (AUDEN BVI and LUCKY ATL Seychelles)

3.Others

Note 2: The carrying amounts of investment as of December 31 and investment profit recognized by the Company are calculated based on the financial statements of the investee company auditor by the parent company's accountants for the same period.

Note 3: At the end of the period, the exchange rate of USD to NTD is 1:32.785 and the exchange rate of RMB to NTD is 1:4.478, except that the outward exchanges in current period were stated at the actual amount.

(ii) Limitation on investment in Mainland China

Unit: in Thousands of New Taiwan Dollars			
Company Name	Accumulated investment amount in Mainland China as of 2024 (Note 2)	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs (Note 2)	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs (Note 1)
Auden Techno Corp.	205,169 (USD 6,258 ) (note 3)	213,234 (USD 6,504 ) (note 3)	1,301,754 (note 1)

Note 1: The higher of 60% of net or the Company's net value.

Note 2: At the end of the period, the exchange rate of USD to NTD is presented as 1:32.785.

Note 3: Includes the investment amount of USD 250 thousand of the liquidated CC&C (Chengdu), investment amount of USD 2,008 thousand of the disposal of TA Technology (Shanghai) Co., Ltd.

(iii) Significant transactions

The Company's significant indirect and direct transactions with investment in Mainland China for the year ended December 31, 2024, please refer to note 13(a).

(d) Major shareholders

Unit: share			
Shareholder's Name	Shareholding	Shares	Percentage
Yaoke Investment Co., Ltd.		3,621,102	7.19 %
Yaohong Investment Co., Ltd.		2,601,000	5.16 %

(14) Segment information

Please refer to the year 2024 consolidated financial statements.

**Auden Techno Corp.****Statement of cash and cash equivalents****December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars,  
Foreign currency in dollars)**

<b>Type</b>	<b>Description</b>	<b>Amount</b>
Cash	Petty cash	\$ <u>228</u>
Bank deposits	Time deposits:	
	TWD (interest rate: 1.285%, maturity date: March 5, 2025)	33
	USD (USD3,500,000.00@32.785, interest rate: 4.60%, maturity date: January 5, 2025)	114,748
	Checking account deposits	9
	Demand deposits	176,833
	Foreign currency deposits:	
	USD (USD5,835,847.49@32.785)	191,328
	EUR (EUR39.49@34.14)	1
	RMB (CNY2,002,691.42@4.478)	8,968
	JPY (JPY28,070,049@0.2099)	<u>5,892</u>
	Subtotal	<u>497,812</u>
		<b>\$ <u><u>498,040</u></u></b>

**Auden Techno Corp.**  
**Statement of accounts receivable**  
**December 31, 2024**  
**(All amounts expressed in thousands of New Taiwan dollars)**

<b>Customer</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
<b>Related parties</b>			
Auden Techno Corp. (Shanghai)	Operating	\$ 17,583	
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	"	2,740	
Subtotal		<u>20,323</u>	
<b>Non-related parties</b>			
Company A	Operating	87,476	
Company B	"	63,154	
Company C	"	55,567	
Company D	"	43,682	
Company E	"	25,572	
Company F	"	25,149	
Others (the individual ending balance which do not exceed 5% or more of the account)	"	82,350	
Subtotal		<u>382,950</u>	
Less: loss allowance		<u>183</u>	
Subtotal		<u>382,767</u>	
		<b>\$ <u>403,090</u></b>	

**Auden Techno Corp.**

**Statement of other receivables**

**December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

<u>Type</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Other receivables — related parties			
	Revenues from management, receipts under custody, payment on behalf of others	\$ <u>42,837</u>	
Other receivables — non-related parties			
	Revenue from BSMI projects	4,221	
	Rebates from purchase	<u>3,974</u>	
Subtotal		<u>8,195</u>	
		<u><u>\$ 51,032</u></u>	

**Auden Techno Corp.**

**Statement of current financial assets at fair value through profit or loss**

**December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

Name	Description	Unit	Par value	Gross amount	Rate	Cost	Fair value		Changes in fair value attributes to credit risk change	Note
							Unit price	Gross amount		
Convertible bond:										
Ohmplus Technology Inc.		1,000	10	10,000	5.00 %	10,000	-	10,075	-	

**Auden Techno Corp.**

**Statement of changes in non-current financial assets at fair value through  
profit or loss**

**December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

<b>Name</b>	<b>Beginning Balance</b>		<b>Increases</b>		<b>Decrease</b>		<b>Ending balance</b>		<b>Pledge or guarantee object</b>	<b>Note</b>
	<b>Shares/Units (thousands)</b>	<b>Fair value</b>	<b>Shares/Units (thousands)</b>	<b>Total Amount</b>	<b>Shares/Units (thousands)</b>	<b>Total Amount</b>	<b>Shares/Units (thousands)</b>	<b>Fair value</b>		
Simple Agreement of Future Equity (SAFE)										
Dotspace Inc.	-	\$ -	-	3,558	-	-	-	3,558	None	
Advanced Test Management and Certification LABS. Inc.	-	-	-	32,785	-	-	-	32,785	None	
Total		<u>\$ -</u>		<u>36,343</u>		<u>-</u>		<u>36,343</u>		

**Auden Techno Corp.**

**Statement of non-current financial assets at fair value through other  
comprehensive income**

**For the year ended December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

Name	Beginning Balance		Increases		Decrease		Ending balance		Pledge or guarantee object	Note
	Shares/Units (thousands)	Fair value	Shares/Units (thousands)	Total Amount	Shares/Units (thousands)	Total Amount	Shares/Units (thousands)	Fair value		
Stock:									None	
Ceradex Corporation	636,130	\$ 11,635	-	-	-	2,398	636,130	9,237	None	
TMY TECHNOLOGY INC.	800,000	7,120	-	23,512	-	-	800,000	30,632	None	
WHALETEQ CO., LTD	452,800	18,777	-	2,310	-	-	452,800	21,087	None	
SOIC Marine Solutions Co, Ltd.	100,000	1,000	-	-	-	-	100,000	1,000	None	
Cruise10 CO., LTD	-	-	1,200,000	30,000	-	3,816	1,200,000	26,184	None	
Dotspace Inc.	12,000,000	47,640	-	10,560	-	-	12,000,000	58,200	None	
		<u>\$ 86,172</u>		<u>66,382</u>		<u>6,214</u>		<u>146,340</u>		



## Auden Techno Corp.

## Statement of inventories

December 31, 2024

(All amounts expressed in thousands of New Taiwan dollars)

Type	Amount		Note
	Cost	Net realizable value	
Raw materials	\$ 284	282	Market price under their net realizable value
Semi-finished products and work in progress	32	31	"
Finished good	39,405	52,800	"
Merchandise inventory	<u>33,767</u>	<u>55,749</u>	"
Total	73,488	<u><u>108,862</u></u>	
Less: allowance for reduction of inventory to market	1,197		
	<u><u>\$ 72,291</u></u>		

## Statement of prepayments

Type	Description	Amount	Note
Prepaid expenses		\$ 18,552	
Business tax carry forward		6,269	
Prepaid rent		1,781	
Prepaid patent		1,573	
Other (The individual ending balance which do not exceed 5% or more of the account)		1,291	
		<u><u>\$ 29,466</u></u>	

**Auden Techno Corp.**

**Statement of changes in investments accounted for using the equity method**

**For the year ended December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

Investees	Balance, Beginning of period		Increase		Decrease		Balance, End of period			Market value or book value		Pledged as Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Ownership (%)	Amount	Unit price	Gross value		
AUDEN TECHNO (BVI) CORPORATION	3,398,888	\$ 564,243	-	40,062	-	-	3,398,888	100.00 %	604,305	173.92	604,723	None	
				(note 1)									
LUCKY RITE INTERNATIONAL CO., LTD.	1,997,980	158,769	-	16,986	-	-	1,997,980	100.00 %	175,755	93.40	186,612	None	
				(note 2)									
Auray Technology Corp.	10,000,000	90,876	-	6,525	-	-	10,000,000	100.00 %	97,401	9.74	97,382	None	
				(note 3)									
Auden Intelligence Carbon Solution Co. Ltd.	2,400,000	19,136	-	16	-	(7,190)	2,400,000	80.00 %	11,962	4.98	11,961	None	
				(note 4)		(note 5)							
Auden Polska Accreditation S.A.	-	-	6,000,000	51,151	-	(1,850)	6,000,000	100.00 %	49,301	8.22	49,301	None	
				(note 6)		(note 7)							
		<u>\$ 833,024</u>		<u>114,740</u>		<u>(9,040)</u>			<u>938,724</u>		<u>949,979</u>		

Note 1: The total amount included the investment income of \$17,730 thousand generated by the subsidiaries and \$ 22,332 thousand generated by the exchange differences on translation of foreign financial statements.

Note 2: The total amount included the investment income of \$249 thousand generated by the subsidiaries \$9,200 thousand generated by the exchange differences on translation of foreign financial statements, and \$7,537 generated by deferred debit-unrealized gross profit on sales.

Note 3: The total amount included the investment income of \$4,642 thousand generated by the subsidiaries \$2,429 thousand in employee compensation expenses recognized by the company related to subsidiary employees, and \$1,454 thousand in share-based compensation costs recognized by the company related to restricted employee shares issued to subsidiary employees.

Note 4: The total amount included \$16 thousand in employee compensation expenses recognized by the company related to subsidiary employees.

Note 5: The total amount included the investment loss of (\$7,190) thousand generated by the subsidiaries.

Note 6: The total amount included the investment in subsidiary of \$51,151 thousand.

Note 7: The total amount included the investment loss of (\$1,278) thousand generated by the subsidiaries (\$572) thousand generated by the exchange differences on translation of foreign financial statements.

**Auden Techno Corp.****Statement of other non-current assets****December 31, 2024****(All amounts expressed in thousands of New Taiwan dollars)**

<b>Type</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Prepayments for equipment	Prepayments for acquisition of fixed assets	<b>\$ <u>2,056</u></b>	

**Statement of accounts payable**

<b>Customer Name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Related parties			
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Operating	\$ 160,768	
Auden Techno Vietnam Co., Ltd.	"	7,886	
Other (The individual ending balance which do not exceed 5% or more of the account)		679	
Subtotal		<u>169,333</u>	
Non-related parties			
Company A	Operating	38,439	
Other (The individual ending balance which do not exceed 5% or more of the account)	"	3,676	
Subtotal		<u>42,115</u>	
		<b>\$ <u>211,448</u></b>	

**Auden Techno Corp.**  
**Statement of other payables**  
**December 31, 2024**  
**(All amounts expressed in thousands of New Taiwan dollars)**

Items	Description	Amount	Note
Related parties			
Other payables	Operating	\$ <u>825</u>	
Non-related parties			
Provisional year-end bonus payable	Operating	101,853	
Estimated equipment payable	"	75,707	
Accrued expenses	"	38,781	
Estimated expenses payable	"	37,317	
Other (The individual ending balance which do not exceed 5% or more of the account)	"	17,387	
Subtotal		<u>271,045</u>	
		<u><b>\$ 271,870</b></u>	

**Statement of other current liabilities**

Type	Description	Amount	Note
Advance receipts for goods		\$ 38,455	
Other (The individual ending balance which do not exceed 5% or more of the account)		2,841	
		<u><b>\$ 41,296</b></u>	

**Auden Techno Corp.**

**Statement of lease liabilities**

**December 31, 2024**

(All amounts expressed in thousands of New Taiwan dollars)

<u>Type</u>	<u>Description</u>	<u>Term of lease</u>	<u>Discount Rate (%)</u>	<u>Amount</u>	<u>Note</u>
Buildings and Construction		Note 1	1.15~1.875	\$ 951	
Other equipment		Note 2	1.15	85	
				1,036	
Less: current lease liability				476	
				<u>\$ 560</u>	

Note 1: The lease term is three to five years.

Note 2: The lease term is three to five years.

**Statement of operating revenue**

**For the year ended December 31, 2024**

<u>Product types</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Sales revenue (Net)		\$ 821,019	
Equipment revenues		475,310	
Commissions revenue		5,794	
Service income		5,670	
Other operating income, net		15,075	
		<u>\$ 1,322,868</u>	

**Auden Techno Corp.**

**Statement of operating costs**

**For the year ended December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

Type	Amount	
	Subtotal	Total
Beginning merchandise inventory	\$ 132,157	
Add: Purchase for the period	224,473	
Less: Ending merchandise inventory	<u>(33,767)</u>	
Cost of goods purchased and sold		322,863
Beginning inventory of raw materials	577	
Add: Purchase of raw materials	4,475	
Less: Ending raw materials	<u>(284)</u>	
Consumption of raw materials for the period	4,768	
Manufacturing overhead	<u>3,686</u>	
Manufacturing cost	8,454	
Add: Beginning WIP and Semi-finished goods	60	
Work in progress and semi-finished goods purchases	435	
Less: Ending work in process and Semi-finished goods	<u>(32)</u>	
Costs of finished goods	8,917	
Add: Beginning finished goods	43,943	
Purchase of finished goods for the period	468,612	
Less: Ending finished goods	(39,405)	
Transfer to operating expenses	<u>(2,788)</u>	
Cost		479,279
Write-down of inventories		<u>580</u>
Total operating costs	\$	<u><u>802,722</u></u>

**Auden Techno Corp.**

**Statement of selling expenses**

**For the year ended December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

<b>Type</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Commission		\$ 64,997	
Salaries		38,124	
Other (The individual ending balance which do not exceed 5% or more of the account)		41,746	
		<u>\$ 144,867</u>	

**Statement of administrative expenses**

<b>Type</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Salaries		\$ 59,109	
Service expenses		15,668	
Other (The individual ending balance which do not exceed 5% or more of the account)		49,948	
		<u>\$ 124,725</u>	

**Auden Techno Corp.**

**Statement of research and development expenses**

**For the year ended December 31, 2024**

**(All amounts expressed in thousands of New Taiwan dollars)**

Type	Description	Amount	Note
Salaries		\$ 91,498	
Experiment materials expenses		30,933	
Depreciation expenses		16,883	
Research and development expenses		9,501	
Service expenses		9,356	
Other (The individual ending balance which do not exceed 5% or more of the account)		28,822	
		<u><u>\$ 186,993</u></u>	

Please refer to note 6(h) for statement of changes of property, plant and equipment.

Please refer to note 6(h) for statement of changes in accumulated depreciation of property, plant and equipment.

Please refer to note 6(i) for Statement of changes of right-of-use assets.

Please refer to note 6(i) for Statement of changes in accumulated depreciation of right-of-use assets.

Please refer to note 6(j) for Statement of changes of investment property.

Please refer to note 6(j) for Statement of changes in accumulated depreciation of investment property.

Please refer to note 6(k) for Statement of changes of intangible assets.

Please refer to note 6(k) for Statement of changes in accumulated amortization of intangible assets.

Please refer to note 6(l) for Statement of other financial assets.

Please refer to note 6(m) for Statement of short-term borrowings.

Please refer to note 6(n) for Statement of long-term borrowings.

Please refer to note 6(o) for Statement of bond payable

Please refer to note 6(x) for Statement of other income.

Please refer to note 6(x) for Statement of other gains and losses.

Please refer to note 6(x) for Statement of finance costs.