

AUDEN TECHNO CORP. AND SUBSIDIARIES**Consolidated 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 consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

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

Company name: Auden Techno Corp.

Chairman: Chang, Yu-Pin

Date: March 5, 2025



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Independent Auditors' Report

To the Board of Directors of Auden Techno Corp.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

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

Description of key audit matter

The Sales revenue of the Group is a key indicator for management to evaluate 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 revenue recognition 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 whether the timing of revenue recognition is appropriate.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AUDEN TECHNO CORP. AND SUBSIDIARIES

Consolidated 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	Assets					21xx	Liabilities and Equity				
	Current assets:						Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 891,382	24	1,156,776	37	2100	Short-term loans (notes 6(m) and 8)	277,692	8	50,000	2
1110	Current financial assets at fair value through profit or loss (note 6(b))	10,075	-	-	-	2150	Notes payable	47,617	1	50,851	2
1150	Notes receivable, net (notes 6(d) and (v))	31,762	1	48,161	2	2170	Accounts payable	215,914	6	148,992	5
1170	Accounts receivable, net (notes 6(d) and (v))	514,501	14	463,983	15	2200	Other payables (note 6(w))	381,002	10	350,528	11
1180	Accounts receivable—related parties, net (notes 6(d), (v) and 7)	400	-	-	-	2230	Current tax liabilities	482	-	20,235	1
1200	Other receivables (notes 6(e) and (g))	9,741	-	27,078	1	2280	Current lease liabilities (notes 6(i), (p) and 7)	12,956	-	10,249	-
1220	Current income tax assets	2,521	-	126	-	2320	Long-term borrowing, current portion (notes 6(n), (o) and 8)	405,043	11	5,588	-
130X	Inventories (note 6(f))	215,457	6	285,044	9	2399	Other current liabilities (notes 6(s) and (v))	56,434	2	168,628	5
1410	Prepayments	64,021	1	39,984	1		Total current liabilities	1,397,140	38	805,071	26
1476	Other financial assets—current (notes 6(l) and 8)	619,720	17	164,720	5	25xx	Non-Current liabilities:				
1479	Other current assets	144	-	2,711	-	2530	Bonds payable (note 6(o))	-	-	395,662	13
	Total current assets	2,359,724	63	2,188,583	70	2540	Long-term borrowings (notes 6(n) and 8)	81,156	2	184,412	6
15xx	Non-current assets:					2570	Deferred tax liabilities (note 6(r))	78,255	2	71,861	2
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (o))	36,343	1	-	-	2580	Non-current lease liabilities (notes 6(p) and 7)	7,050	-	12,869	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	146,340	4	86,172	3	2640	Non-current net defined benefit liability (note 6(q))	1,043	-	1,782	-
1600	Property, plant and equipment (notes 6(h) and 8)	993,845	26	713,473	23	2645	Guarantee deposits	130	-	130	-
1755	Right-of-use assets (note 6(i))	71,048	2	24,507	1		Total non-current liabilities	167,634	4	666,716	21
1760	Investment property (note 6(j))	5,071	-	5,211	-	2xxx	Total liabilities	1,564,774	42	1,471,787	47
1780	Intangible assets (note 6(k))	29,414	1	9,324	-	31xx	Equity attributable to owners of parent (notes 6(o), (q), (s) and (t)):				
1840	Deferred tax assets (note 6(r))	20,608	1	18,905	-	3110	Ordinary shares	503,104	13	468,004	15
1980	Other financial assets—non-current (notes 6(l), (o) and 8)	7,962	-	85,578	3	3200	Capital surplus	890,313	24	505,922	16
1990	Other non-current assets—others (note 6(i))	67,000	2	7,177	-	3300	Retained earnings	743,242	20	721,234	23
	Total non-current assets	1,377,631	37	950,347	30	3400	Other equity interest	32,932	1	(32,801)	(1)
							Total equity attributable to owners of parent	2,169,591	58	1,662,359	53
						36xx	Non-controlling interests	2,990	-	4,784	-
						3xxx	Total equity	2,172,581	58	1,667,143	53
1xxx	Total assets	\$ 3,737,355	100	3,138,930	100	2-3xxx	Total liabilities and equity	\$ 3,737,355	100	3,138,930	100

See accompanying notes to consolidated financial statements.

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

AUDEN TECHNO CORP. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(All amounts expressed in thousands of New Taiwan dollars)**

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(v))	\$ 1,707,590	100	1,779,638	100
5000	Operating costs (note 6(f))	<u>1,010,176</u>	<u>59</u>	<u>1,001,578</u>	<u>56</u>
5900	Gross profit	<u>697,414</u>	<u>41</u>	<u>778,060</u>	<u>44</u>
6000	Operating expenses (notes 6(d), (q), (t), (w) and 7):				
6100	Selling expenses	213,859	13	183,645	11
6200	Administrative expenses	157,674	9	180,834	10
6300	Research and development expenses	240,892	14	185,488	10
6450	(Reversal of) expected credit losses	<u>(1,826)</u>	<u>-</u>	<u>857</u>	<u>-</u>
	Total operating expenses	<u>610,599</u>	<u>36</u>	<u>550,824</u>	<u>31</u>
6900	Net operating income	<u>86,815</u>	<u>5</u>	<u>227,236</u>	<u>13</u>
7000	Non-operating income and expenses (notes 6(c), (o), (p) and (x)):				
7100	Interest income	15,214	1	9,095	-
7010	Other income	51,819	3	46,174	3
7020	Other gains and losses	32,427	2	(632)	-
7050	Finance costs	<u>(13,037)</u>	<u>(1)</u>	<u>(12,739)</u>	<u>(1)</u>
	Total non-operating income and expenses	<u>86,423</u>	<u>5</u>	<u>41,898</u>	<u>2</u>
7900	Income before income tax	173,238	10	269,134	15
7950	Less: Income tax expenses (note 6(r))	<u>22,814</u>	<u>1</u>	<u>63,375</u>	<u>3</u>
8200	Net income	<u>150,424</u>	<u>9</u>	<u>205,759</u>	<u>12</u>
8300	Other comprehensive income (notes 6(q), (r) and (s)):				
8310	Items that will not be reclassified subsequently to profit or loss				
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>
	Total items that will not be reclassified subsequently to profit or loss	<u>30,717</u>	<u>2</u>	<u>62</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
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>
	Total items that will be reclassified subsequently to profit or loss	<u>30,960</u>	<u>2</u>	<u>(9,731)</u>	<u>(1)</u>
8300	Other comprehensive income (loss), net of tax	<u>61,677</u>	<u>4</u>	<u>(9,669)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 212,101</u>	<u>13</u>	<u>196,090</u>	<u>11</u>
	Profit attributable to:				
8610	Owners of parent	\$ 152,222	9	206,407	12
8620	Non-controlling interests	<u>(1,798)</u>	<u>-</u>	<u>(648)</u>	<u>-</u>
		<u>\$ 150,424</u>	<u>9</u>	<u>205,759</u>	<u>12</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 213,899	13	196,738	11
8720	Non-controlling interests	<u>(1,798)</u>	<u>-</u>	<u>(648)</u>	<u>-</u>
		<u>\$ 212,101</u>	<u>13</u>	<u>196,090</u>	<u>11</u>
	Earnings per share (expressed in New Taiwan dollars) (note 6(u))				
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 consolidated financial statements.

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

AUDEN TECHNO CORP. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(All amounts expressed in thousands of New Taiwan dollars)**

	Equity attributable to owners of parent												
							Other equity interest				Total equity attributable to owners of parent	Non-controlling interests	Total equity
							Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Others	Total			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total							
Balance at January 1, 2023	\$ 467,131	476,307	74,936	28,767	575,565	679,268	(23,307)	9,222	(1,859)	(15,944)	1,606,762	-	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)	-	(163,489)
Net income for the year	-	-	-	-	206,407	206,407	-	-	-	-	206,407	(648)	205,759
Other comprehensive income (loss) for the year	-	-	-	-	(952)	(952)	(9,731)	1,014	-	(8,717)	(9,669)	-	(9,669)
Total comprehensive income (loss) for the year	-	-	-	-	205,455	205,455	(9,731)	1,014	-	(8,717)	196,738	(648)	196,090
Restricted stock to employee adjustments	873	11,022	-	-	-	-	-	-	(11,895)	(11,895)	-	-	-
Share-based payment	-	17,927	-	-	-	-	-	-	3,755	3,755	21,682	98	21,780
Changes in non-controlling interests	-	666	-	-	-	-	-	-	-	-	666	5,334	6,000
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	4,784	1,667,143
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	20,546	-	(20,546)	-	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(130,763)	(130,763)	-	-	-	-	(130,763)	-	(130,763)
Net income for the year	-	-	-	-	152,222	152,222	-	-	-	-	152,222	(1,798)	150,424
Other comprehensive income (loss) for the year	-	-	-	-	549	549	30,960	30,168	-	61,128	61,677	-	61,677
Total comprehensive income (loss) for the year	-	-	-	-	152,771	152,771	30,960	30,168	-	61,128	213,899	(1,798)	212,101
Issue of shares	35,000	383,830	-	-	-	-	-	-	-	-	418,830	-	418,830
Restricted stock to employee adjustments	100	565	-	-	-	-	-	-	(665)	(665)	-	-	-
Share-based payment	-	(4)	-	-	-	-	-	-	5,270	5,270	5,266	4	5,270
Balance at December 31, 2024	\$ 503,104	890,313	127,588	28,767	586,887	743,242	(2,078)	40,404	(5,394)	32,932	2,169,591	2,990	2,172,581

See accompanying notes to consolidated financial statements.

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

AUDEN TECHNO CORP. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(All amounts expressed in thousands of New Taiwan dollars)**

	2024	2023
Cash flows from (used in) operating activities:		
Income before tax	\$ 173,238	269,134
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	59,778	49,690
Amortization expense	10,308	5,891
(Reversal of) expected credit losses	(1,826)	857
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(863)	80
Interest expense	13,037	12,739
Interest income	(15,214)	(9,095)
Dividend income	(1,315)	(2,447)
Share-based payments	5,270	21,780
Loss (gain) on disposal of property, plant and equipment	32	(1,228)
Unrealized losses (gains) on foreign exchange	(25,369)	10,492
Total adjustments to reconcile profit and loss	43,838	88,759
Changes in operating assets and liabilities relating:		
Net changes in operating assets:		
Notes receivable	17,993	(25,132)
Accounts receivable	(37,263)	(152,021)
Other receivables	17,359	12,440
Inventories	73,495	38,914
Prepayments	(23,169)	(9,969)
Other current assets	2,568	(418)
Total net changes in operating assets	50,983	(136,186)
Net changes in operating liabilities:		
Notes payable	(1,478)	13,669
Accounts payable	70,424	(5,626)
Other payables	(36,145)	83,172
Other current liabilities	(73,476)	(51,823)
Net defined benefit liability	(53)	(65)
Total net changes in operating liabilities	(40,728)	39,327
Total net changes in operating assets and liabilities	10,255	(96,859)
Total adjustments	54,093	(8,100)
Cash inflow generated from operations	227,331	261,034
Interest received	15,214	9,095
Dividends received	1,315	2,447
Interest paid	(9,124)	(8,702)
Income taxes paid	(40,408)	(93,057)
Net cash flows from operating activities	194,328	170,817
Cash flows from (used in) investing activities:		
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)	-
Disposal of subsidiaries (net of cash decreased)	-	71,965
Acquisition of property, plant and equipment	(254,350)	(270,635)
Proceeds from disposal of property, plant and equipment	1,734	1,738
Acquisition of intangible assets	(30,374)	(7,309)
Acquisition of right-of-use assets	(49,048)	-
Increase in other financial assets	(370,766)	(101,828)
Increase in other non-current assets	(61,726)	(360)
Net cash flows used in investing activities	(840,085)	(307,429)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	387,692	100,441
Decrease in short-term loans	(160,000)	(50,441)
Repayments of long-term loans	(103,608)	-
Payment of lease liabilities	(10,869)	(10,342)
Cash dividends paid	(130,763)	(163,489)
Proceeds from issuing shares	380,765	-
Change in non-controlling interests	-	6,000
Net cash flows from (used in) financing activities	363,217	(117,831)
Effect of exchange rate changes on cash and cash equivalents	17,146	10
Net decrease in cash and cash equivalents	(265,394)	(254,433)
Cash and cash equivalents at beginning of period	1,156,776	1,411,209
Cash and cash equivalents at end of period	\$ 891,382	1,156,776

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated 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 and its subsidiaries (hereinafter collectively referred to as the "Group") 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 consolidated financial statements

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

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

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

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

- Amendments to IAS21 "Lack of Exchangeability"

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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- (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 Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

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

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AUDEN TECHNO CORP. AND SUBSIDIARIES

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

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

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

(4) Summary of material accounting policies

The significant accounting policies applied in the preparation of the consolidated 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 consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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AUDEN TECHNO CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Group and subsidiaries. Subsidiaries are entities controlled by the Group.

The consolidated financial statements comprise the Group and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance.

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Changes in The Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of Subsidiary	Principal activity	Percentage of Ownership		Note
			December 31, 2024	December 31, 2023	
The Company	LUCKY RITE INTERNATIONAL CO., LTD. (LUCKY)	Investment Holding (investee)	100.00 %	100.00 %	
The Company	AUDEN TECHNO (BVI) CORPORATION (AUDEN BVI)	Investment Holding (investee)	100.00 %	100.00 %	
The Company	Auray Technology Corp.	Tests of communication products, information security and relevant consultation services	100.00 %	100.00 %	Note 1
The Company	Auden Intelligence Carbon Solution Co. Ltd.	Carbon reduction consultation and assistance improvements	80.00 %	80.00 %	Note 2
The Company	Auden Polska Accreditation S.A.	Testing and certification services	100.00 %	- %	Note 3
LUCKY	Auden Techno Corp. (Shanghai)	Sales of instruments	100.00 %	100.00 %	
AUDEN BVI	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Manufacture and sales of various types of antenna and other optical equipment and instruments	100.00 %	100.00 %	
AUDEN BVI	AUDEN TECHNO VIETNAM CO., LTD. (AUDEN VIETNAM)	Manufacture and sales of various types of antenna and other optical equipment and instruments	100.00 %	100.00 %	Note 4

Note 1: Auray Technology Corp conducted a cash capital increase of NTD40,000 thousand on November 8, 2022, by a resolution of the Board of Directors, and authorized the chairman to set January 12, 2023, as the base date for the issuance of new shares. The registration of this capital increase was completed on February 1, 2023, and the shareholding ratio of Auray Technology was 100%.

Note 2: In August 2022, the Group established an additional with a share capital of \$10,000 thousand, representing a shareholding of 100% of Auden Intelligence Carbon Solution Co. Ltd.. In September 2023, Auden Intelligence Carbon Solution Co. Ltd. handled a cash capital increase and issued 200 thousand new shares, with a capital increase of NTD20,000 thousand, and the group increased its capital by NTD14,000 thousand, and adjusted the subscribed capital reserve of 666 thousand. Decrease in shareholdings to 80 percent due to non-reorganization of the full shareholding ratio.

Note 3: In June 2024, the Group remitted USD1,570 thousand (NTD51,151 thousand) to establish Auden Polska Accreditation S.A., wherein the Group fully subscribed the entire shares above. All related registration procedures have been completed in July 2024.

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AUDEN TECHNO CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 4: In January 2023, the Group established AUDEN TECHNO VIETNAM CO., LTD. with a capital investment of USD2,000 thousand and a shareholding ratio of 100%. The Group conducted a cash capital increase in May 2024 and August 2024, amounting to USD1,200 thousand and USD800 thousand, respectively, totaling USD2,000 thousand, and the paid-in capital was USD4,000 thousand as of September 30, 2024.

(iii) List of subsidiaries excluded in the consolidated financial statements: None

(d) 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 Group 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 Group'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 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

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

(f) 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 Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

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

(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.

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group classifies financial assets into the following categories: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

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

1) Financial assets measured at amortized cost

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

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

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 Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

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 Group'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 Group 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 Group 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.

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

4) Impairment of financial assets

The Group 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 Group'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 the 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 Group 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 Group 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 Group 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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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.

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 Group 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 derecognized 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 Group presents financial assets and liabilities on a net basis when the Group 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.

(h) 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) 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.

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.

(j) 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.

When property, plant and equipment comprise different components, and the total cost of the item is significant and a different depreciation rate or depreciation method is more appropriate, the item is treated as a separate item (major component) of property, plant and equipment.

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 when it is probable that the future economic benefits associated with the cost will flow to the Group. 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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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	2~10 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.

(k) Lease

(i) Identifying a lease

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

(ii) As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by 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 Group 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 Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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(iii) As a lessor

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

(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 Group 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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The Group 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 Group expects to be entitled in exchange for transferring goods or services to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods

The Group 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 Group has objective evidence that all criteria for acceptance have been satisfied.

(ii) Rendering of services

The Group recognizes revenue when it satisfies a performance obligation by transferring control of a 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 Group'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. Any unrecognized past service costs and 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 Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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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 Group, 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 Group. An economic benefit is available to the Group 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 of employees is recognized immediately 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 Group recognizes the remeasurements of the net defined benefit liability (assets) in other comprehensive and recognizes the remeasurements of the defined benefit plans in retained earnings.

The Group 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 Group 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 Group and employees reach a consensus in the subscription price and number of shares.

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
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(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 Group 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 or joint ventures where there is a high probability that such temporary differences will not reverse.
- (iii) Initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, 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 Group 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.

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.

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the consolidated 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.

(s) Segment information

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

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

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

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

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

There is no risk that the uncertainties in the estimates and assumptions in the consolidated financial statements will cause significant adjustments in the following year.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	\$ 461	417
Checking and demand deposits	762,705	1,100,084
Time deposits	<u>128,216</u>	<u>56,275</u>
	<u>\$ 891,382</u>	<u>1,156,776</u>

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

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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

	December 31, 2024	December 31, 2023
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.	<u>58,200</u>	<u>47,640</u>
Total	\$ <u>146,340</u>	<u>86,172</u>

The Group holds these investments in equity instruments as long-term strategic investments and are not held for trading purposes, therefore they have been designated as measured at fair value through other comprehensive income.

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.

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.

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Notes receivable and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 31,762	48,161
Accounts receivable	515,352	466,579
Accounts receivable—related parties	400	-
Less: loss allowance—accounts receivable	(851)	(2,596)
	<u>\$ 546,663</u>	<u>512,144</u>

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

The Group applies the simplified approach to provide for its expected credit losses as the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, 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 Group's test equipment segment applies the expected credit losses analysis to accounts receivable as of December 31, 2024 and 2023, as determined below:

	December 31, 2024		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 46,108	-	-
Past due 1~30 days	5,346	-	-
Past due 31~90 days	519	-	-
Past due 91~180 days	20,859	0~0.88	183
	<u>\$ 72,832</u>		<u>183</u>

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 96,492	-	-
Past due 31~90 days	788	-	-
Past due 181~365 days	9,721	11.19~11.4	1,088
	\$ 107,001		1,088

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

	December 31, 2024		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 405,084	0~0.55	535
Past due 1~30 days	13,257	0~10.31	106
Past due 31~90 days	129	0~20.89	27
	\$ 418,470		668

	December 31, 2023		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 330,376	0~0.59	494
Past due 1~30 days	14,629	0~11.04	549
Past due 31~90 days	1,722	0~22.38	209
Past due over 365 days	256	100.00	256
	\$ 346,983		1,508

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2024		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 20,554	-	-
Past due 1~30 days	1,569	-	-
	\$ 22,123		-
	December 31, 2023		
	Carrying amount of accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 12,595	-	-

The Group's others segment applies the expected credit losses to analysis of notes and accounts receivable as of December 31, 2024 and 2023 were determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 2,327	-	-

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

	2024	2023
Beginning balance	\$ 2,596	1,786
Impairment losses	-	857
Reversal of impairment losses	(1,826)	-
Foreign exchange (gains) losses	81	(47)
Ending balance	\$ 851	2,596

(e) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	\$ 9,741	27,078
Less: loss allowance	-	-
	\$ 9,741	27,078

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(f) Inventories

	December 31, 2024	December 31, 2023
Merchandise inventory	\$ 60,647	170,343
Finished good	80,620	82,040
Semi-finished products and work in progress	44,791	20,099
Raw materials	29,399	12,562
	\$ 215,457	285,044

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

	2024	2023
Provision (reversal) of the allowance for inventory	\$ 27	(14,755)
Loss on disposal of inventory	-	524
Total	\$ 27	(14,231)

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

(g) Loss of control of subsidiaries

- (i) The Group resolved on August 31, 2022, by the Board of Directors to engage in a disposal of 54.52% and 20.00% equity interests in TA Technology (Shanghai) Co., Ltd. held by subsidiaries, AUDEN BVI and Lucky, respectively. Total of 74.52% equity interest was disposed. A share purchase agreement was entered into on the same day with an unrelated party, EUROFINS PRODUCT TESTING LUX HOLDING SARL. The above transactions are reported in the non-current assets held for sale (disposal group) and liabilities directly related to the non-current assets held for sale (disposal group) on September 30, 2022. For relevant information, please refer to note 6(f) to the consolidated financial statements for the third quarter of 2022. The Group disposed all of its shares in the entity mentioned above on December 16, 2022, and lost control of the entity. Please refer to note 6(f) to the Consolidated financial statements for 2022. The uncollected disposal price receivable was \$71,965 and was accounted for other receivables as of December 31, 2022. This receivable was collected in 2023.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Property, plant and equipment

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

		Land	Buildings	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
Cost:							
Balance at January 1, 2024	\$	335,441	100,928	186,452	181,370	235,745	1,039,936
Additions		-	-	29,578	32,101	263,017	324,696
Disposals		-	-	(630)	(3,659)	-	(4,289)
Reclassification		-	-	-	5,817	-	5,817
Effects of changes in foreign exchange rates		-	1,886	1,342	4,513	-	7,741
Balance at December 31, 2024	\$	<u>335,441</u>	<u>102,814</u>	<u>216,742</u>	<u>220,142</u>	<u>498,762</u>	<u>1,373,901</u>
Balance at January 1, 2023	\$	335,441	101,927	171,778	169,194	20,720	799,060
Additions		-	-	18,669	18,055	217,840	254,564
Disposals		-	-	(3,270)	(7,255)	-	(10,525)
Reclassification		-	-	-	3,732	(2,815)	917
Effects of changes in foreign exchange rates		-	(999)	(725)	(2,356)	-	(4,080)
Balance at December 31, 2023	\$	<u>335,441</u>	<u>100,928</u>	<u>186,452</u>	<u>181,370</u>	<u>235,745</u>	<u>1,039,936</u>
Accumulated depreciation and impairment loss:							
Balance at January 1, 2024	\$	29,935	76,472	91,726	128,330	-	326,463
Depreciation		-	1,262	28,488	18,542	-	48,292
Disposals		-	-	(392)	(2,131)	-	(2,523)
Reclassification		-	-	-	2,483	-	2,483
Effects of changes in foreign exchange rates		-	1,697	176	3,468	-	5,341
Balance at December 31, 2024	\$	<u>29,935</u>	<u>79,431</u>	<u>119,998</u>	<u>150,692</u>	<u>-</u>	<u>380,056</u>
Balance at January 1, 2023	\$	29,935	76,109	70,182	124,780	-	301,006
Depreciation		-	1,262	25,365	12,418	-	39,045
Disposals		-	-	(2,923)	(7,092)	-	(10,015)
Effects of changes in foreign exchange rates		-	(899)	(898)	(1,776)	-	(3,573)
Balance at December 31, 2023	\$	<u>29,935</u>	<u>76,472</u>	<u>91,726</u>	<u>128,330</u>	<u>-</u>	<u>326,463</u>
Carrying amount:							
Balance at December 31, 2024	\$	<u>305,506</u>	<u>23,383</u>	<u>96,744</u>	<u>69,450</u>	<u>498,762</u>	<u>993,845</u>
Balance at December 31, 2023	\$	<u>305,506</u>	<u>24,456</u>	<u>94,726</u>	<u>53,040</u>	<u>235,745</u>	<u>713,473</u>

On March 7, 2023, the Group 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).

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group leases including land, buildings, and other equipment and other equipment recognized as right of use assets. Information about the movements in their recognition or reversal of cost, depreciation, and impairment are presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2024	\$ 2,577	45,404	488	48,469
Additions	54,498	1,979	-	56,477
Decrease	-	(1,610)	(212)	(1,822)
Effects of changes in foreign exchange rates	1,233	805	-	2,038
Balance at December 31, 2024	<u>\$ 58,308</u>	<u>46,578</u>	<u>276</u>	<u>105,162</u>
Balance at January 1, 2023	\$ 2,625	33,380	488	36,493
Additions	-	15,305	-	15,305
Decrease	-	(2,800)	-	(2,800)
Effects of changes in foreign exchange rates	(48)	(481)	-	(529)
Balance at December 31, 2023	<u>\$ 2,577</u>	<u>45,404</u>	<u>488</u>	<u>48,469</u>
Accumulated depreciation of right-of- use asset:				
Balance at January 1, 2024	\$ 387	23,272	303	23,962
Depreciation	576	10,669	101	11,346
Decrease	-	(1,610)	(212)	(1,822)
Effects of changes in foreign exchange rates	24	604	-	628
Balance at December 31, 2024	<u>\$ 987</u>	<u>32,935</u>	<u>192</u>	<u>34,114</u>
Balance at January 1, 2023	\$ 315	16,052	186	16,553
Depreciation	79	10,309	117	10,505
Decrease	-	(2,800)	-	(2,800)
Effects of changes in foreign exchange rates	(7)	(289)	-	(296)
Balance at December 31, 2023	<u>\$ 387</u>	<u>23,272</u>	<u>303</u>	<u>23,962</u>
Carrying amount:				
Balance at December 31, 2024	<u>\$ 57,321</u>	<u>13,643</u>	<u>84</u>	<u>71,048</u>
Balance at December 31, 2023	<u>\$ 2,190</u>	<u>22,132</u>	<u>185</u>	<u>24,507</u>

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In April 2024, the Group signed a Vietnam land use lease agreement with a total contract price of \$55,091 thousand (before tax). As of December 31, 2024, the Group had paid \$49,582 thousand and obtained the right to use the land, while the remaining balance of \$5,509 thousand was recorded under lease liabilities – current.

In October 2024, the Group signed another Vietnam land use lease agreement with a total contract price of \$76,598 thousand. As of December 31, 2024, the Group had paid \$57,449 thousand, which was recorded under other non-current assets – others. Please refer to note 9(a) for the remaining unpaid amount of \$19,149 thousand.

(j) Investment property

	Land and improvements	Buildings	Total
Cost:			
Balance at December 31, 2024 (as of balance January 1, 2024)	\$ <u>3,350</u>	<u>5,025</u>	<u>8,375</u>
Balance at December 31, 2023 (as of balance January 1, 2023)	\$ <u>3,350</u>	<u>5,025</u>	<u>8,375</u>
Accumulated depreciation and impairment loss:			
Balance at January 1, 2024	\$ -	3,164	3,164
Depreciation	<u>-</u>	<u>140</u>	<u>140</u>
Balance at December 31, 2024	\$ <u>-</u>	<u>3,304</u>	<u>3,304</u>
Balance at January 1, 2023	\$ -	3,024	3,024
Depreciation	<u>-</u>	<u>140</u>	<u>140</u>
Balance at December 31, 2023	\$ <u>-</u>	<u>3,164</u>	<u>3,164</u>
Carrying amount:			
Balance at December 31, 2024	\$ <u>3,350</u>	<u>1,721</u>	<u>5,071</u>
Balance at December 31, 2023	\$ <u>3,350</u>	<u>1,861</u>	<u>5,211</u>
Fair value:			
Balance at December 31, 2024		\$ <u>12,618</u>	
Balance at December 31, 2023		\$ <u>11,634</u>	

The fair value of the investment property held by the Group is presented on the basis of the assessment by an independent external 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 2.07% and 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Intangible assets

	Patents	Computer software	Other intangible assets	Total
Cost				
Balance at January 1, 2024	\$ 6,734	45,761	-	52,495
Additions	1,626	26,848	1,900	30,374
Effects of changes in foreign exchange rates	-	101	-	101
Balance at December 31, 2024	<u><u>\$ 8,360</u></u>	<u><u>72,710</u></u>	<u><u>1,900</u></u>	<u><u>82,970</u></u>
Balance at January 1, 2023	\$ 6,512	38,727	-	45,239
Additions	222	7,087	-	7,309
Effects of changes in foreign exchange rates	-	(53)	-	(53)
Balance at December 31, 2023	<u><u>\$ 6,734</u></u>	<u><u>45,761</u></u>	<u><u>-</u></u>	<u><u>52,495</u></u>
Accumulated depreciation:				
Balance at January 1, 2024	\$ 6,061	37,110	-	43,171
Depreciation	654	9,654	-	10,308
Effects of changes in foreign exchange rates	-	77	-	77
Balance at December 31, 2024	<u><u>\$ 6,715</u></u>	<u><u>46,841</u></u>	<u><u>-</u></u>	<u><u>53,556</u></u>
Balance at January 1, 2023	\$ 5,447	31,871	-	37,318
Depreciation	614	5,277	-	5,891
Effects of changes in foreign exchange rates	-	(38)	-	(38)
Balance at December 31, 2023	<u><u>\$ 6,061</u></u>	<u><u>37,110</u></u>	<u><u>-</u></u>	<u><u>43,171</u></u>
Carrying amount:				
Balance at December 31, 2024	<u><u>\$ 1,645</u></u>	<u><u>25,869</u></u>	<u><u>1,900</u></u>	<u><u>29,414</u></u>
Balance at December 31, 2023	<u><u>\$ 673</u></u>	<u><u>8,651</u></u>	<u><u>-</u></u>	<u><u>9,324</u></u>

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Other current financial assets

	December 31, 2024	December 31, 2023
Current		
Time deposits and restricted account	\$ 219,695	110,182
Dedicated bank account—collection of share	-	38,065
Convertible bond secured deposits	400,000	-
Refundable deposits	<u>25</u>	<u>16,473</u>
Subtotal	<u>619,720</u>	<u>164,720</u>
Non-current		
Time deposits	1,122	1,111
Convertible bond secured deposits	-	80,000
Refundable deposits	<u>6,840</u>	<u>4,467</u>
Subtotal	<u>7,962</u>	<u>85,578</u>
Total	<u>\$ 627,682</u>	<u>250,298</u>

The Group 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 Group recorded the above foreign funds under other financial assets- current and other financial assets—noncurrent based on the Group 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.

(m) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured bank borrowings	\$ 86,692	30,000
Unsecured loan	<u>191,000</u>	<u>20,000</u>
Total	<u>\$ 277,692</u>	<u>50,000</u>
Unused short-term credit lines	<u>\$ 557,456</u>	<u>167,500</u>
Range of interest rates (%)	<u>0.50~6.54</u>	<u>1.85~3.10</u>

For the collateral for bank borrowings as of December 31, 2024 and 2023, please refer to note 8.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Long-term borrowings

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

<u>Activity</u>	<u>Loan period and payment term</u>	<u>Range of interest rates(%)</u>	<u>December 31, 2024</u>
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)			<u>5,236</u>
Total			<u><u>\$ 81,156</u></u>
Unused long-term credit lines			<u><u>\$ -</u></u>

<u>Activity</u>	<u>Loan period and payment term</u>	<u>Range of interest rates(%)</u>	<u>December 31, 2023</u>
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)			<u>5,588</u>
			<u><u>\$ 184,412</u></u>
Unused long-term credit lines			<u><u>\$ -</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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Bonds payable

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

	December 31, 2024	December 31, 2023
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>
	2024	2023
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 Group'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. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 Group 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. AND SUBSIDIARIES
Notes to the Consolidated 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 (i) 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
Loss on evaluation	<u>-</u>	<u>(80)</u>
Total	<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 - non-current), please refer to note 8 for details.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Lease liabilities

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

	December 31, 2024	December 31, 2023
Current	<u>\$ 12,956</u>	<u>10,249</u>
Non-current	<u>\$ 7,050</u>	<u>12,869</u>

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	<u>\$ 296</u>	<u>366</u>
Expenses relating to short-term leases	<u>\$ 1,588</u>	<u>923</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 6,044</u>	<u>5,362</u>

The amounts of leases recognized in the statement of cash flows for the Group was as follows:

	2024	2023
Net cash outflows from operating activities	\$ 7,928	6,651
Net cash outflow from financing activities	10,869	10,342
Total cash outflow for leases	<u>\$ 18,797</u>	<u>16,993</u>

(i) Real estate leases

As of December 31, 2024 and 2023, the Group leases land and buildings for its office space at factories. The leases of office space typically run for 2 to 47 years.

(ii) Other leases

The Group leases transportation 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 Group were as follows:

	December 31, 2024	December 31, 2023
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. AND SUBSIDIARIES
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The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions benefits 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 Group 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 Group'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 Group's defined benefit obligations for the years ended in 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 (assets) 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 Group's plan assets for the years ended in 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 (assets)—return on plan assets (excluding interest income)	422	39
Contributions paid by the employer	<u>75</u>	<u>73</u>
Fair value of plan assets at December 31	<u><u>\$ 5,320</u></u>	<u><u>4,764</u></u>

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Expenses recognized in profit or loss

The Group's expenses recognized on profit or loss for the years ended in 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 expense	<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 recognized in other comprehensive income for the years ended in December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Cumulative amount at January 1	\$ (6,062)	(4,872)
Recognized in current period	<u>686</u>	<u>(1,190)</u>
Cumulative amount at December 31	<u>\$ (5,376)</u>	<u>(6,062)</u>

6) Actuarial assumptions

The Group'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 Group to the defined benefit plans for the next annual reporting period on 2024 is \$103 thousand.

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

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated 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:

	Impact on the defined benefit obligations	
	Increase	Decrease
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 this year is the same as the method used in the previous year.

(ii) Defined contribution plans

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

Auden Communications & Multimedia Techno (Kunshan) Co., Ltd., and Auden Techno Corp. (Shanghai) provide pension insurance at a certain rate according to the total salary of local employees on a monthly basis complying with the pension insurance system prescribed by the Government of the People's Republic of China. The amount contributed is charged to current expenses. The pension for each employee is managed and coordinated by the Government and the Group has no further obligation except for monthly contributions.

The Group's pension costs under the defined contribution method were \$15,606 thousand and \$13,490 thousand for the years ended in 2024 and 2023, respectively. The Group's pension costs have already contributed to the Bureau of the Labor Insurance and local Bureau of Social Security for foreign subsidiaries.

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Income taxes

- (i) The amounts of the Group's income tax expense (benefit) for the years ended in 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current taxes expense		
Current period	\$ 23,208	51,173
Adjustment for prior periods	<u>(4,948)</u>	<u>(8,185)</u>
	<u>18,260</u>	<u>42,988</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>\$ 22,814</u></u>	<u><u>63,375</u></u>

The amounts of the Group's income tax benefit (expense) recognized under other comprehensive income for the years ended in 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>

Reconciliations of the Group's income tax expense and income before tax for the years ended in 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Income before tax	<u><u>\$ 173,238</u></u>	<u><u>269,134</u></u>
Income tax using the Company's domestic tax rate	\$ 34,648	53,827
Effect of tax rates in foreign jurisdiction	(137)	(129)
Loss on disposal of domestic subsidiaries	-	2,306
Income from tax exemption	(395)	(489)
Non-deductible expenses	855	636
Investment tax credit	(6,652)	(1,767)
Change in unrecognized temporary differences	(1,258)	2,337
Adjustment for deferred income tax of prior years	(1,480)	9,405
Change in provision in prior periods	(4,948)	(8,185)
Additional tax on undistributed earnings	-	5,982
Other	<u>2,181</u>	<u>(548)</u>
Total	<u><u>\$ 22,814</u></u>	<u><u>63,375</u></u>

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated 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 Group 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:

	December 31, 2024	December 31, 2023
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

The Group's deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Unused tax losses	\$ <u>20,959</u>	<u>17,708</u>

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The deferred tax assets have not been recognized in respect of these items because they are not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax losses	Expiry date
Auray Technology Corp.		
2022	\$ 346	2032
2023	<u>5,336</u>	2033
Total	\$ <u>5,682</u>	
Auden Intelligence Carbon Solution Co. Ltd.		
2022	\$ 154	2032
2023	6,239	2033
2024	<u>8,884</u>	2034
	\$ <u>15,277</u>	

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

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

Deferred tax assets:

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

(iii) Examination and approval

The ROC income tax authorities have examined the Group'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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	(In thousands of shares)	
	Ordinary share	
	2024	2023
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	50,310	46,800

(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 Group 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.

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(t) for information on the Company's restricted employee new shares.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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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, 2023. Adjustment 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. Adjustment 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:

	December 31, 2024	December 31, 2023
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
From share of changes in equities of subsidiaries	662	666
	\$ 890,313	505,922

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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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(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.

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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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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:

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

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

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

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

(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>

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	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, 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.

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:

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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- 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 \$5,270 thousand and \$3,755 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).

- (i) The information of the Group cash capital increase reserved for employee subscription is as follows:

	Unit: in thousands of shares
	Cash capital increase reserved for employee subscription
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 Group 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 Group adopted Black Scholes option evaluation model to estimate the fair value of share-based payment at grant date amounting to \$51.5.

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2) Expenses recognized in profit or loss

For the year ended December 31, 2023, the remuneration cost for employee stock option of \$18,025 thousand was accounted for as operation expense and recognized as operating expense. Thereafter, the adjustment made to the capital surplus.

(u) Earnings per share

	<u>2024</u>	<u>2023</u>
Basic earnings per share		
Net income attributable to ordinary shareholders of the Company	\$ <u>152,222</u>	<u>206,407</u>
Weighted-average number of ordinary shares outstanding (in thousands of shares)	<u>49,977</u>	<u>46,684</u>
Basic earnings per share (in New Taiwan dollars)	\$ <u>3.05</u>	<u>4.42</u>
Diluted earnings per share		
Net income 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	\$ 1,274,930	1,353,463
Taiwan	389,991	400,650
Other countries	<u>42,669</u>	<u>25,525</u>
	\$ <u>1,707,590</u>	<u>1,779,638</u>

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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(ii) Details of revenue by products

The segmental information of the Group is divided into reporting departments based on different products and services, and the revenue from external customers is disclosed in it, so no additional product and service information is disclosed.

(iii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	\$ 31,762	48,161	23,863
Accounts receivable	515,352	466,579	328,597
Accounts receivable — related parties	400	-	-
Less: loss allowance — accounts receivable	(851)	(2,596)	(1,786)
Total	<u><u>\$ 546,663</u></u>	<u><u>512,144</u></u>	<u><u>350,674</u></u>
Contract liability (recognized in other current liabilities — others)	<u><u>\$ 54,621</u></u>	<u><u>128,270</u></u>	<u><u>217,906</u></u>

For details on accounts receivable and its loss allowance, please refer to note 6(d).

The opening balances of contract liabilities as of January 1, 2024 and 2023 were recognized as revenues of \$128,595 thousand and \$212,930 thousand for the years ended in 2024 and 2023, 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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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 in 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 in 2022, 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 Group were as follows:

	2024	2023
Interest income from bank deposits	\$ 15,208	9,095
Other interest income	6	-
	<u>\$ 15,214</u>	<u>9,095</u>

(ii) Other income

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

	2024	2023
Rent income	\$ 681	529
Dividend income	1,315	2,447
Other income — other		
Revenues from project	44,089	36,601
Others	5,734	6,597
Other income — other subtotal	49,823	43,198
	<u>\$ 51,819</u>	<u>46,174</u>

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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(iii) Other gains and losses

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

	<u>2024</u>	<u>2023</u>
Gain (loss) on disposal of property, plant and equipment	\$ (32)	1,228
Net gain (loss) on foreign exchange	32,205	(1,066)
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	863	(80)
Miscellaneous expense	(609)	(714)
	<u>\$ 32,427</u>	<u>(632)</u>

(iv) Finance cost

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

	<u>2024</u>	<u>2023</u>
Interest on bank borrowings	\$ 4,596	4,270
Interest expenses on lease liabilities	296	366
Discount amortization of corporate bonds payable	4,145	4,103
The guaranteed service fee of corporate bond	4,000	4,000
	<u>\$ 13,037</u>	<u>12,739</u>

(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, 38% and 35%, 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.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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>
December 31, 2024						
Short-term borrowings	\$ 277,692	279,478	279,478	-	-	-
Notes payable	47,617	47,617	47,617	-	-	-
Accounts payable	215,914	215,914	215,914	-	-	-
Other payables	338,925	338,925	338,925	-	-	-
Lease liabilities	20,006	20,346	13,098	2,456	3,120	1,672
Long-term borrowings (including current portion)	86,392	101,674	7,036	6,924	20,094	67,620
Bonds Payable	399,807	400,000	400,000	-	-	-
Guarantee deposits	130	130	130	-	-	-
	<u>\$ 1,386,483</u>	<u>1,404,084</u>	<u>1,302,198</u>	<u>9,380</u>	<u>23,214</u>	<u>69,292</u>
December 31, 2023						
Short-term borrowings	\$ 50,000	50,177	50,177	-	-	-
Notes payable	50,851	50,851	50,851	-	-	-
Accounts payable	148,992	148,992	148,992	-	-	-
Other payables	298,490	298,490	298,490	-	-	-
Lease liabilities	23,118	23,674	10,510	6,878	3,702	2,584
Long-term borrowings (including current portion)	190,000	222,850	9,224	14,619	42,562	156,445
Bonds Payable	395,662	400,000	-	400,000	-	-
Guarantee deposits	130	130	130	-	-	-
	<u>\$ 1,157,243</u>	<u>1,195,164</u>	<u>568,374</u>	<u>421,497</u>	<u>46,264</u>	<u>159,029</u>

The Group 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 Group'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	\$ 24,146	32.7850	791,634	19,843	30.7050	609,292
CNY	50,563	4.4780	226,420	50,307	4.3270	217,678

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	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	4,577	32.7850	150,053	3,014	30.7050	92,531
CNY	32,055	4.4780	143,543	34,613	4.3270	149,762

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, 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 \$17,387 thousand and \$14,032 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Group, the Group disclosed its exchange gains and losses of monetary items aggregately. The Group's exchange gains, including realized and unrealized, were \$32,205 thousand and \$(1,066) thousand for the years ended in 2024 and 2023, respectively.

(iv) Fair value information

1) Categories and fair value of financial instruments

The Group 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, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	Carrying amount	December 31, 2024			
		Fair value			Total
		Level 1	Level 2	Level 3	
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 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>

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	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
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>

2) Valuation techniques and assumptions used in fair value determination

The above financial instruments held by the Group are not derivative financial instruments, the Group 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 Group 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' 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.

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3) Fair value hierarchy

The Group 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).

There is no movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3 for the Group.

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

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

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

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

The Group classified the equity instrument 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.

Quantified information regarding significant unobservable inputs are as follows:

December 31, 2024			
Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss — Privately placed convertible bonds	Comparable listed companies approach	<ul style="list-style-type: none"> • P/B ratio (2.03) • Volatility (36.08%) 	<ul style="list-style-type: none"> • The higher the multiples, the higher the fair value • The higher the volatility, the higher the fair value
Financial assets at fair value through profit or loss — Simple Agreement for Future Equity (SAFE)	Income approach	<ul style="list-style-type: none"> • Discount for lack of market liquidity (30%) 	<ul style="list-style-type: none"> • The higher the market liquidity discount rate, the lower the fair value
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"> • P/B ratio (1.49 ~ 2.33) • The multiplier of enterprise Value and EBITDA (11.28) • Discount for lack of market liquidity (14.95%~30%) 	<ul style="list-style-type: none"> • The higher the multiples, the higher the fair value • The higher the multiples, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

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December 31, 2023

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
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"> • P/B ratio (1.81 and 3.55) • The multiplier of enterprise Value and EBITDA (14.05) • Discount for lack of market liquidity (25.10%~30%) 	<ul style="list-style-type: none"> • The higher the multiples, the higher the fair value • The higher the multiples, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

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

The Group'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 liquidity	5%	6,209	(6,153)	-	-

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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.

(z) Financial risk management

(i) Overview

The Group 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 Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risks.

(ii) Risk management framework

The Board of Directors of the Group is full responsible for the establishment and management of the Group's risk management framework and policies. It is developed and managed by the committee which is authorized by the Board of Directors and the committee reports to the Board of Directors regarding the framework's operations regularly.

The Group's risk management policies are established to identify and analyze the risks being faced by the Group, 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 Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial assets in debt securities.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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1) Accounts receivable and other receivables

In accordance with the credit policies set out internally by the Group, each operating entity within the Group 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 Group's finance department. As the Group 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 Group do not have compliance issues and no significant credit risk.

3) Guarantees

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

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group ensures that there is sufficient cash to meet all contractual obligations. The Group has unused bank facilities for \$557,456 thousand and \$167,500 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 Group 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 Group's exposure to the risk of exchange rates arising from sales, purchases and borrowing transactions that are not denominated in the functional currency of the individual entities of the Group. The functional currency of the Group's entities is primarily the New Taiwan dollar. These transactions are denominated in New Taiwan dollar (NTD), US dollar (USD) and Chinese Yuan (CNY).

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AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group has no significant differences or material changes in the accounts receivable and therefore the Group 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 Group's approach to capital management on December 31, 2024.

The Group uses the debt-to-equity ratio to manage capital. This ratio is using the total net debt divided by the total capital. The debt from the balance sheet is the total liabilities. The total capital and equity include share capital, capital surplus, retained earnings, other equity, and non-controlling interests.

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

	December 31, 2024	December 31, 2023
Liabilities	\$ <u>1,564,774</u>	<u>1,471,787</u>
Total equity	\$ <u>2,172,581</u>	<u>1,667,143</u>
Debt-to-equity ratio	<u>72.02</u> %	<u>88.28</u> %

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ab) Investing and financing activities not affecting cash flows

Reconciliation of liabilities from financing activities for the years ended in 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	227,692	-	-	-	277,692
Bonds Payable	395,662	-	-	-	4,145	399,807
Long-term borrowings (including current portion)	190,000	(103,608)	-	-	-	86,392
Lease liabilities	23,118	(10,869)	7,429	328	-	20,006
Total liabilities from financing activities	<u>\$ 658,780</u>	<u>113,215</u>	<u>7,429</u>	<u>328</u>	<u>4,145</u>	<u>783,897</u>

	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 (including current portion)	190,000	-	-	-	-	190,000
Lease liabilities	18,358	(10,342)	15,305	(203)	-	23,118
Total liabilities from financing activities	<u>\$ 599,917</u>	<u>39,658</u>	<u>15,305</u>	<u>(203)</u>	<u>4,103</u>	<u>658,780</u>

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

	2024	2023
Property, plant and equipment purchases	\$ 324,696	254,564
Add: Payable on machinery and equipment at beginning of period	5,455	21,526
Less: Ending balance of payable on machinery and equipment	(75,801)	(5,455)
Cash payments	<u>\$ 254,350</u>	<u>270,635</u>

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions

(a) Parent Group and Ultimate Controlling Party

The Company is both the parent company and the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Yaoke Investment Co., Ltd.	Same chairman with the Company
Chang, Yu-Pin	Chairman of the Company
Auden Education Foundation	Foundation of the Company

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	<u>2024</u>	<u>2023</u>
Auden Education Foundation	\$ <u><u>544</u></u>	<u><u>-</u></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 with related parties were not materially different from those with third parties.

(ii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	Other related parties	\$ <u><u>400</u></u>	<u><u>-</u></u>

(iii) Leases

The Group rented an office building from Yaoke Investment Co., Ltd. to be used as its headquarter in September 2021. A three-year lease contract was signed with the contract price amounting to \$3,031 thousand, in which the rental fee is determined based on the nearby office rental rates. As of December 31, 2024 and 2023, the balance of lease liabilities were \$1,029 thousand and \$1,636 thousand, respectively.

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) 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", at the amounts of \$2,400 thousand and \$30,000 thousand, totaling \$32,400 thousand. 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 said foundation, the 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.

(d) Management personnel compensation

Key management personnel compensation comprised:

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

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2024	December 31, 2023
Other financial assets – current:			
Time deposits	Performance bond guarantee and letter	\$ 28,891	7,537
Time deposits and restricted account	Serves as deposit guarantee for bank to issue of notes to suppliers	47,494	50,728
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 building	Short-term and long-term borrowings	323,332	324,596
Total		<u><u>\$ 800,839</u></u>	<u><u>463,972</u></u>

(Continued)

AUDEN TECHNO CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies

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

	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ 274,303	482,231

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) and (i).

- (b) The Group 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 \$9,933 thousand, respectively. The guaranteed period outlined in guaranteed letter is from April 18, 2024, to June 30, 2025, and July 6, 2023, to June 30, 2024, respectively.

(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	88,742	256,949	345,691	71,992	244,162	316,154
Labor and health insurance	2,666	14,744	17,410	2,020	13,029	15,049
Pension	4,359	11,269	15,628	3,827	9,671	13,498
Others	10,107	14,428	24,535	7,795	11,586	19,381
Depreciation	21,263	38,515	59,778	14,754	34,936	49,690
Amortization	2,485	7,823	10,308	1,276	4,615	5,891

(Continued)

AUDEN TECHNO CORP.
Notes to Consolidated 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 Group in 2024:

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

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements (note 2)	Maximum amount for guarantees and endorsements (note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies 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 Group net worth. The total amount of guarantee provided by the Group 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 Group wherein it has business transaction with.
- 2) A Group in which the public Group, directly and indirectly, holds more than 50% of the voting shares.
- 3) A Group who holds, directly and indirectly, more than 50% of the voting shares in the public Group.
- 4) A Group in which the public Group holds, directly or indirectly, 90% or more of the voting shares.
- 5) A Group that fulfills its contractual obligations by providing mutual endorsements/guarantees for another Group in the same industry or for joint builders for purposes of undertaking a construction project.
- 6) A Group wherein all capital contributing shareholders endorse/ guarantee for their jointly invested Group 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				Highest Percentage of ownership	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	10,000	

AUDEN TECHNO CORP.
Notes to Consolidated Interim Financial Statements

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Highest Percentage of ownership	Remarks
				Number of units	Book value	Holding percentage	Market value		
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	- 3,235	
The Company	Advanced Test Management and Certification LABS, Inc. Stock	—	Financial assets at fair value through profit or loss—non-current	-	32,785	- %	32,785	- 32,320	
The Company	Ceradex Corporation	—	Financial assets at fair value through other comprehensive income—non-current	636,130	9,237	8.20 %	9,237	- 636,130	
The Company	TMY Technology, Inc.	—	Financial assets at fair value through other comprehensive income—non-current	800,000	30,632	1.33 %	30,632	- 800,000	
The Company	WHALETEQ CO., LTD	—	Financial assets at fair value through other comprehensive income—non-current	452,800	21,087	8.57 %	21,087	- 452,800	
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	- 100,000	
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	- 1,200,000	
The Company	Dotspace, Inc.	—	Financial assets at fair value through other comprehensive income—non-current	12,000,000	58,200	16.78 %	58,200	- 12,000,000	

- (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.

(Continued)

AUDEN TECHNO CORP.

Notes to Consolidated Interim Financial Statements

- (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 (note 2)	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 2	-	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 selling prices and trading terms between related parties and regular customers.

Note 2: 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 not significantly different from those offered by other vendors.

Note 3: The intercompany transactions with the Company were eliminated in the consolidated financial statements

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

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.
- (x) Business relationships and significant intercompany transactions

No. (note 1)	Name of company	Name of counter-party	Nature of relationship (note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Auden Techno Corp. (Shanghai)	1	Sales revenue	106,073	For ordinary customer, payment is made approximately 90 days after the sales	6.21%
0	The Company	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd.	1	Other accounts receivable - related parties	42,837	For ordinary customer, payment is made approximately 90 days after the sales	1.15%
1	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	The Company	2	Sales revenue	489,045	For ordinary customer, payment is made approximately 90 days after the sales	28.64%

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AUDEN TECHNO CORP.

Notes to Consolidated Interim Financial Statements

No. (note 1)	Name of company	Name of counter-party	Nature of relationship (note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	The Company	2	Accounts receivable - related parties	160,768	For ordinary customer, payment is made approximately 90 days after the sales	4.30%

Note 1: Numbers are filled in as follows:

- 1."0" represents the Company
- 2.The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:

- 1.Transactions from parent company to subsidiary
- 2.Transactions from subsidiary to parent company
- 3.Transactions between subsidiaries

Note 3: The account in the balance sheet accounted for more than 1% of the consolidated total assets and accounts in profit or loss accounted for more than 1% of the consolidated total revenue in the are disclosed.

(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):

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Highest Percentage of ownership	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	3,398,888	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	1,997,980	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	10,000,000	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	2,400,000	(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	6,000,000	(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	510,000	(9,815)	(9,815)	

Unit: in Thousands of New Taiwan Dollars

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 for the period and current profit and loss of investee 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.

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AUDEN TECHNO CORP.
Notes to Consolidated Interim Financial Statements

- (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 (note 4)	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	Highest Percentage of ownership	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 %	81,963 (USD2,500)	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 %	49,178 (USD150)	2,048	90,504	-

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)

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.

Note 4: The transactions were written-off in the consolidated financial statements.

- (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 Group'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) and the disposal of TA Technology (Shanghai) Co., Ltd. the investment amount is USD\$2,008 thousand.

- (iii) Significant transactions

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2024, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

AUDEN TECHNO CORP. AND SUBSIDIARIES
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(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

(a) General information

The management of the Group has identified the reportable segment based on the reporting information used by the board of directors in decision makings. The operational decision makers of the Group evaluate business performances from a product-specific perspective. Revenue is mainly generated from three main categories: RFID antenna, measuring equipment and test and certification. The Group provides operations results of each consolidated financial statements to the key decision makers for review and for the purpose of evaluating the performance of such product.

The Group's operating segment information and the reconciliations were as follows:

	2024					Total
	Antenna	Measurement equipment	Testing and certification services	Others	Reconciliation and eliminations	
Revenue:						
Revenue from external customers	\$ 1,073,991	554,322	73,717	5,560	-	1,707,590
Intersegment revenues	-	-	-	-	-	-
Total revenue	<u>\$ 1,073,991</u>	<u>554,322</u>	<u>73,717</u>	<u>5,560</u>	<u>-</u>	<u>1,707,590</u>
Depreciation and amortization	<u>\$ 51,508</u>	<u>3,353</u>	<u>14,241</u>	<u>984</u>	<u>-</u>	<u>70,086</u>
Reportable segment profit or loss	<u>\$ 91,733</u>	<u>95,095</u>	<u>(153)</u>	<u>(13,437)</u>	<u>-</u>	<u>173,238</u>
	2023					Total
	Antenna	Measurement equipment	Testing and certification services	Others	Reconciliation and eliminations	
Revenue:						
Revenue from external customers	\$ 882,083	854,843	40,281	2,431	-	1,779,638
Intersegment revenues	-	960	-	-	(960)	-
Total revenue	<u>\$ 882,083</u>	<u>855,803</u>	<u>40,281</u>	<u>2,431</u>	<u>(960)</u>	<u>1,779,638</u>
Depreciation and amortization	<u>\$ 35,144</u>	<u>7,927</u>	<u>11,981</u>	<u>529</u>	<u>-</u>	<u>55,581</u>
Reportable segment profit or loss	<u>\$ 89,968</u>	<u>192,824</u>	<u>(10,046)</u>	<u>(3,612)</u>	<u>-</u>	<u>269,134</u>

Segmental assets and segmental liabilities are not indicators for reviewing operational results by key decision makers of the Group and therefore the items were not disclosed.

(b) Products and services information

The segmental information of the Group is divided into reporting departments based on different products and services, and the revenue from external customers is disclosed in it, so no additional product and service information is disclosed.

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AUDEN TECHNO CORP. AND SUBSIDIARIES
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(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, please refer to note 6(v), and segment assets are based on the geographical location of the assets.

Revenue from the external customers:

Non-current assets:

Geographical information	December 31, 2024	December 31, 2023
Taiwan	\$ 957,013	678,970
Mainland China	74,930	74,085
Vietnam	70,725	-
Total	<u><u>\$ 1,102,668</u></u>	<u><u>753,055</u></u>

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets and other non-current assets, excluding financial instruments, and deferred tax assets.

(d) Major customers

The details of sales revenue from external customers accounted more than 10% of the amount of consolidated statement of comprehensive income are as follows:

	2024	
	Amount	%
Company A	<u><u>\$ 332,617</u></u>	<u><u>19</u></u>
Company B	<u><u>\$ 323,622</u></u>	<u><u>19</u></u>
	2023	
	Amount	%
Company A	<u><u>\$ 273,347</u></u>	<u><u>15</u></u>
Company B	<u><u>\$ 232,743</u></u>	<u><u>13</u></u>