



安力國際股份有限公司
Anli International Co.,Ltd

2024

Annual Report

Website for annual report: <http://mops.twse.com.tw>

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Securities and Futures Bureau: Same as above

Website for annual reports: Same as above

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I.Names, Titles, Telephone Numbers and Email Addresses of Litigation and Non-litigation Attorneys, Spokesperson, and Deputy Spokesperson:

Litigation and non-litigation representative

Name: Hsu Cheng-Kun Title: Chairman and President

Tel: (02) 8522-7056

Email: ck.hsu@anli-group.com

Spokesperson

Name: Cheng Ya-Wen Title: Vice President

Tel: (02)8522-7056

Email: contact@anli-group.com

Acting Spokesperson

Name: Yao Li-Fang Title: CFO and Chief Accounting Officer

Tel: (02)8522-7056

Email: contact@anli-group.com

II.Address and Telephone Number of Headquarters, Branches and Plants

1.Head Office: ANLI International Co., Ltd.

Registered address: 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, CaymanIslands

Tel: (886)2-8522-7056

2.Subsidiary in Hong Kong

(1)ANLI International Co., Ltd.

Address: Room S10, 5/F, No. 5 On Yiu Street, Shek Mun, Sha Tin, New Territories, Hong Kong

Tel: (852)3499-1563

(2)KUANGHECO., LIMITED

Address: Room S10, 5/F, No. 5 On Yiu Street, Shek Mun, Sha Tin, New Territories, Hong Kong

Tel: (852)3499-1563

3.Subsidiary in China

(1)KUNSHAN ANLI PRECISE METAL CO., LTD.

Address: No. 128 Xieyi Road, Qiandeng Town, Kunshan City, Jiangsu Province

Tel: (86)512-5740-6899

(2)Kunshan Kuanghe Electronic Technology Co., Ltd.

Address: No. 1425, Fengshou North Road, Qiandeng Township, Kunshan, Jiangsu Province.

Tel: (86)512-5795-1388

(3)Gtek Technology Co., Ltd. (Chongqing)

Address: No. 199, Donglin Blvd, Bishan District, Chongqing City

Tel: (86)23-6430-5738

(4)Anli Huzhou Technology Co.,LTD.

Address: No. 777 Waixi Road, High-Tech Zone, Wuxing District, Huzhou City, Zhejiang Province

Tel: (86)512-5740-6899

4.Republic of China

(1)Anli International Co., Ltd. (Taiwan Branch)

Address: 3F., No. 215, Sec. 4, New Taipei Blvd., Xinzhuang Dist., New Taipei City

Tel: (886)2-8522-7056

(2)Anli International Holdings (Taiwan) Limited

Address: 3F., No. 213, Sec. 4, New Taipei Blvd., Xinzhuang Dist., New Taipei City

Tel: (886)2-8522-7056

(3)Kuanghe Co., Limited Taiwan Branch

Address: 3F., No. 215, Sec. 4, New Taipei Blvd., Xinzhuang Dist., New Taipei City

Tel: (886)2-8522-7056

III.Name, address, website, and contact number of share administration agency:

Agency Department, CTBC Bank

Website: https://ecorp.chinatrust.com.tw/cts/_index_pro.jsp#

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Tel: (02)6636-5566

Zhongzheng Dist., Taipei City

IV.Name, firm name, address, website, and telephone number of CPAs for the most recent financial reports:

CPA name: Chiu Chao-Hsien and Liao Fu-Ming

Firm name: PwC Taiwan

Website: <http://www.pwc.tw>

Address: 27F., No. 333, Sec. 1, Keelung Rd.,Songshan Dist., Taipei City Tel: (02)2729-6666

V.Name of any exchanges where the company’s securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI.Website: www.anli-group.com

VII. List of Board of Directors

| Title | Name | Nationality or place of registration | Major education and experience |
|-------------------------|--|--------------------------------------|--|
| Chairman | Representative Hsu Cheng-Kun, ANLIINTERNATIONALLIMITED (SAMOA) | SAMOA Republic of China | Industry Management, Oriental Industrial Vocation School QC Section Manager, Sheng Da Spring Co., Ltd. |
| Director | Representative Wu Chin-Song, KUANGHECO., LTD.(SAMOA) | SAMOA Republic of China | Mechanical Drawing, Kai Nan Commercial and Industrial School President, Guanghe Development Co., Ltd. President, Kunshan Kuanghe Electronic Technology Co., Ltd. |
| Director | Lin Chih-Kun | Republic of China | Tai Shi Junior High School President, Yunglun Precision Industrial Co., Ltd. |
| Director | Lo Li-Wen | Republic of China | Master's in Industrial Management, National Taiwan University of Science and Technology President, Certain Micro Application Technology Inc. Chairman, MSH Technology Co., Inc. Director, Doma Investment Holding Co., Ltd. |
| Independent director | Chen Li-Yuan | Republic of China | Master's in Information Management (Executive Program), National Taiwan University Associate, EY Taiwan |
| Independent director | Huang Kuo-Fen | Republic of China | PhD, Management, University of London Chief Secretary, Secretariat of National Chengchi University Convener, Chinese Entrepreneur Class, National Chengchi University EMBA CEO, EMBA, National Chengchi University Distinguished Professor, Department of Business Administration, National Chengchi University Coordinator, Ministry of Education Teaching Practice Research Program, Business and Management Division |
| Independent director | Huang Kui-Jung | Republic of China | Master of Science in Materials Science and Engineering, Feng Chia University Product Manager, R&D Center for HEA Materials, National Tsing Hua University |

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I.Message to the Shareholders

Ladies and gentlemen, the Company's 2024 business performance and outlook are summarized as follows:

1.2024 Business Report

(1) Operational Implementation Results:

Unit: NTD thousand

| Item | 2024 | 2023 | Decrease in amount | Change (%) |
|----------------------------|-----------|-----------|--------------------|------------|
| Operating revenue | 1,660,076 | 1,525,203 | 134,873 | 8.84% |
| Operating costs | 1,358,676 | 1,212,049 | 146,627 | 12.10% |
| Gross profit | 301,400 | 313,154 | (11,754) | (3.75%) |
| Operating expenses | 309,953 | 320,022 | (10,069) | (3.15%) |
| Operating profit (loss) | (8,553) | (6,868) | (1,685) | 24.53% |
| Net non-operating revenue | 1,295 | 8,687 | (7,392) | (85.09%) |
| Net profit before taxation | (7,258) | 1,819 | (9,077) | (499.01%) |
| Income tax expenses | 16,794 | 5,519 | 11,275 | 204.29% |
| Net income (loss) | (24,052) | (3,700) | (20,352) | 550.05% |

(2)Budget execution: The Company does not disclose financial forecasts to the public.

(3)Expected sales volume and its basis: The Company primarily establishes annual shipment targets based on customer demand forecasts, production capacity planning, and past business performance.

(4)Financial income and expenditure, and profitability analysis:

| Item | | 2024 | 2023 | Increase (decrease) |
|---------------|---|--------|--------|---------------------|
| Finance | Liabilities to assets ratio (%) | 42.67 | 38.28 | 4.39 |
| Structure | Long-term capital to fixed assets ratio (%) | 157.73 | 166.10 | (8.37) |
| Solvency | Current ratio (%) | 148.62 | 152.04 | (3.42) |
| | Quick ratio (%) | 123.38 | 128.41 | (5.03) |
| Profitability | ROA (%) | 1.02 | (1.06) | 2.08 |
| | ROE (%) | (1.21) | (0.19) | (1.02) |
| | Basic earnings (loss) per share (NT\$) | (0.54) | (0.08) | (0.46) |

(5)Research and development status:

The Company's consolidated Research and development expenses were NT\$61,963 thousand in 2024 and NT\$71,836 thousand in 2023, accounting for 3.7% and 4.71% of the Company's consolidated revenues, respectively.

2.Summary of 2024 Business Plan

(1)Business policy

- Continue to strengthen cross-plant resource integration, communication, and management to facilitate decision-making implementation.
- Continue to input automated production and instrument updates and adjust the production processes to enhance competitiveness.
- Actively develop new products, new markets, and promptly engage in cooperation with academic and research institutions to lift the Company's future mid-term and long-term high-tech sources.
- Keep abreast of economic prosperity and changes in market demand, promptly and flexibly adjust inventory to prevent the risk of sluggish material and raw material price fluctuations.
- Strengthen and maintain good cooperative relations with customers, keep abreast of the latest market conditions,

and actively strive for orders for new products, and continue to create value for customers.

F. Establish strategic partnerships and promote the development of an industrial ecological cooperation system to provide customers with diversified integrated solutions and professional services.

(2) Production and sales policy

A. Actively develop new products, new markets and new applications, and develop new high-value customers.

B. Accelerate the expansion of new products with the investment of new equipment.

C. Continue to commit to improving the cost structure, adjusting internal management processes, and increasing production efficiency to reduce production costs and enhance market competitiveness

3. Development strategy of the Company in the future

(1) Set up the corporate logistics center in Taiwan for coordination and control of all operations and functional department of the group in other regions. Build up the system of real-time communication with key customers. Map out the business strategy from top-down and outward to form unified strategies.

(2) Develop global competitive power and horizon, strengthen the capacity for the pursuit of policy and enhance the competitive power of the Company, and spare no effort in the development and training of talents in Taiwan, Hong Kong, and Mainland China.

(3) Set a high standard for customer service, respond to the feedback of customers and works with customer satisfaction to satisfy market mechanisms and customer needs.

(4) Develop proper corporate culture to strengthen the capacity in pursuit. The leadership of the Company will declare the vision and mission of the Company, the corporate goal and commitment to motivate the employees with a sense of participation, cohesion, mission and achievement.

4. Impacts of the external competitive environment, regulatory environment, and the overall business environment

The Company has constantly faced external competition since its inception, as well as the impacts of foreign regulations and the overall business environment. The Company is faced with market competition, new laws and regulations issued by securities regulators, and environmental protection laws and regulations around the world. The ever-changing global business environment affects the operational performance of the Company in every aspect.

In response to the current environmental changes, in addition to complying with new regulations promulgated by securities authorities and demanding suppliers companies' products be in line with environmental protection requirements, the Company is continuously committed to implementing a corporate governance system, improving production processes, and actively expanding production capacity to reduce production costs, and keep abreast of customers' purchase order needs to perform proper raw material procurement planning, thereby enhancing the Company's overall competitiveness.

In 2024, as inflation rates fell to near-target levels, major central banks' shift toward monetary easing played a positive role in supporting economic activity. However, significant negative factors including political variables during an election year, intensifying geopolitical conflicts, and trade protectionism adversely affected the global economy. These factors had enormous impact, resulting in an inability to sustain profitability.

In 2025, variables including political factors, geopolitical conflicts, and order transfers require close monitoring and maintaining tight customer relationships to implement timely preventive measures. Nevertheless, The Company continues building strong collaborative foundations and partnerships with customers by providing high-quality, comprehensive services. Regardless of how challenging the 2025 environment becomes, the Company persistently pursues profitability targets and strives diligently to achieve profitable results this year. In the future, the Company will continue refining its product portfolio to actively expand revenue base, increase effective output and capacity utilization, and implement cost control measures. The Company will work diligently in these directions while adopting more efficient and user-friendly approaches to achieve a win-win situation in both operational results and regulatory compliance.

Chairman: Hsu Cheng-Kun

Manager: Hsu Cheng-Kun

Accounting Supervisor: Yao Li-Fang

II. Company Profile

1. Date of foundation

Anli International Co., Ltd. (hereinafter referred to as “the Company” or “Anli International”) is a holding company established in the Cayman Islands on June 23, 2010. The Company has acquired the equity shares of Anli International Holdings Limited (Hong Kong) and Kuanghe Co., Limited (Hong Kong) on November 22 of the same year through share swap, including the direct subsidiaries of these two companies, KUNSHAN ANLI PRECISE METAL CO., LTD. and KUNSHAN KUANGHE ELECTRONIC TECHNOLOGY CO., LTD.. In addition, the Company also founded Chongqing Gtek Technology Co., Ltd in 2011 and founded Huzhou Anli Technology Co., Ltd. in 2019.

The Company mainly engages in the development, production, assembly, and sales of various precision metal stamping, magnesium aluminum die casting, and CNC processing, and other products, which are applied in computer, communication, and consumer electronic products (3C products). The Company actively deploys the expansion of products for other industries, such as automotive products, optical communication products, vision system application products, household products, and other new product lines, moving toward product diversification.

The Company specializes in the development, improvement of production process of the mold for metallic devices of parts and components for cooling, and the acquisition and installation of automated equipment for introduction to the production lines. With the wealth of knowledge in stamping, die-casting and CNC chipping techniques and the innovative production methods, the Company could provide the customers with vertical integration production process from product design, tooling, and mass production, and could effectively help the customers to shorten the lead-time of product development and production cycle. In addition, the Company also provides complete solutions for critical parts and components for the customers. In the future, the heat dissipation components applied in electronic products will continue to undergo development to production automation related equipment and will continue to undergo R&D and improvement, actively expanding application products for trend fields, strengthening core technical capabilities, as well as building automated, digitalized and smart intelligent factories, thus improving production efficiency and product yield rates and reducing labor costs.

2. History

| Year | Milestones |
|------|---|
| 2010 | ANLI Kunshan was selected as an enterprise with intellectual property advantages in Kunshan City, and obtained the qualification of R&D institution in Jiangsu Province. Kuanghe Kunsha was accredited with the QC080000 on hazardous substances process management system. |
| 2011 | ANLI Kunshan was cited as a learning enterprise in Kunshan. Kuanghe Kunsha was accredited with the OHSAS18001, the occupational health and safety assessment series. Kuanghe Kunsha passed the enterprise electronic free supervision by the Electrical and Electronic Association of Kunshan Government. Setup a production site at Chongqing with the establishment of Gtek (Chongqing) for expansion of the market in west China. |
| 2012 | ANLI Kunshan was granted the Certificate of High-tech enterprise by the R&D Institution of Jiangsu Province again. Kuanghe Kunsha was granted the Certificate of High-tech enterprise by the R&D Institution of Jiangsu Province again. Capital investment of Ways Technologies for expansion to the cell phone market. |

| Year | Milestones |
|------|--|
| 2013 | ANLI Kunshan was granted the certificate of safety production enterprise. Kuanghe Kunsha was granted the certificate of safety production enterprise. ANLI Kunshan expanded its Phase IV plant by 3,864m ² . Procurement of CNC automated equipment and engaged in precision chipping of metals and the production of metal cases. |
| 2014 | Gtek (Chongqing) purchased land for plant construction and completed Phase I which occupied an area of 7,035m ² . |
| 2016 | Fully launched the automated production process engineering. Fully launched the accreditation of automotive manufacturing TS16949 management system. The company in Taiwan purchased a new office building occupying an area of about 500 m ² (8F, No. 213 and 215, XinBei Blvd Section IV, Xinzhuang District, New Taipei). |
| 2017 | Application for listing in the Taipei Exchange in December. |
| 2018 | Raised capital of NT\$48,060 thousand by issuing new shares, which made the paid-in capital amount to NT\$432,477 thousand. The stock issued by the Company was officially listed on TPEx for trading on July 2. In the fourth quarter, Gtek (Chongqing) underwent Phase II factory expansion (7,080 square meters in area). |
| 2019 | The Phase II factory expansion of Gtek (Chongqing) was completed. A production base was set up in Huzhou, Huzhou Anli was established, and the land use right was obtained for the factory construction. |
| 2020 | Convertible bonds were issued and listed on TPEx on October 30. |

3. Structure of the group: refer to page 109 of this report.

4. Risks: refer to page 104 to 108 of this report

III. Corporate Governance Report

1. Profiles of Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and supervisors of the various departments and branches

(1) Director

A. Profiles of Directors

March 28, 2025

| Title | Nationality or place of registration | Name | Gender | Date elected | Duration | Inauguration date | Shares held at the time of appointment | | Current shareholding | | Current Shares Held by Spouse & Dependents | | Shareholding under the title of a third party | | Major (academic degree) experience | Current duties in The Company and in other companies | Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative | | | Remarks |
|----------|--------------------------------------|------------------------------------|------------|--------------|----------|-------------------|--|-----------------------|----------------------|-----------------------|--|-----------------------|---|-----------------------|---|--|--|------------|----------|---------|
| | | | | | | | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | | | Title | Name | Relation | |
| Chairman | SAMOA | ANLI INTERNATIONAL LIMITED (SAMOA) | - | May 26, 2022 | 4 | August 20, 2012 | 13,312,589 | 30.78% | 12,578,589 | 28.23% | - | - | - | - | - | - | | | | |
| | Republic of China | Representative: Hsu Cheng-Kun | Male 61-70 | | | | 1,066,371 | 2.47% | 494,000 | 1.11% | - | - | - | - | Industry Management, Oriental Industrial Vocation School. QC Section Manager, Sheng Da Spring Co., Ltd. | President of the Company Director, ANLI INTERNATIONAL HOLDINGS LIMITED Director, KUANGHECO., LIMITED Director, KUNSHAN ANLI PRECISE METAL CO., LTD. Director, Kunshan Kuanghe Electronic Technology Co., Ltd. Director, Chongqing Gtek Technology Co., Ltd Chairman of Anli Huzhou Technology Co., Ltd. Director, ANLI INTERNATIONAL LIMITED (SAMOA) Director, ANLI Spring Co., Ltd. Director, ANN-TAI SPRING CO., LTD. | | | | |
| Director | SAMOA | KUANGHECO., LTD. (SAMOA) | - | May 26, 2022 | 4 | August 20, 2012 | 4,467,979 | 10.33% | 3,962,979 | 8.90% | - | - | - | - | - | - | Vice President, Anli Huzhou Vice President, Kuanghe Kunsha | Wu Chi-Kun | Brothers | |
| | Republic of China | Representative: Wu Chin-Song | Male 51-60 | | | | - | - | - | - | - | - | - | - | Mechanical Drawing, KaiNan Vocational High School President, Kunshan Kuanghe Electronic Technology Co., Ltd. President, Guanghe Development Co., Ltd. | Director and President, KUANGHE CO., LIMITED Director and President, Kunshan Kuanghe Electronic Technology Co., Ltd. Supervisor, KUNSHAN ANLI PRECISE METAL CO., LTD. Directors and General Manager of Anli Huzhou Technology Co., Ltd. Director, KUANGHECO., LTD. (SAMOA) | | | | |

| Title | Nationality or place of registration | Name | Gender Age | Date elected | Duration | Inauguration date | Shares held at the time of appointment | | Current shareholding | | Current Shares Held by Spouse & Dependents | | Shareholding under the title of a third party | | Major (academic degree) experience | Current duties in The Company and in other companies | Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative | | | Remarks |
|----------------------|--------------------------------------|--------------|--------------|--------------|----------|-------------------|--|-----------------------|----------------------|-----------------------|--|-----------------------|---|-----------------------|--|---|--|------|----------|---------|
| | | | | | | | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | | | Title | Name | Relation | |
| Director | Republic of China | Lin Chih-Kun | Male 51-60 | May 26, 2022 | 4 | March 29, 2011 | - | - | - | - | - | - | - | - | Tai Shi Junior High School President, Yunglun Precision Industrial Co., Ltd. | Director and President, ANLI INTERNATIONAL HOLDINGS LIMITED Director and President, KUNSHAN ANLI PRECISE METAL CO., LTD. Supervisor, , Kunshan Kuanghe Electronic Technology Co., Ltd. Director, Anli Huzhou Technology Co., Ltd. Director, ANLI INTERNATIONAL LIMITED (SAMOA) | - | - | - | |
| Director | Republic of China | Lo Li-Wen | Female 51-60 | May 26, 2022 | 1 | May 26, 2022 | - | - | - | - | - | - | - | - | Master's in Industrial Management, National Taiwan University of Science and Technology President, Certain Micro Application Technology Inc. Chairman, MSH Technology Co., Inc. Director, Doma Investment Holding Co., Ltd. | President, Certain Micro Application Technology Inc. Chairman, MSH Technology Co., Inc. Director, Doma Investment Holding Co., Ltd. | | | | |
| Independent Director | Republic of China | Chen Li-Yuan | Male 51-60 | May 26, 2022 | 1 | May 26, 2022 | - | - | - | - | - | - | - | - | Master of Information Management (Executive Program), National Taiwan University Associate Vice President, Ernst & Young | CPA/Responsible Person of Liyuan CPA Firm Director, TURN CLOUD TECHNOLOGY SERVICE INC. Independent Director, TRIO TECHNOLOGY INTERNATIONAL GROUP CO., LTD. Supervisor, Turn Data Inc. Supervisor, Fu Su Technology Co., Ltd. Partner at He Li Xin Management Consulting Co., Ltd. Director at Xu Hong Intelligent Co., Ltd. | - | - | - | |

| Title | Nationality or place of registration | Name | Gender Age | Date elected | Duration | Inauguration date | Shares held at the time of appointment | | Current shareholding | | Current Shares Held by Spouse & Dependents | | Shareholding under the title of a third party | | Major (academic degree) experience | Current duties in The Company and in other companies | Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative | | | Remarks |
|----------------------|--------------------------------------|----------------|------------|--------------|----------|-------------------|--|-----------------------|----------------------|-----------------------|--|-----------------------|---|-----------------------|--|--|--|------|----------|---------|
| | | | | | | | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | | | Title | Name | Relation | |
| Independent director | Republic of China | Huang Kuo-Fen | Male 51-60 | May 26, 2022 | 1 | May 26, 2022 | - | - | - | - | - | - | - | - | PhD, Management, University of London Chief Secretary, Secretariat of National Chengchi University Convener, Chinese Entrepreneur Class, National Chengchi University EMBA CEO, EMBA, National Chengchi University Distinguished Professor, Department of Business Administration, National Chengchi University Coordinator, Ministry of Education Teaching Practice Research Program, Business and Management Division | Professor, Department of Business Administration, National Chengchi University CEO, DBA, National Chengchi University | - | - | - | |
| Independent director | Republic of China | Huang Kui-Jung | Male 51-60 | May 26, 2022 | 1 | May 26, 2022 | - | - | - | - | - | - | - | - | Master of Science in Materials Science and Engineering, Feng Chia University Product Manager, R&D Center for HEA Materials, National Tsing Hua University | President, Jingwei Material Technology Co., Ltd. Sales Manager, High Entropy Materials, Inc. | - | - | - | |

Table 1 Main shareholders of corporate shareholders

March 28, 2025

| Name of corporate shareholder (Note 1) | Main shareholders of corporate shareholders (Note 2) |
|--|--|
| ANLIINTERNATIONALLIMITED(SAMOA) | Hsu Cheng-Kun (20%), Lin Chih-Kun (20%), Huang Ta-Peng (20%), Wu Wen-Yu (20%), Huang A-Chun (20%) |
| KUANGHECO., LTD. (SAMOA) | Wu Chin-Song (35%), Wu Chih-Kun (35%), Lin Chung A-Chueh (20%), Kang Hsiu-Yen (8%), Wu Li-Hui (2%) |

Note 1: Directors and supervisors who are corporate shareholder representatives are required to fill out their corporate shareholder names.

Note 2: Please fill in the names of the major shareholders of the corporate shareholder (those holding the top ten shareholding percentages) and their shareholding percentages

B.The professional knowledge and independence of the directors

| Name Condition | Professional qualifications and experience (Note 1) | Status of independence (Note 2) | Number of public companies where the person holds the title as independent director |
|--|--|--|---|
| ANLIINTERNATIONAL LIMITED (SAMOA) Representative: Hsu Cheng-Kun | He has more than five years' work experience in commercial and business operations. He currently serves as the Chairman of Anli International Co., Ltd., Director of ANLI INTERNATIONAL HOLDINGS LIMITED, Director of KUANGHE CO., LIMITED, Director of KUNSHAN ANLI PRECISE METAL CO., LTD., Director of Kunshan Kuanghe Electronic Technology Co., Ltd., Director of Gtek Technology Co., Ltd. (Chongqing), and Director of Anli Huzhou Technology Co.,LTD., and is free from any of the circumstances referred to in Article 30 of the Company Act. | Not applicable to non-independent directors. | None. |
| KUANGHECO., LTD.(SAMOA) Representative: Wu Chin-Song | He has more than five years' work experience in commercial and business operations. He currently serves as the Director of Anli International Co., Ltd., Director of KUANGHE CO., LIMITED, Supervisor, KUNSHAN ANLI PRECISE METAL CO., LTD., Director of Kunshan Kuanghe Electronic Technology Co., Ltd.,and Director of Anli Huzhou Technology Co.,LTD., and is free from any of the circumstances referred to in Article 30 of the Company Act. | Not applicable to non-independent directors. | None. |
| Lin Chih-Kun | He has more than five years' work experience in commercial and business operations. He currently serves as the Director of Anli International Co., Ltd., Director of ANLI INTERNATIONAL HOLDINGS LIMITED, Director of KUNSHAN ANLI PRECISE METAL CO., LTD., Supervisor of Kunshan Kuanghe Electronic Technology Co., Ltd., and Director of Anli Huzhou Technology Co.,LTD.,and is free from any of the circumstances referred to in Article 30 of the Company Act. | Not applicable to non-independent directors. | None. |
| Lo Li-Wen | She has more than five years' work experience in commercial, finance, accounting and corporate operations. She currently serves as the Director of Anli International Co., Ltd. and President of Certain Micro Application Technology Inc., and is free from any of the circumstances referred to in Article 30 of the Company Act. | Not applicable to non-independent directors. | None. |

| Name \ Condition | Professional qualifications and experience (Note 1) | Status of independence (Note 2) | Number of public companies where the person holds the title as independent director |
|------------------|---|---|---|
| Chen Li-Yuan | He has at least five years of work experience in commerce, legal affairs, finance, accounting, or corporate operations, and holds a Certified Public Accountant (CPA) license issued by the Republic of China (ROC). He currently serves as an Independent Director of Anli International Co., Ltd.; CPA at Liyuan CPA Firm; Director of Turn Cloud Technology Service Inc.; Independent Director of Trio Technology International Group Co., Ltd.; Supervisor of Turn Data Inc. and Fu Su Technology Co., Ltd.; Partner at He Li Xin Management Consulting Co., Ltd.; and Director of Xu Hong Intelligent Co., Ltd. He is not subject to any of the disqualifying conditions listed under Article 30 of the Company Act. | (1)Not an employee of the Company or its affiliates. (2)Not a Director, Supervisor of the Company or its affiliates (except the independent directors established by the Company or its parent company, subsidiaries under this law or applicable laws in the place of incorporation). | None. |
| Huang Kuo-Fen | At least five years' work experience in commerce, legal affairs, finance, accounting, or corporate operations. He currently serves as the Director of Anli International Co., Ltd., Professor of Department of Business Administration, National Chengchi University and Director of National Chengchi University Business Administration Education Foundation, and is free from any of the circumstances referred to in Article 30 of the Company Act. | (3)Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company. | None. |
| Huang Kui-Jung | He has more than five years' work experience in commercial, legal affairs, finance, accounting and corporate operations. He currently serves as the Independent Director of Anli International Co., Ltd., President of Jingwei Material Technology Co., Ltd. and Sales Manager of High Entropy Materials, Inc., and is free from any of the circumstances referred to in Article 30 of the Company Act. | (4)Not a spouse, relative of the second degree, or direct kin of the third degree or closer to persons not qualified for criteria 1–3. (5)Not a director, supervisor, or employee of the company's corporate shareholder holding more than 5% of the company's outstanding capital; nor a director, supervisor, or employee of any of the top 5 corporate shareholders. (6)Directors, supervisors, or employed persons of | None. |

| <div>Condition</div> <div>Name</div> | Professional qualifications and experience (Note 1) | Status of independence (Note 2) | Number of public companies where the person holds the title as independent director |
|--------------------------------------|---|--|---|
| | | <p>other companies not exceeding half of the Company's director seats or shares with voting rights controlled by the same person (not limited to concurrent independent directors designated by the Company, parent company, subsidiary, or subsidiary under the same parent company by the local regulations).</p> <p>(7)Not the owner, partner, director, supervisor, manager and spouse to the owner, partner, director, supervisor of the professional, sole proprietor, partnership, body corporate, or institution providing business, legal, financial and/or accounting services or consultation to the Company. Except for the members of the Remuneration Committee who perform their duties in accordance with Article 7 of the Regulations Governing the Establishment of Remuneration Committees by Companies listed on the Stock Exchange or OTC Markets, and the performance of their duties.</p> <p>(8)Not a director, supervisor, manager, or shareholder with more than 5%</p> | |

| <div>Condition</div> <div>Name</div> | Professional qualifications and experience (Note 1) | Status of independence (Note 2) | Number of public companies where the person holds the title as independent director |
|--------------------------------------|---|---|---|
| | | <p>shareholding of any specific company or institution with financial or business dealings with the Company (the restriction does not apply to any specific company or institution with more than 20% but not exceeding 50% of shares issued by the Company and independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent company or subsidiary or a subsidiary of the same parent company).</p> <p>(9)Professionals engaged in commercial, legal, financial, accounting, and other related services whose audits are not provided by the Company or its conglomerates or whose cumulative rewards in the recent two years have not exceeded NT\$500,000, sole proprietors, company or institution owners, partners, directors (board of directors), supervisors (members of the board of supervisors), managers, and their</p> | |

| Name / Condition | Professional qualifications and experience (Note 1) | Status of independence (Note 2) | Number of public companies where the person holds the title as independent director |
|------------------|---|--|---|
| | | <p>spouses. (not limited to the members of the Remuneration Committee, Public Takeover Review Committee, or Mergers and Acquisition Special Committee performing their duties in accordance with the Securities Exchanges Act or the Business Mergers and Acquisitions Act)</p> <p>(10)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(11)Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12)Not elected as a government or corporate representative according to Article 27 of The Company Act.</p> | |

C.Board Diversity and Independence: Please refer to pages 28 to 30 of this annual report.

(2)Background information of the President, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches

March 28, 2025

| Title | Nationality | Name | Gender | Election Date | Status of shareholding | | Shares Held by Spouse & Dependents | | Shareholding under the title of a third party | | Major (academic degree) experience | Positions with other companies | Spouse or kin within the second pillar under the Civil Code and who is a manager | | | Remarks |
|---|-------------------|---------------|--------|---------------|------------------------|-----------------------|------------------------------------|-----------------------|---|-----------------------|---|--|--|-------------|----------|---------|
| | | | | | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | | | Title | Name | Relation | |
| President | Republic of China | Hsu Cheng-Kun | Male | June 14, 2013 | 494,000 | 1.11% | - | - | - | - | Industry Management, Oriental Industrial Vocation School. QC Section Manager, Sheng Ta Spring Co., Ltd. | Director, ANLI Spring Co., Ltd. Director, ANN-TAI SPRING CO., LTD. Director, ANLI INTERNATIONAL LIMITED (SAMOA) Director, ANLI INTERNATIONAL HOLDINGS LIMITED Director of KUANGHECO., LIMITED Director, KUNSHAN ANLI PRECISE METAL CO., LTD.. Director, Kunshan Kuanghe Electronic Technology Co., Ltd. Director of Gtek Technology Co., Ltd. (Chongqing) Chairperson of Anli Huzhou Technology Co.,LTD. | - | - | - | - |
| President, Anli Huzhou President, Kuanghe Kunsha | Republic of China | Wu Chin-Song | Male | June 23, 2010 | - | - | - | - | - | - | Mechanical Drawing, KaiNan Vocational High School President, Kunshan Kuanghe Electronic Technology Co., Ltd. President, Guanghe Development Co., Ltd. | Director of KUANGHE CO., LTD. (SAMOA) Director and President, KUANGHE CO., LIMITED Director and President, Kunshan Kuanghe Electronic Technology Co., Ltd. Supervisor, KUNSHAN ANLI PRECISE METAL CO., LTD. Directors and General Manager of Anli Huzhou Technology Co.,LTD. | Vice President, Kuanghe Kunsha Vice President Anli Huzhou | Wu Chih-Kun | Brothers | - |
| President, ANLI Kunshan | Republic of China | Lin Chih-Kun | Male | June 23, 2010 | - | - | - | - | - | - | Tai Shi Junior High School President, Yunglun Precision Industrial Co., Ltd. | Director, ANLI INTERNATIONAL LIMITED(SAMOA) Director and President, ANLI INTERNATIONAL HOLDINGS LIMITED Director and President, KUNSHAN ANLI PRECISE METAL CO., LTD Supervisor, Kunshan Kuanghe Electronic Technology Co., Ltd.. Director of Anli Huzhou Technology Co.,LTD | - | - | - | - |

| Title | Nationality | Name | Gender | Election Date | Status of shareholding | | Shares Held by Spouse & Dependents | | Shareholding under the title of a third party | | Major (academic degree) experience | Positions with other companies | Spouse or kin within the second pillar under the Civil Code and who is a manager | | | Remarks |
|--|-------------------|----------------|--------|------------------|------------------------|-----------------------|------------------------------------|-----------------------|---|-----------------------|---|--|--|--------------|----------|---------|
| | | | | | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | | | Title | Name | Relation | |
| President, Gtek (Chongqing) | Republic of China | Chang Yi-Chang | Male | December 4, 2018 | 680 | 0.00 | - | - | - | - | Graduate Institute of Entomology, National Chung Hsing University Department of Entomology, National Chung Hsing University COO, NORTH BAY RECREATION CO., LTD. Marketing Manager, Forcecon Tech. Co., Ltd. | Director and President of Chongqing Gtek Technology Co., Ltd Director of Anli Huzhou Technology Co.,LTD | - | - | - | - |
| Vice President, Anli Huzhou Vice President, Kuanghe Kunsha | Republic of China | Wu Chih-Kun | Male | June 23, 2010 | - | - | - | - | - | - | Mechanical Drawing, KaiNan Vocational High School President, Kuang Feng Development Co., Ltd. | Director and Vice President, Kunshan Kuanghe Electronic Technology Co., Ltd. Director of Chongqing Gtek Technology Co., Ltd Director of Anli Huzhou Technology Co.,LTD | President, Kuanghe Kunsha President, Anli Huzhou | Wu Chih-Sung | Brothers | - |
| Vice President, ANLI Kunshan | Republic of China | Chen Chia-Feng | Male | January 1, 2015 | 30,000 | 0.07% | - | - | - | - | MBA, Concordia University, USA Industry Engineering and Management, Wang Neng Industrial and Commercial School Chief Event Planning Officer, Shang Dian Duo Media Integrated Marketing Co., Ltd. Engineer, Ding Sheng Business Machine Co., Ltd. | Vice President, KUNSHAN ANLI PRECISE METAL CO., LTD Supervisor, Chongqing Gtek Technology Co., Ltd | - | - | - | - |

| Title | Nationality | Name | Gender | Election Date | Status of shareholding | | Shares Held by Spouse & Dependents | | Shareholding under the title of a third party | | Major (academic degree) experience | Positions with other companies | Spouse or kin within the second pillar under the Civil Code and who is a manager | | | Remarks |
|---|-------------------|---------------|--------|-------------------|------------------------|-----------------------|------------------------------------|-----------------------|---|-----------------------|--|---|--|------|----------|---------|
| | | | | | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | | | Title | Name | Relation | |
| CFO and Chief Accounting Officer | Republic of China | Yao Li-Fang | Female | March 11, 2024 | 27,000 | 0.06% | - | - | - | - | Master, Graduate Institute of Marketing and Distribution Management, National Kaohsiung First University of Science and Technology. Head of Audit, ANLI International Co., Ltd. | - | - | - | - | - |
| Internal Audit Manager | Republic of China | Chang Jin-Wen | Female | November 12, 2024 | - | - | - | - | - | - | Master of Software Technology, Robert Gordon University, UK | - | - | - | - | - |
| Chief Corporate Governance Officer Vice President | Republic of China | Cheng Ya-Wen | Female | March 11, 2024 | - | - | - | - | - | - | MBA, The University of Queensland, Australia Assistant Vice President, Cathay Securities Co., Ltd. | Representative of Institutional Supervisor, Certain Micro Application Technology Inc. Representative of Institutional Supervisor, Therlect Co., Ltd. Supervisor of Anli Huzhou Technology Co.,LTD | - | - | - | - |

Note: If the general manager or the equivalent (top manager) and the chairman is the same person, a spouse, or a first-degree relative, the reason, reasonability, necessity, and response measures should be disclosed, including information related to the methods for adding independent director seats, and more than half of the directors are not concurrently serving as employees or managers, etc.

The Company's general manager and chairman are the same person, as explained below:

1.Mr. Hsu Cheng-Kun, the Chairman and President of our company, is one of the founders of Anli International Co., Ltd. He has a comprehensive understanding and control of our company's industry profile, business operations, main products, and operational status. This not only enables smooth execution of board decisions but also enhances the company's operational performance. To strengthen board functions and increase corporate sustainability value, in accordance with the "Corporate Governance 3.0—Sustainable Development Blueprint" policy, the company plans to add one independent director. Additionally, more than half of the board members do not concurrently serve as employees or managers of the company or its affiliated enterprises. These measures aim to optimize the board structure, strengthen supervisory functions, and ensure the independence,

objectivity, and professionalism of decision-making. Through this initiative, the company aims to enhance operational transparency, strengthen governance mechanisms, promote stable corporate development, reinforce shareholder rights protection, and align with international corporate governance standards to achieve long-term sustainable business objectives.

- 2.The Company's seven director seats (including three independent directors) are without spouse or first-degree relative relations, and the external directors account for more than 50%. In addition, the Company set up the Audit Committee made up of three independent directors in 2011. Therefore, in case of relevant business decision-making involving one's own interest or loss of objectivity, the supervision and balance mechanism can be promptly brought into play to ensure the rights and interests of the general public.
- 3.The Company has insured directors and important staff liability insurance, while PwC Taiwan, a large accounting firm, has been invited to serve as the Company's external supervisory agency responsible for financial statement audits and internal control system project reviews in order to reduce the Company's operational risk and enhance the corporate governance function.

(3)Remuneration to the Directors, Supervisors, President and the Vice Presidents in 2024.

A.Remuneration of General Directors and Independent Directors (Consolidated)

Unit: NT\$Thousand

| Title | Name | Remuneration to Directors | | | | | | | | The sum of A, B, C and D in proportion to Earnings | | | | Remuneration in the capacity as employees | | | | | | The sum of A, B, C, D, E, F and G in proportion to Earnings | | | | Remuneration paid to directors from an invested company other than the company's subsidiary | | |
|----------------------|---|---------------------------|---|-------------|---|---------------------------|---|--------------|---|--|------------|---|------------|---|---|-------------|---|---------------------------|-------|---|--------|--------------|------------|---|--------------|------------|
| | | Remuneration | | Pension | | Remuneration to directors | | For services | | | | | | Salaries, bonus and special subsidies | | Pension | | Remuneration to employees | | | | | | | | |
| | | (A) | | (B) | | (C) | | (D) | | | | | | (E) | | (F) | | (G) | | | | | | | | |
| | | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | | All companies mentioned in the financial statements | | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | | All companies mentioned in the financial statements | | | | | | |
| | | | | | | | | | | Total amount | Percentage | Total amount | Percentage | | | | | Cash | Stock | Cash | Stock | Total amount | Percentage | | Total amount | Percentage |
| Chairman | ANLI INTERNATIONAL LIMITED (SAMOA) Representative: Hsu Cheng-Kun | - | - | - | - | | | 240 | 240 | 240 | (1.00) | 240 | (1.00) | 5,269 | 19,866 | - | - | - | - | - | - | 5,509 | (22.90) | 20,106 | (83.59) | None |
| Director | KUANGHE CO., LTD. (SAMOA) Representative: Wu Chin-Song | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Lin Chih-Kun | | | | | | | | | | | | | | | | | | | | | | | | | |
| Director | Lo Li-Wen | | | | | | | | | | | | | | | | | | | | | | | | | |
| Independent director | Chen Li-Yuan | | | | | 1,080 | 1,080 | 180 | 180 | 1,260 | (5.24) | 1,260 | (5.24) | - | - | | | - | - | 1,260 | (5.24) | 1,260 | (5.24) | None | | |
| Independent director | Huang Kuo-Fen | | | | | | | | | | | | | | | | | | | | | | | | | |
| Independent director | Huang Kui-Jung | | | | | | | | | | | | | | | | | | | | | | | | | |

1. Please state the director remuneration payment policy, system, standard, and structure and state the relevance between the amount paid and duties, risks, input time, and other factors.

The Company's remuneration for independent directors includes director remuneration, remuneration for professional practices and transportation allowance. The Remuneration Committee shall regularly review and evaluate remuneration payment policies, systems, standards, and structures and inspect directors' participation in the Company's operations, professionalism in execution of decision, and effective contribution aspects, which shall be set in reference to the standards adopted by the peers in the same trade and approved per resolution by the Board of Directors. The contribution of remuneration for directors is based on the Company's profitability situation and in compliance with the provision in the Articles of Incorporation. Remuneration will be distributed after reaching a resolution by the board of directors.

2. In addition to the disclosure in the above table, remunerations claimed by the directors for providing services for all the companies in the financial statement in the most recent year to (such as serving as non-staff consultants) other than the disclosure in the table above: None.

B.Remuneration of General Directors and Independent Directors (Individual Disclosure by Name and Remuneration Method)

Unit: NT\$Thousand

| Title | Name | Remuneration to Directors | | | | | | | | The sum of A, B, C and D in proportion to Earnings | | | | Remuneration in the capacity as employees | | | | | | | | The sum of A, B, C, D, E, F and G in proportion to Earnings | | | | Remuneration paid to directors from an invested company other than the company's subsidiary |
|----------------------|--|---------------------------|---|-------------|---|---------------------------|---|--------------|---|--|--------|---|--------|---|---|-------------|---|---------------------------|------------|---|------------|---|------------|--------------|------------|---|
| | | Remuneration | | Pension | | Remuneration to directors | | For services | | | | | | Salaries, bonus and special subsidies | | Pension | | Remuneration to employees | | | | | | | | |
| | | (A) | | (B) | | (C) | | (D) | | | | | | (E) | | (F) | | (G) | | | | | | | | |
| | | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | | All companies mentioned in the financial statements | | The Company | All companies mentioned in the financial statements | The Company | All companies mentioned in the financial statements | The Company | | All companies mentioned in the financial statements | | | | | | |
| | | | | | | | | | | Cash | Stock | Cash | Stock | | | | | Total amount | Percentage | Total amount | Percentage | Total amount | Percentage | Total amount | Percentage | |
| Chairman | ANLI INTERNATIONAL LIMITED (SAMOA) Representative: Hsu Cheng-Kun | | | | | | | 60 | 60 | 60 | (0.25) | 60 | (0.25) | 5,269 | 5,997 | — | — | — | — | — | — | 5,329 | (22.16) | 6,057 | (25.18) | None |
| Director | KUANGHE CO., LTD. (SAMOA) Representative: Wu Chin-Song | | | | | | | 60 | 60 | 60 | (0.25) | 60 | (0.25) | — | 6,196 | — | — | — | — | — | — | 60 | (0.25) | 6,256 | (26.01) | None |
| Director | Lin Chih-Kun | | | | | | | 60 | 60 | 60 | (0.25) | 60 | (0.25) | — | 7,673 | — | — | — | — | — | — | 60 | (0.25) | 7,733 | (32.15) | None |
| Director | Lo Li-Wen | | | | | | | 60 | 60 | 60 | (0.25) | 60 | (0.25) | — | — | — | — | — | — | — | — | 60 | (0.25) | 60 | (0.25) | None |
| Independent director | Chen Li-Yuan | | | | | 360 | 360 | 60 | 60 | 420 | (1.75) | 420 | (1.75) | — | — | — | — | — | — | — | — | 420 | (1.75) | 420 | (1.75) | None |
| Independent director | Huang Kuo-Fen | | | | | 360 | 360 | 60 | 60 | 420 | (1.75) | 420 | (1.75) | — | — | — | — | — | — | — | — | 420 | (1.75) | 420 | (1.75) | None |
| Independent director | Huang Kui-Jung | | | | | 360 | 360 | 60 | 60 | 420 | (1.75) | 420 | (1.75) | — | — | — | — | — | — | — | — | 420 | (1.75) | 420 | (1.75) | None |

Classification of remuneration

| Remuneration to individual directors in respective brackets along the salaries scale | Name of Directors | | | |
|--|---|---|---|---|
| | Total (A+B+C+D) | | Total (A+B+C+D+E+F+G) | |
| | The Company | All companies mentioned in the financial statements H | The Company | All companies mentioned in the financial statements I |
| Less than 1,000,000 | Hsu Cheng-Kun, Lin Chih-Kun, Wu Chin-Song, Lo Li-Wen, Chen Li-Yuan, Huang Kuo-Fen, Huang Kui-Jung | Hsu Cheng-Kun, Lin Chih-Kun, Wu Chin-Song, Lo Li-Wen, Chen Li-Yuan, Huang Kuo-Fen, Huang Kui-Jung | Lin Chih-Kun, Wu Chin-Song, Lo Li-Wen, Chen Li-Yuan, Huang Kuo-Fen, Huang Kui-Jung | Lo Li-Wen, Chen Li-Yuan, Huang Kuo-Fen, Huang Kui-Jung |
| NT\$1,000,000 (included)-NT\$2,000,000 (not included) | - | - | - | - |
| NT\$2,000,000 (included)-NT\$3,500,000 (not included) | - | - | - | - |
| NT\$3,500,000 (included)-NT\$5,000,000 (not included) | - | - | - | - |
| NT\$5,000,000 (included)-NT\$10,000,000 (not included) | - | - | Hsu Cheng-Kun | Hsu Cheng-Kun, Lin Chih-Kun, Wu Chin-Song |
| NT\$10,000,000 (included)-NT\$15,000,000 (not included) | - | - | - | - |
| NT\$15,000,000 (included)-NT\$30,000,000 (not included) | - | - | - | - |
| NT\$30,000,000 (included)-NT\$50,000,000 (not included) | - | - | - | - |
| NT\$50,000,000 (included)-NT\$100,000,000 (not included) | - | - | - | - |
| 100,000,000 above | - | - | - | - |
| Total | - | - | - | - |

C.Remuneration to the Supervisors: Not applicable, the Company did not establish the seats for Supervisors.

D.Remuneration of President and Vice Presidents (Consolidated)

Unit: NT\$ Thousand

| Title | Name | Salary | | Pension | | Bonuses and allowances etc | | Remuneration to the employees | | | | The percentage of items A, B, C and D in total that accounts for the proportion (%) of net income after tax | | | | Whether or not remuneration from investee companies other than subsidiaries has been received |
|---|----------------|-------------|---------------------------------------|-------------|---------------------------------------|----------------------------|---|-------------------------------|-------|---|-------|---|---------|---|----------|---|
| | | (A) | | (B) | | (C) | | (D) | | | | | | | | |
| | | The Company | All companies in the financial report | The Company | All companies in the financial report | The Company | All companies shown in the financial report | The Company | | All companies shown in the financial report | | The Company | | All companies shown in the financial report | | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | | | |
| President of KY Anli | Hsu Cheng-Kun | 12,157 | 28,103 | 121 | 121 | - | - | - | - | - | - | 12,278 | (51.05) | 28,224 | (117.35) | None |
| President, Anli Huzhou President, Kuanghe Kunsha | Wu Chin-Song | | | | | | | | | | | | | | | |
| President, ANLI Kunshan | Lin Chih-Kun | | | | | | | | | | | | | | | |
| President, Gtek (Chongqing) | Chang Yi-Chang | | | | | | | | | | | | | | | |
| Vice President of KY Anli | Cheng Ya-Wen | | | | | | | | | | | | | | | |

E.Individual Disclosure of Compensation for the Top Five Highest-Paid Executives

Unit: NT\$ Thousand

| Title | Name | Salary | | Pension | | Bonuses and allowances etc | | Remuneration to the employees | | The sum of items A, B, C and D as a percentage of net income after tax (%) | | | | Compensation received from invested businesses other than subsidiaries or from parent company |
|---|----------------|-------------|------------------------------------|-------------|------------------------------------|----------------------------|------------------------------------|-------------------------------|------------------------------------|--|------------|------------------------------------|------------|---|
| | | (A) | | (B) | | (C) | | (D) | | The Company | | All Companies in Financial Reports | | |
| | | The Company | All Companies in Financial Reports | The Company | All Companies in Financial Reports | The Company | All Companies in Financial Reports | The Company | All Companies in Financial Reports | Total amount | Percentage | Total amount | Percentage | |
| President of KY Anli | Hsu Cheng-Kun | 5,269 | 5,997 | - | - | - | - | - | - | 5,269 | (21.9) | 5,997 | (24.93) | None |
| President, Anli Huzhou President, Kuanghe Kunsha | Wu Chin-Song | - | 6,196 | - | - | - | - | - | - | - | - | 6,196 | (25.76) | None |
| President, ANLI Kunshan | Lin Chih-Kun | - | 7,673 | - | - | - | - | - | - | - | - | 7,673 | (31.90) | None |
| President, Gtek (Chongqing) | Chang Yi-Chang | 4,750 | 6,099 | 30 | 30 | - | - | - | - | 4,780 | (19.87) | 6,129 | (25.48) | None |
| Vice President of KY Anli | Cheng Ya-Wen | 2,138 | 2,138 | 91 | 91 | - | - | - | - | 2,229 | (9.27) | 2,229 | (9.27) | None |

Classification of remuneration

| The brackets of remuneration to all Presidents and Vice Presidents of the Company | Name of Presidents and Vice Presidents | |
|---|--|--|
| | The Company | All companies mentioned in the financial statements |
| Less than 1,000,000 | Lin Chih-Kun, Wu Chin-Song | - |
| NT\$1,000,000 (included)-NT\$2,000,000 (not included) | - | - |
| NT\$2,000,000 (included)-NT\$3,500,000 (not included) | Cheng Ya-Wen | Cheng Ya-Wen |
| NT\$3,500,000 (included)-NT\$5,000,000 (not included) | Chang Yi-Chang | - |
| NT\$5,000,000 (included)-NT\$10,000,000 (not included) | Hsu Cheng-Kun | Hsu Cheng-Kun, Lin Chih-Kun, Wu Chin-Song, Chang Yi-Chang |
| NT\$10,000,000 (included)-NT\$15,000,000 (not included) | - | - |
| NT\$15,000,000 (included)-NT\$30,000,000 (not included) | - | - |
| NT\$30,000,000 (included)-NT\$50,000,000 (not included) | - | - |
| NT\$50,000,000 (included)-NT\$100,000,000 (not included) | - | - |
| 100,000,000 above | - | - |
| Total | - | - |

F.Name of the managers received remuneration and the distribution of remuneration

Unit: NT\$ Thousand

| | Title | Name | Stock | Cash | Total | Total/after-tax profit |
|---------|---|----------------|-------|------|-------|------------------------|
| Manager | President of KY Anli | Hsu Cheng-Kun | - | - | - | - |
| | President, Anli Huzhou President, Kuanghe Kunsha | Wu Chin-Song | | | | |
| | President, ANLI Kunshan | Lin Chih-Kun | | | | |
| | President, Gtek (Chongqing) | Chang Yi-Chang | | | | |
| | Vice President of KY Anli | Cheng Ya-Wen | | | | |
| | Vice President, Anli Huzhou Vice President, Kuanghe Kunsha | Wu Chi-Kun | | | | |
| | Vice President, ANLI Kunshan | Chen Chia-Feng | | | | |
| | CFO and Chief Accounting Officer | Wang Wan-Hsing | | | | |
| | CFO and Chief Accounting Officer | Yao Li-Fang | | | | |
| | Chief Internal Auditor | Yao Li-Fang | | | | |
| | Chief Internal Auditor | Liu Li-Ping | | | | |
| | Chief Internal Auditor | Chang Jin-Wen | | | | |

- (4)The analysis of the total amount of remuneration to the Directors, Supervisors, President and Vice Presidents paid by the Company and all companies included in the consolidated financial statements in the last 2 years in proportion to net income, and the association with the remuneration policy, standard and combination, procedure for determining the remuneration, and operation performance, and the risks in the future.

A.The total amount of remuneration to the Directors, Supervisors, President and Vice Presidents paid by the Company and all companies included in the consolidated financial statements in the last 2 years in proportion to net income.

| Item | Total compensation as a percentage of net income after tax | | | |
|--|--|-----------------------------------|-------------|-----------------------------------|
| | 2023 | | 2024 | |
| | The Company | Consolidated financial statements | The Company | Consolidated financial statements |
| Remuneration to Directors | (9.73%) | (9.73%) | (28.14%) | (88.83%) |
| Compensation for President and Vice Presidents | (311.84%) | (773.59%) | (51.05%) | (117.35) |

B.Association with the remuneration policy, standard and combination, procedure for determining the remuneration, and operation performance, and the risks in the future.

The Company has established the Remuneration Committee and the members are independent directors. This committee review and evaluate the performance of the Directors and the Managers, and the policy, system, standard, and structure of the remuneration.

a.Director:

The remuneration to the Directors covers traveling subsidy, business expense, and Director fees. The compensation of the Company's directors is determined by the Board of Directors in accordance with the

Articles of Incorporation, based on directors' level of participation in company operations, contribution value, and industry standards. The standard for directors' compensation follows the Company's Articles of Incorporation, which is resolved by the Board of Directors and distributed after being reported to the shareholders' meeting.

b. President and Vice Presidents:

The compensation of the President and Vice Presidents includes salary and employee compensation. Salary levels are established based on their contributions to the company and with reference to industry standards. The standard for employee compensation allocation follows the Company's Articles of Incorporation, which is resolved by the Board of Directors and distributed after being reported to the shareholders' meeting.

2. Status of Corporate Governance

(1) The function of the Board

In 2024 and as of the printing date of this annual report, the Company's Board of Directors held a total of (A) 8 meetings, with directors' attendance as follows:

| Title | Name | Actual Attendance Count (B) | Attend through proxy | Actual Attendance Rate % (B/A) | Remarks |
|----------------------|--|-----------------------------|----------------------|--------------------------------|--|
| Chairman | ANLIINTERNATIONAL LIMITED Representative: Hsu Cheng-Kun | 8 | 0 | 100% | Re-elected on May 26, 2022 |
| Director | Lin Chih-Kun | 8 | 0 | 100% | Re-elected on May 26, 2022 |
| Director | KUANGHECO., LTD. Representative: Wu Chin-Song | 8 | 0 | 100% | Re-elected on May 26, 2022 |
| Title | Name | Actual Attendance Count (B) | Attend through proxy | Actual Attendance Rate % (B/D) | Remarks |
| Director | Lo Li-Wen | 8 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director | Chen Li-Yuan | 8 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director | Huang Kuo-Fen | 8 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director | Huang Kui-Jung | 8 | 0 | 100% | New director appointed on May 26, 2022 |

Other notes:

A. For the particulars inscribed in Article 14-3 of the Securities and Exchange Act, and resolutions of the Board with adverse opinions or qualified opinions of the Independent Directors on record or in written declaration, specifying the date and the session, the content of the motion, the opinions of all Independent Directors, and the response of the Company to the opinions of the Independent Directors: None.

B. The recusal of the Directors to avoid conflict of interest:

For directors' avoidance of motions which involves conflict of interest at the Board of Directors' meetings in 2024 and until the date of publication of the annual report:

| Date of meeting | Name of Directors | Agenda | Reasons for avoiding conflicting interests | Voting decision |
|-----------------|---|--|--|--|
| January 1, 2024 | Hsu Cheng-Kun Lin Chih-Kun Wu Chin-Song | 1. The Manager's Year-End Bonus for Fiscal Year 2023. | Related to personal interest of the managers | Except for the aforementioned directors who recused themselves due to conflicts of interest, the remaining attending directors unanimously approved the proposal without objection upon inquiry by the acting chairperson. |
| March 11, 2024 | Hsu Cheng-Kun Lin Chih-Kun Wu Chin-Song | 1. The motion for the salaries of the managers in 2024 | Related to personal interest of the managers | Except for the aforementioned directors who recused themselves due to conflicts of interest, the remaining attending directors unanimously approved the proposal without objection upon inquiry by the acting chairperson. |

| Date of meeting | Name of Directors | Agenda | Reasons for avoiding conflicting interests | Voting decision |
|------------------|---|--|--|---|
| May 6, 2024 | Hsu Cheng-Kun Lin Chih-Kun Wu Chin-Song Lo Li-Wen Chen Li-Yuan Huang Kuo-Fen Huang Kui-Jung | 1.Amendment to the “Remuneration Policy for Directors, Functional Committee Members, and Managers.” | Related to personal interest of the managers | As this involves the interests of all directors, recusal and inquiry were conducted in sequence. The proposal was unanimously approved without objection by the remaining attending directors upon inquiry by the acting chairperson. |
| January 14, 2025 | Hsu Cheng-Kun Lin Chih-Kun Wu Chin-Song | 1.The Manager’s Year-End Bonus for Fiscal Year 2024. 2.The Manager’s Salary for Fiscal Year 2025. | Related to personal interest of the managers | Except for the aforementioned directors who recused themselves due to conflicts of interest, the remaining attending directors unanimously approved the proposal without objection upon inquiry by the acting chairperson. |

C.Board Self-assessment Situation:

2024 Board Performance Self-Assessment Implementation Situation:

a.The Assessment Cycle and Period, Assessment Scope, method and Assessment Content of Board of Directors Performance Self-assessment content

| Assessment cycle | Assessment period | Assessment scope | Assessment method | Assessment content |
|-------------------------|-------------------------------------|--|--|--|
| Implemented once a year | January 1, 2024 - December 31, 2024 | 1. The Board of Directors 2. Individual board member 3. Functional Committee | 1. Internal self-assessment of board of directors 2. Self-assessment of individual board members 3. Internal self-assessment of Functional Committee | 1.Board performance self-assessment content a. Degree of participation in company operation b. Board decision-making quality improvement c. Board makeup and structure d. Director appointment and continuing education e. Internal control 2.Individual board member performance evaluation content a. Grasp of company objectives and mission b. Awareness toward a director’s duties c. Degree of participation in company operation d. Internal relation management and communication e. Director professionalism and continuing education f. Internal control 3.Functional Committee performance evaluation content a. Degree of participation in company operation b. Perception of Functional Committee duties c. Improvement of Functional Committee decision-making quality d. Functional Committee makeup and member appointment e. Internal control |

b.Board Performance Self-Assessment Results

i.The Company completed the performance evaluation for the current year in accordance with the “Regulations Governing the Performance Evaluation on the Board of Directors,” and the performance self-assessment result was reported to the Board of Directors on March 10, 2025.

ii.Performance self-assessment is presented in five classes. The performance assessment classes are explained below:

1: Very Poor (Strongly Disagree) 2: Poor (Disagree) 3: Average (Neutral), 4: Good (Agree) 5: Excellent (Strongly Agree).

iii.Assessment results

(i)Internal self-assessment of board of directors

Based on the performance assessment content, it is divided into 45 performance assessment items.

The average assessment results ranged from 4: Good (agree) to 5: Excellent (strongly agree).

(ii)Individual Board Member Self-assessment

Based on the performance assessment content, it is divided into 23 performance assessment items.

The average assessment results ranged from 4: Good (agree) to 5: Excellent (strongly agree).

(iii)Functional Committee (including Audit Committee and Remuneration Committee) Internal Self-assessment

Based on the performance assessment content, it is divided into 24 performance assessment items.

The average assessment results reached 5: Excellent (strongly agree).

iv.The Company’s 2024 Board performance assessment results have been disclosed in the corporate governance section on the Company’s website.

c.Improvement and Recommendations

i.The directors should continue to gain a deeper insight into the departmental reports and inspect the management performance of the operational team in order to fully and promptly keep abreast of the Company’s operations and various detrimental trends and risks.

ii.Continue to plan and train suitable board member candidates to maintain the professionalism and experience heritage

D.Enhancement of the functionality of the Board of Directors in 2024 and 2025 and until the date of publication of the annual report and assessment on the progress:

a. In accordance with the Articles of Incorporation, the Company appoints between 5 and 9 directors, with at least three independent directors comprising no less than one-fifth of the total board members. Following the expiration of the Company’s 5th term of directors, the election for the 6th term was held at the Annual General Meeting on May 26, 2022, in accordance with Article 79 of the Articles of Association and utilizing the candidate nomination system. The election was conducted in compliance with the Company’s “Director Election Regulations,” resulting in the selection of seven directors, including three independent directors. Furthermore, all announcement procedures were carried out in accordance with Article 192-1 of the Company Act. The selection process adhered to principles of rigor, transparency, and openness.

b. The Company’s seven directors have no spouse relations or kinship within the second degree to ensure all board members can operate objectively and independently.

c. The diversification, competency, and complementariness of company board members

i.Board Member Diversification

| Diversification items Name of Directors | Basic makeup | | | | | Industrial experience | | | | Professional skills | | | |
|---|-------------------|--------|----------------------------|-------|-------|-----------------------|--------------------|------------|------------------|---------------------|---------|-----|-----------------|
| | Nationality | Gender | Concurrent employee status | Age | | Manufacturing and R&D | Business marketing | Management | Asset management | Accounting | Finance | Law | Risk management |
| | | | | 51~60 | 61~70 | | | | | | | | |
| ANLI INTERNATI ONAL LIMITED Representative: Hsu Cheng-Kun | Republic of China | Male | V | | V | V | V | V | V | | | | V |
| Lin Chih-Kun | Republic of China | Male | V | V | | V | V | V | V | | | | V |

| Diversification items Name of Directors | Basic makeup | | | | | Industrial experience | | | | Professional skills | | | |
|--|-------------------|--------|----------------------------|-------|-------|-----------------------|--------------------|------------|------------------|---------------------|---------|-----|-----------------|
| | Nationality | Gender | Concurrent employee status | Age | | Manufacturing and R&D | Business marketing | Management | Asset management | Accounting | Finance | Law | Risk management |
| | | | | 51~60 | 61~70 | | | | | | | | |
| KUANGHE CO., LTD. Representative: Wu Chin-Song | Republic of China | Male | V | V | | V | V | V | V | | | | V |
| Lo Li-Wen | Republic of China | Female | | V | | V | V | V | V | | | | V |
| Chen Li-Yuan | Republic of China | Male | | V | | | | V | V | V | V | V | V |
| Huang Kuo-Fen | Republic of China | Male | | V | | | | V | V | V | V | V | V |
| Huang Kui-Jung | Republic of China | Male | | V | | V | V | V | V | | | | V |

ii.Competency and complementariness of board members

All members of the Company’s Board of Directors are of domestic nationality. Directors with employee status account for 42.86%, and female directors represent 14.29%. The directors are primarily in the 51-60 age range, accounting for 85.71%, and all three independent directors have served less than three years. Board members specialize in various industrial fields (including manufacturing, food, biotechnology, finance and accounting, taxation, legal affairs, etc.) with practical industry experience. They possess capabilities in leadership decision-making, operational judgment, financial analysis, business management, and crisis management. They are equipped with the professional knowledge and qualifications needed for the decision-making process. Therefore, the suitability of board members is assured, and there is complementarity among members. Suitability and Complementarity of Board Members.

iii.Board Diversity Policy Management Objectives and Achievement Status

| Management Objectives | Achievement Status |
|--|--------------------|
| Directors concurrently serving as employees should not exceed one-third of board seats | Achieved |
| Board membership should include at least one female director | Achieved |
| More than half of independent directors should not serve for more than three consecutive terms | Achieved |

Our company upholds the core principles of corporate governance and sustainable development, actively promoting board member diversity and gender equality policies to enhance decision-making quality and corporate competitiveness. We have established goals to achieve more than half of directors not concurrently serving as employees and to increase female director representation to more than one-third of board seats. In the future, the company will continue to review and optimize relevant measures to deepen corporate governance and create long-term value for shareholders and stakeholders

- d. The Audit Committee was established in 2011 to execute the relevant operations in accordance with Article 14-5 of the Securities and Exchange Act. In order to perfect the Board’s functions and strengthen corporate governance mechanisms, all the independent directors serve as Audit Committee members, one of whom serves as the convener. The Committee has been operating successfully since it was established.
- e. The Company established the Remuneration Committee in 2011. All the independent directors serve as Remuneration Committee members, one of whom serves as the convener. The members shall provide suggestions and help the Board plan and assess the relevant remuneration policies, systems, standards, and structures, from an independent, objective and professional standpoint. The Committee has been operating successfully since it was established.
- f. In accordance with Article 37 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” our company has established “Board Performance Evaluation Regulations.” As stipulated in these regulations, we conduct annual performance evaluations at the end of each year. The evaluation results were submitted to the Board of Directors on March 10, 2025. The 2024 Board of Directors’ self-evaluation implementation status and

the board performance evaluation results conducted by the external organization Taiwan Corporate Governance Association have been disclosed in the corporate governance section of our company website.

- g. The Company will successively plan board member takeovers when deemed appropriate in the year to come. Targeting the cultivation of future talents, in addition to strengthening core value propaganda, company management philosophy, and experience sharing and heritage, through professional training, operational management, risk management, financial analysis, and risk management, and other diversification abilities can be developed.
- h. The Company has established the position of spokesman and acting spokesman to enhance information transparency. Designated personnel have also been appointed to perform the function of information collection and disclosure.

(2)The operation of the Audit Committee

A.The Company established the Audit Committee on November 28, 2011, which consists of all independent directors. The term of office to be held by the members of the 4th Committee has expired. May 26, 2022, the Company elected three independent directors to serve as the members of the 5th Committee at the Board meeting, who shall hold the term of office for 3 years, from May 26, 2022 to May 25, 2025.

B.The Audit Committee held a total of (A) 8 meetings in 2024 and up to the printing date of the annual report in 2025. The attendance status of Audit Committee members is as follows:

| Title | Name | Number of actual attendance (B) | Attend through proxy | Actual attendance rate % (B/D) | Remarks |
|--------------------------------|----------------|---------------------------------|----------------------|--------------------------------|--|
| Independent director/Convener | Chen Li-Yuan | 8 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director/Committee | Huang Kuo-Fen | 8 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director/Committee | Huang Kui-Jung | 8 | 0 | 100% | New director appointed on May 26, 2022 |

Other notes:

a.If any of the following applies to the operation of the Auditing Committee, specify the session and the date, the content of the motion, the resolution of the committee in session, and the response of the Company to the opinions of the committee members.

i.The particulars are inscribed in Article 14-5 of the Securities and Exchange Act.

| Board of Directors | Details of the relevant agendas and the subsequent | Matters listed under Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors |
|---|---|--|--|
| January 1, 2024 12nd Meeting of the 6th Board of Directors | 1.Passed the Business Plan in 2024. 2.Proposed to pass the motion for ratification of acquisition and disposal of machine and equipment by the Company's subsidiary, Anli Huzhou, from the related party, Kuanghe Kunsha 3.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company. 4.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company's subsidiary, ANLI Hong Kong. 5.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company's subsidiary, Kuanghe Hong Kong. 6.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company's subsidiary, ANLI Kunshan. 7.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company's subsidiary, Kuanghe Kunsha. 8.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company's subsidiary, Gtek (Chongqing). 9.Proposed to pass the amendments to certain provisions of the "Enforcement Rules for Internal Audit" of the Company's subsidiary, | ✓ | × |

| Board of Directors | Details of the relevant agendas and the subsequent | Matters listed under Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors |
|--|---|--|--|
| | <p>Anli Huzhou.</p> <p>10. Proposed to pass the Company's application for endorsements/guarantees of financing facilities with The Shanghai Commercial & Savings Bank, Ltd. for the Company's subsidiary, ANLI International Co., Ltd., Taiwan Branch.</p> | | |
| <p>March 11, 2024 13th Meeting of the 6th Board of Directors</p> | <p>1. To pass the Company's 2023 CPA Independence Assessment Case.</p> <p>2. Passed the Business Report and consolidated financial statements of 2023.</p> <p>3. Proposed approval of the Company's 2023 deficit compensation plan.</p> <p>4. Passed the motion of the appointment of certified public accountants for external audits and certification and remuneration in 2024.</p> <p>5. Proposed to pass the change in the Company's external auditors.</p> <p>6. Proposed to pass the Company's budget for 2024 Q2.</p> <p>7. Proposed to pass the "Declaration of Internal Control System" of the Company in 2023.</p> <p>8. Proposed approval of amendments to certain provisions of the Company's "Articles of Incorporation."</p> <p>9. Proposed approval of amendments to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings."</p> <p>10. Passed the partial amendment to the "Rules of Procedure for Board of Directors Meetings" of the Company.</p> <p>11. Proposed to pass the amendments to certain provisions of the Company's "Organization Regulations of Audit Committee."</p> <p>12. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Hong Kong.</p> <p>13. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Hong Kong.</p> <p>14. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Kunshan.</p> <p>15. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Kunsha.</p> <p>16. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Gtek (Chongqing).</p> <p>17. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Anli Huzhou.</p> <p>18. Proposed to pass the changes in the Company's "financial officer" and "accounting officer."</p> <p>19. Proposed to pass the change in the Company's "chief internal auditor."</p> <p>20. Proposed to pass the change in the Company's "chief corporate governance officer."</p> | <p>✓</p> | <p>×</p> |

| Board of Directors | Details of the relevant agendas and the subsequent | Matters listed under Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors |
|---|--|--|--|
| May 6, 2024 14th Meeting of the 6th Board of Directors | 1. Proposed approval of the Company's 2024 first quarter consolidated financial statements. 2. Proposed approval of the Company's 2024 third quarter budget. 3. Proposed to pass the endorsements/guarantees made by the Company's subsidiaries pertaining to customs matters. 4. Proposed approval of the release of the Company's endorsement guarantee for the financing application of our branch office, ANLI International Taiwan Branch, with Shanghai Commercial Bank. | ✓ | × |
| July 11, 2024 15th Meeting of the 6th Board of Directors | 1. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Hong Kong. 2. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Hong Kong. 3. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Kunshan. 4. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Kunsha. 5. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Gtek (Chongqing). 6. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Anli Huzhou. 7. Proposed to pass the application of the Company's subsidiary, ANLI Hong Kong, for endorsements/guarantees of financing facilities with CTBC Bank for the Company. 8. Proposed to pass the application of the Company's subsidiary, Kuanghe Hong Kong, for endorsements/guarantees of financing facilities with CTBC Bank for the Company. 9. Proposed approval of the Company's endorsement guarantee for the financing application of our subsidiary, Anli International Holdings (Taiwan) Limited, with CTBC Bank. 10. Proposed approval of the Company's endorsement guarantee for the financing application of our subsidiary, Kuanghe Co., Limited Taiwan Branch, with CTBC Bank. | ✓ | × |
| August 20, 2024 16th Meeting of the 6th Board of Directors | 1. Proposed approval of the Company's 2024 second quarter consolidated financial statements. 2. Proposed approval of the Company's 2024 fourth quarter budget. 3. Proposed approval of amendments to certain provisions of the Company's "Sustainable Development Best Practice Principles." 4. Proposed approval of equipment leasing by the Company's subsidiary, Anli Huzhou, to its related party, Kuanghe Kunsha. 5. Proposed approval of the change of the Company's stock affairs agent. 6. Proposed to pass the loaning of funds by the Company's subsidiary, ANLI Kunshan, to Anli Huzhou. | ✓ | × |

| Board of Directors | Details of the relevant agendas and the subsequent | Matters listed under Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors |
|---|--|--|--|
| November 12, 2024 17th Meeting of the 6th Board of Directors | 1. Proposed approval of the Company's 2024 third quarter consolidated financial statements. 2. Proposed approval of the Company's 2025 first quarter budget. 3. Proposed approval of the release of funds loaned by the Company's subsidiary, ANLI Kunshan, to Anli Huzhou. 4. Proposed to pass the loaning of funds by the Company's subsidiary, ANLI Kunshan, to Anli Huzhou. 5. Proposing to acquire and dispose of machinery and equipment from non-related parties through the Company's subsidiary. 6. Proposed to pass the Company's application for financing facilities with Cathay United Bank. 7. Proposed to pass the Company's application for endorsements/guarantees of financing facilities with Cathay United Bank for the Company's subsidiary, ANLI International Co., Ltd., Taiwan Branch. 8. Proposing to approve the 2025 audit plans for the Company and its subsidiaries. 9. Proposing to approve the internal control measures for the management of the Company's sustainability information. 10. Proposed to pass the amendments to certain provisions of the Company's "Organization Regulations of Audit Committee." 11. Proposing to approve the amendments to certain provisions of the Company's "Corporate Governance Practice Principles." 12. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Hong Kong. 13. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Hong Kong. 14. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Kunshan. 15. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Kunsha. 16. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Gtek (Chongqing). 17. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Anli Huzhou. 18. Proposed to pass the change in the Company's "chief internal auditor." | ✓ | x |
| January 14, 2025 18th Meeting of the 6th Board of Directors | 1. Proposing to approve the Company's 2025 operational plan. 2. Proposing to approve the Company's "Guidelines for Directors' Continuing Education." 3. Proposing to approve the Company's "Operational Procedures for Preparation and Filing of Sustainability Report." 4. Proposing to approve the release of the Company's subsidiary from acquiring and disposing of machinery and equipment from non-related parties. | ✓ | x |

| Board of Directors | Details of the relevant agendas and the subsequent | Matters listed under Article 14-5 of the Securities and Exchange Act | Resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors |
|--|---|--|--|
| March 10, 2025 19th Meeting of the 6th Board of Directors | <ol style="list-style-type: none"> 1. Proposing to approve the evaluation of independence and competence of the Company's certifying accountants for the year 2024. 2. Proposing to approve the Company's 2024 business report and consolidated financial statements. 3. Proposing to approve the Company's 2024 profit/loss appropriation plan. 4. Proposing to approve the Company's budget for the second quarter of 2025. 5. Proposing to approve the appointment and remuneration of the Company's certifying accountants for the year 2025. 6. Proposed to pass the loaning of funds by the Company's subsidiary, Kuanghe Kunsha, to Anli Huzhou. 7. Proposed to pass the capital increase of the Company's subsidiary, Anli Huzhou. 8. Proposing to approve the Company's 2024 "Statement of Internal Control System." 9. Proposing to ratify the acquisition and disposal of transportation equipment by the Company's subsidiary, Anli Huzhou, from the related party, Kuanghe Kunsha. 10. Proposing to approve the amendments to the "Table of Approval Authorities" of the Company's subsidiary, Anli Huzhou. 11. Proposed to pass the endorsements/guarantees made by the Company's subsidiaries pertaining to customs matters. 12. Proposed approval of amendments to certain provisions of the Company's "Articles of Incorporation." | | |

ii. In addition to the abovementioned items, other resolutions not passed by the Audit Committee but approved by more than two-thirds of all directors:

The Company has no such resolutions

b. Implementation status of independent directors' recusal from conflict of interest proposals, including the names of independent directors, proposal contents, reasons for conflict of interest recusal, and participation in voting: None.

c. For 2024 and up to the date of publication of the annual report, the key tasks of the Audit Committee are summarized as follows:

- a) Company annual operational plan discussion and review.
- b) Company annual operational report review
- c) Review on Q1, Q2, Q3 and Annual Consolidated Financial Statements
- d) Discussion and review on internal audit business report and annual audit plan
- e) Discussion and review on establishment of or amendments to the internal control system and related regulations, and assessment on effectiveness of the internal control system
- f) Discussion and review on establishment of or amendments to the operating procedures for acquisition or disposal of assets, loaning of funds to others, and making of endorsements/guarantees for others
- g) Discussion and review of important assets or derivatives transactions, or loaning of funds, and making of endorsements/guarantees
- h) Appointment of external auditors, review on remuneration, and assessment on independence and competency
- i) Discussion and review of other major matters provisioned by other companies or competent authorities.
- j) Regular or irregular communications between the chief internal auditor and external auditors

d.The communication between the Auditing Committee (Independent Directors) and the Chief Internal Auditor and the certified public accountants (including the communications related to the financial position and state of operation of the Company, in materiality, the means of communications, and the result):

a)Communication between the Audit Committee (independent directors) and chief internal auditor

(i)With respect to the implementation of internal audits by the Company's Audit Committee, in addition to reviewing the internal audit reports on a monthly basis, the Audit Committee shall meet at least once per quarter to communicate with the chief internal auditor via the meeting, and may convene special meetings at any time, if necessary, or communicate via e-mail, phone, or visual communication network.

(ii)The communication methods, events and results for 2024 and up to the date of publication of the annual report have been disclosed in the corporate governance section of the Company's website.

The details are as follows:

| Date/Method | Communication matters | Communication result |
|--------------------------------------|---|--|
| January 11, 2024 Audit Committee | 1.Internal audit business report for October to November 2023. 2.Discussion on amendments to the internal control system | After full explanation and discussion, all the participants unanimously approved the proposal. |
| March 11, 2024 Audit Committee | 1.2023 Q4 Internal Audit Report 2.2023 "Statement of Internal Control System." 3.The Company's GHG report. 4.Discussion on amendments to the internal control system | After full explanation and discussion, all the participants unanimously approved the proposal. |
| May 06, 2024 Audit Committee | 1.2024 Q1 Internal Audit Report 2.The Company's GHG report. | After full explanation and discussion, all the participants unanimously approved the proposal. |
| July 11, 2024 Audit Committee | 1.Internal Audit Report from April to May 2024 2.Proposal to amend the internal audit implementation rules. | After full explanation and discussion, all the participants unanimously approved the proposal. |
| August 20, 2024 Audit Committee | 1.Internal audit business report for the second quarter of 2024. 2.The Company's GHG report. 3.Discussion on amendments to the internal control system | After full explanation and discussion, all the participants unanimously approved the proposal. |
| November 12, 2024 Audit Committee | 1.2024 Q3 Internal Audit Report 2.Discussion on 2025 audit plan. 3.Discussion on amendments to the internal control system 4.Proposal regarding the change of the Company's internal audit supervisor. | After full explanation and discussion, all the participants unanimously approved the proposal. |
| January 14, 2025 Audit Committee | 1.Internal audit business report for October to November 2024. 2.Discussion on amendments to the internal control system | After full explanation and discussion, all the participants unanimously approved the proposal. |
| March 10, 2025 Audit Committee | 1.2024 Q4 Internal Audit Report 2.2024 "Statement of Internal Control System." 3.Discussion on amendments to the internal control system | After full explanation and discussion, all the participants unanimously approved the proposal. |

b)Communication between the Audit Committee (independent directors) and CPAs

(i)Our company has engaged PricewaterhouseCoopers Taiwan with CPAs Chiu Chao-Hsien and

Liao Fu-Ming as the certifying accountants for the company's financial reports.

(ii) When the Company's external auditors review (audit) the Company's quarterly (annual) financial statements, they shall, on a quarterly basis, explain to the Audit Committee (independent directors) about the issues, including whether the financial position and financial performance are reasonable and precise, and fair presentation, adjusting journal entry, amendments to IFRSs and amendments to laws and regulations, before the Audit Committee reviews the Company's consolidated financial statements, and communicate with the independent directors on the key audit matters of the Company to reach agreement with them each year. A meeting may be convened at any time in case of significant abnormal events.

(iii) The methods by which they communicate with the CPAs, communication events and results for 2024 and up to the date of publication of the annual report have been disclosed in the corporate governance section of the Company's website. The details are as follows:

| Date/Method | Communication matters | Communication result |
|---|---|--|
| March 11, 2024 Pre-meeting of Audit Committee | 1. Description and communication of the Audit Report on the 2023 consolidated financial statements 2. Descriptions and communication of key audit matters 3. Descriptions and communication of important adjusting journal entry 4. Descriptions about communication of independence of the communication with external auditors 5. Descriptions and communication about the Company's preparation of financial statements 6. Laws and information sharing 7. Discussion of CPAs on questions raised by the Audit Committee members | Unanimously approved by all participants |
| May 6, 2024 Pre-meeting of Audit Committee | 1. Description and communication of the Review Report on the 2024 Q1 consolidated financial statements 2. Descriptions and communication of important adjusting journal entry 3. Descriptions about communication of independence of the communication with external auditors 4. Description and communication about the audit communication schedule for the semi-annual report of the current year 5. Descriptions and communication about the Company's preparation of financial statements 6. Laws and information sharing 7. Discussion of CPAs on questions raised by the Audit Committee members | Unanimously approved by all participants |
| August 20, 2024 Pre-meeting of Audit Committee | 1. Description and communication of the Audit Report on the 2024 Q2 consolidated financial statements 2. Descriptions and communication of key audit matters 3. Descriptions and communication of important adjusting journal entry 4. Descriptions about communication of independence of the communication with external auditors 5. Descriptions and communication about the Company's preparation of financial statements 6. Laws and information sharing 7. Discussion of CPAs on questions raised by the Audit Committee members | Unanimously approved by all participants |

| Date/Method | Communication matters | Communication result |
|---|--|--|
| November 12, 2024 Pre-meeting of Audit Committee | 1.Description and communication of the Review Report on the 2024 Q3 consolidated financial statements 2.Descriptions and communication of important adjusting journal entry 3.Descriptions about communication of independence of the communication with external auditors 4.Descriptions and communication about the Company's preparation of financial statements 5.Laws and information sharing 6.Discussion of CPAs on questions raised by the Audit Committee members | Unanimously approved by all participants |
| March 10, 2025 Pre-meeting of Audit Committee | 1.Description and communication of the Audit Report on the 2024 consolidated financial statements 2.Descriptions and communication of key audit matters 3.Descriptions and communication of important adjusting journal entry 4.Descriptions about communication of independence of the communication with external auditors 5.Descriptions and communication about the Company's preparation of financial statements 6.Laws and information sharing 7.Discussion of CPAs on questions raised by the Audit Committee members | Unanimously approved by all participants |

(3)How The Company's actual governance differs from The Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and why

| Items for evaluation | Implementation Status | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|------------------------------|----|--|---|
| | Yes | No | Summary | |
| 1.Will the Company based on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" set up and disclose the Company's corporate governance best-practice principles? | ✓ | | The Company has instituted the "Corporate Governance Best-Practice Principles" in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and has disclosed related information on the official website of the Company and MOPS. | No significant discrepancy. |
| 2.Shareholding structure and shareholders' equity (1)Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly? (2)Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders? (3)Will the Company establish and implement the risk control and firewall mechanisms with the related parties? (4)Has the company established internal regulations prohibiting insiders from trading securities using non-public market information? | ✓ ✓ ✓ ✓ | | (1)The Company has commissioned a professional share registration and investor services institution for handling share registration and investor services, and has established the spokesman system. The spokesman (or acting spokesman) of the Company will accept and respond to the suggestions, queries, and related matters of the shareholders. (2)The Company has declared the state of shareholding by insiders (Directors, Supervisors, Managers, and dominant shareholders holding more than 5% of the outstanding shares) monthly as required, and keeps abreast of the information on the list of dominant shareholders of the Company and the eventual dominant parties behind these dominant shareholders through the share registration and investor services agent. (3)The Company has established "Regulations for Managing Transactions with Related Parties, Specific Companies and Group Enterprises" and "Supervision and Management Regulations for Subsidiaries." The Company conducts supervision and management of subsidiaries in accordance with relevant regulations, and business dealings with affiliated enterprises also follow the relevant transaction management regulations to implement risk control and firewall mechanisms. (4)The Company has instituted the "Procedure for Handling Material Internal Information" and "Regulations for the Prevention of Insider Transactions," and has educated insiders with the "Applicable Laws Governing Insider Transactions and Important Guidelines" to prohibit insiders of the Company from using undisclosed information for trading securities. | No significant variation |
| 3. The organization of the Board and their duties (1)Has the Board of Directors established a diversity policy, set specific management goals, and | ✓ | | (1)According to the "Corporate Governance Best Practice Principles," board members should generally possess the knowledge, skills, and character necessary to perform | No significant variation |

| Items for evaluation | Implementation Status | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|-----------------------|----|---|---|
| | Yes | No | Summary | |
| implemented them accordingly? | | | <p>their duties, in order to achieve the ideal objectives of corporate governance. The Company has mapped out appropriate and diversified policies in line with the mode of operation and development needs. Currently, there are seven seats of Directors (including three seats of Independent Directors) on the Board. These Directors are well trained and experienced in corporate decision-making, the practice of corporate management, finance and accounting, and laws further to their understanding and professional knowledge and skills in marketing. For details, please refer to pages 28 to 30 of this annual report.</p> | |
| (2)Further to the establishment of the Remuneration Committee and the Auditing Committee as required by law, has the Company voluntarily established related functional committees? | ✓ | | (2)The Company has established the Auditing Committee and the Remuneration Committee in compliance with applicable legal rules of the competent authority, and will establish various functional committees in the future where necessary. | |
| (3)Has the Company set up board performance assessment guidelines and assessment methods to periodically conduct annual performance assessments, submit performance assessment results to the board, and use them as references for individual director remuneration and nomination for a second term in office? | ✓ | | (3)The Company has set up the Board Performance Assessment Guidelines and performance assessment methods. According to the provisions, performance assessment is periodically conducted every year and is submitted to the board in advance in the first quarter of the following year. The Company submitted the 2024 board performance assessment report to the board on March 10, 2025, which shall serve as a reference for nominating succeeding annual directors and nomination for a second term in office. For details on the implementation of Board performance evaluation, please refer to pages 27 to 28 of this annual report. | |
| (4)Has the Company conducted routine evaluation of the independence of the certified public accountants who conducted the external audits and certification? | ✓ | | (4)The Company shall periodically (at least once a year) assess the independence and competency of CPAs hired in accordance with the provisions in the “Code of Practice for Exchange-Listed and OTC-Listed Companies.” The Company’s relevant departments have evaluated whether the certifying accountants meet independence and competency requirements, and no circumstances affecting their independence and competency have been found. The certifying accountants have also provided independence declaration letters to the Company. On March 10, 2025, the Audit Committee and the Board of Directors reviewed and approved that CPAs Chiu Chao-Hsien and Liao Fu-Ming of PricewaterhouseCoopers Taiwan meet the independence and competency evaluation criteria and are qualified to serve as the Company’s certifying accountants. The independence and competency evaluation items and results are detailed in the table below: | |

| Items for evaluation | Implementation Status | | | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|----------------------|-----------------------|----|--|-------------------|--|---|
| | Yes | No | Summary | | | |
| | | | Items for evaluation | Evaluation Result | Meets Independence and Competency Requirements | |
| | | | A.Are there major and indirect financial interests between the CPA and the Company? | No | Yes | |
| | | | B.Are there financing or guarantee conducts between the CPA and the Company or company directors? | No | Yes | |
| | | | C.Are there close business relations and potential employment relations between the CPA and the Company? | No | Yes | |
| | | | D.Have the CPA and the audit team member recently (or in the recent two years) served as directors, managers, or positions exerting major influence on audit work? | No | Yes | |
| | | | E.Does the CPA provide non-audit services that may directly affect audit work to the Company? | No | Yes | |
| | | | F.Does the CPA have possession of stocks or other securities issued by the Company? | No | Yes | |
| | | | G.Does the CPA serve as the Company’s defender or represent the Company in coordinating conflicts with a third party? | No | Yes | |

| Items for evaluation | Implementation Status | | | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|-----------------------|----|--|----|-----|---|
| | Yes | No | Summary | | | |
| | | | H.Does the CPA have kinship with the Company’s directors, managers, or staff exerting a major influence on audit cases? | No | Yes | |
| | | | I.The Company has not required the accountants and the audit service team members to accept inappropriate accounting policy choices or improper disclosures in financial statements. | No | Yes | |
| | | | J.The accountant has not served as a director, manager, or in a position with significant influence on audit cases within one year after leaving office. | No | Yes | |
| | | | K.As of the most recent certification, there has been no instance where the accountant was not replaced for seven years or where the accountant returned to service after an interval of less than two years. | No | Yes | |
| | | | L.The accounting firm and audit service team members have not received gifts or presents of significant value from the Company or its directors, officers, or major shareholders. | No | Yes | |
| 4.Has the Company allocated an appropriate number of competent corporate governance staff members, has it designated a corporate governance supervisor responsible for corporate governance related matters (including but not limited to information required by directors and supervisors for business operations), matters at board and shareholders’ meetings conducted in accordance with the law, production of board and shareholders’ meeting proceedings, etc.? | ✓ | | The Company established the position of corporate governance officer on March 21, 2023, following board approval, to be responsible for corporate governance-related matters. Including arrangement of the Board of Directors’ meetings and shareholders’ meeting, compilation of the minutes of meetings on record for the Board of Directors’ meetings and shareholders’ meetings, supply of the information and materials for the directors in performing their duties, and organization of continuing education and training programs for the directors. The Company to enhance the performance of corporate governance. | | | No significant variation |

| Items for evaluation | Implementation Status | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|--|-----------------------|----|---|---|
| | Yes | No | Summary | |
| 5.Has the Company established a communication channel with the stakeholders (including but not limited to, shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important sustainable development issues concerned by the stakeholders? | ✓ | | The Company has established the spokesman system, installed an official website, and has designated a special section for the stakeholders and investors. Designated personnel have been appointed to administer the special section providing information on the financial position, business outlook and corporate governance of the Company for the reference of the shareholders and related parties. Stakeholders and investors may use the means suggested on the official website for communication with the Company. The Company will properly respond to the issues of their concerns, including the issue of sustainable development. | No significant variation |
| 6.Has the Company commissioned a professional stock service agent to handle shareholders affairs? | ✓ | | The Company has appointed CTBC Bank's Agency Department to handle shareholder meeting affairs. | No significant variation |
| 7.Disclosures (1)Has the Company installed an official website for the disclosure of information on finance, operation, and corporate governance? (2)Has the Company adopted other means in the disclosure of its information (such as the installation of a website in English language, appointment of designated personnel in the collection and disclosure of information on the Company, proper implementation of the spokesman system, and conference of institutional investors and placed the footage on the official website of the Company)? (3)Were the Company's announcement and declaration of the annual financial statement within two months after the end of the accounting year, and were the announcement and declaration of the financial statements for the first, second, and third quarter in | ✓ ✓ | ✓ | (1)The Company has established a website to disclose relevant information and announces various financial and operational information as well as corporate governance information on the Market Observation Post System in accordance with regulatory requirements. (2)The Company has established the positions of spokesman and acting spokesman, and has installed an official website with the appointment of designated personnel in the collection and disclosure of information on the Company, proper implementation of the spokesman system, and conference of institutional investors and placed the footage on the official website of the Company for the reference of the shareholders and the public. (3)The Company's annual financial reports, first, second, and third quarter financial reports, and monthly operational status announcements are all filed in accordance with legal requirements and completed within the specified deadlines. The Company shall urge the relevant departments to improve operational efficiency and coordinate and cooperate with the financial statement checking (approval) CPAs, | No significant variation |
| 8.Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of | ✓ | | (1)Employee rights: The Company seeks to protect the legitimate rights of the employees under law, and has instituted the rules and regulations governing personnel administration to protect the rights of the employees. In addition to legally | No significant variation |

| Items for evaluation | Implementation Status | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-----------------------|----|---|---|
| | Yes | No | Summary | |
| stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company? | | | <p>mandated employee benefits such as pension contributions, labor insurance, and health insurance, the Company provides group insurance to enhance employee protection. The Company also offers comprehensive educational training and establishes channels for employees to fully express their opinions, building a relationship of mutual trust between the Company and its employees.</p> <p>(2)Employee care: further to the requirements of the government in the protection of employees, the Company has also subsidized the employees for routine health inspection, and also the policies for the employees on occasions of matrimony, bereavement, and other celebrations. Banquets, birthday parties, and employee pleasure traveling have also been held at appropriate times to provide recreation for the employees, physically and psychologically.</p> <p>(3)Investor relation: The Company has established the positions of spokesman and acting spokesman as the window for the dissemination of Company news and response to the questions of the investors. In addition, the Company has also declared and announced relevant information on the financial position, operation, and state of corporate governance on the MOPS in compliance with the requirements of the competent authority.</p> <p>(4)Supplier relation: The Company upholds the principle of honesty and sincerity in the conduct of business on the basis of corporate governance and insists on transparency in the operation. All subsidiaries of the group have maintained mutual trust with the suppliers in the spirit of mutual benefit and are in positive relations for common growth and development where all sides are the winners.</p> <p>(5)Stakeholder rights: The Company has established the spokesman system with accountability to stakeholders, like the customers, employees, shareholders, and suppliers, in setting up channels for communications and respecting their legitimate rights.</p> <p>(6)Continuing education of the Directors: The Directors and Independent Directors of the Company have engaged in continuing education as required by law and made announcements as required by law. Refer to the "Details of Advanced Studies of Directors" for details on the refresher course.</p> <p>(7)The pursuit of risk management policy and risk assessment standard: The Company has instituted the internal control system and related management regulations, and implements these regulations as required by law for the reduction and prevention of</p> | |

| Items for evaluation | Implementation Status | | | Differences from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof |
|---|-----------------------|----|--|---|
| | Yes | No | Summary | |
| | | | <p>possible risks. For information on the Company's risk management and implementation status, please refer to pages 104 to 108 of this annual report.</p> <p>(8)Customer policy implementation status: The subsidiaries of the Company have maintained positive relations with the customers, and have established designated departments to respond to the complaints and related matters of the customers to protect the rights of the customers.</p> <p>(9)Information regarding the Company's directors' liability insurance: The Company has purchased liability insurance for its directors and key officers. This has been reported to the Board of Directors on March 10, 2025, and has been uploaded and filed in accordance with regulations.</p> | |
| <p>9.Explain the improvement situation based on the corporate governance assessment results for the current year released by the Taiwan Stock Exchange Corporate Governance Center and propose prioritized items for strengthening and measures if not yet improved.</p> <p>Based on the results of the 11th (2024) Corporate Governance Evaluation and the Company's internal self-assessment, regarding the enhancement of corporate information transparency and disclosure of corporate governance information, all required information has been disclosed in the Company's annual report and on its website, in addition to the announcements and filings made in accordance with regulatory requirements.</p> <p>The strengthening of board structure and implementation of sustainability practices are among the corporate governance evaluation criteria that have not yet been fully achieved. These areas have been planned for gradual implementation in coming years to progressively meet corporate governance indicators. The Company has prepared a corporate sustainability report and disclosed relevant information as required, enhancing information transparency to support future development and protect investor interests.</p> | | | | |

Table of Continuing Education of the Directors

| Title | Name | Training date | Organizer | Course name | Training hours | Total continuing education hours of the year |
|-----------------------------------|----------------|-------------------|---|--|----------------|--|
| Corporate Director representative | Hsu Cheng-Kun | November 28, 2024 | Taiwan Corporate Governance Association | Big Data Analytics and Corporate Fraud Detection and Prevention | 3 | 6 |
| | | November 28, 2024 | | How companies implement energy conservation and carbon reduction to enhance profitability | 3 | |
| Corporate Director representative | Wu Chin-Song | November 28, 2024 | Taiwan Corporate Governance Association | Big Data Analytics and Corporate Fraud Detection and Prevention | 3 | 6 |
| | | November 28, 2024 | | How companies implement energy conservation and carbon reduction to enhance profitability | 3 | |
| Director | Lin Chih-Kun | November 28, 2024 | Taiwan Corporate Governance Association | Big Data Analytics and Corporate Fraud Detection and Prevention | 3 | 6 |
| | | November 28, 2024 | | How companies implement energy conservation and carbon reduction to enhance profitability | 3 | |
| Director | Lo Li-Wen | October 16, 2024 | Securities and Futures Institute | New ESG Labor Relations Trends - Practical Exploration of Labor Rights Management in Sustainable Supply Chains | 3 | 6 |
| | | October 24, 2024 | | 2030/2050 Green Industrial Revolution | 3 | |
| Independent director | Chen Li-Yuan | November 28, 2024 | Taiwan Corporate Governance Association | Big Data Analytics and Corporate Fraud Detection and Prevention | 3 | 6 |
| | | November 28, 2024 | | How companies implement energy conservation and carbon reduction to enhance profitability | 3 | |
| Independent director | Huang Kui-Jung | November 28, 2024 | Taiwan Corporate Governance Association | Big Data Analytics and Corporate Fraud Detection and Prevention | 3 | 6 |
| | | November 28, 2024 | | How companies implement energy conservation and carbon reduction to enhance profitability | 3 | |
| Independent director | Huang Kuo-Fen | November 28, 2024 | Securities and Futures Institute | How to analyze key corporate financial information to strengthen crisis early warning capabilities | 6 | 6 |

(4)The composition and operation of the Remuneration Committee

A.Information on the members of the Remuneration Committee

| <div> <div>Condition</div> <div>Identity (Note 1) Name</div> </div> | | Professional qualifications and experience (Note 2) | Independence status (Note 3) | Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies |
|---|----------------|--|--|---|
| Independent director | Chen Li-Yuan | At least five years' work experience in commerce, legal affairs, finance, accounting, or corporate operations, and holds a CPA license of the ROC. Currently serves as Independent Director of Anli International Co., Ltd.; CPA at Liyuan CPA Firm; Director of Turn Cloud Technology Service Inc.; Independent Director of Trio Technology International Group Co., Ltd.; Supervisor of Turn Data Inc. and Fu Su Technology Co., Ltd.; Partner at He Li Xin Management Consulting Co., Ltd.; and Director of Xu Hong Intelligent Co., Ltd. Does not fall under any of the conditions specified in Article 30 of the Company Act. | (1) Not an employee of the Company or its affiliates. (2) Directors and supervisors not affiliated with the Company or is conglomerates (not limited to concurrent independent directors designated by the Company, parent company, subsidiary, or subsidiary under the same parent company by the local regulations). (3) Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company. | None |
| Independent director | Huang Guo-Fen | At least five years' work experience in commerce, legal affairs, finance, accounting, or corporate operations. Independent Director of ANLI International Co., Ltd., Professor, Department of Business Administration, National Chengchi University, and CEO of DBA Program, College of Commerce, National Chengchi University. Does not fall under any of the conditions specified in Article 30 of the Company Act. | (4) Not managers listed in (1) or spouses, within second-degree relatives or within third-degree immediate relatives listed in (2), (3). (5) No direct holding of more than 5% of shares issued by the Company, not ranking top five in shareholdings, and not representatives appointed in Paragraph 1 and 2 of Article 27 of the Company Act serving as corporate shareholder directors, supervisors, or employed persons, (not limited to concurrent independent directors designated by the Company, parent company, subsidiary, or subsidiary under the same parent company by the local regulations). | None |
| Independent director | Huang Kui-Jung | He has more than five years' work experience in commercial, legal affairs, finance, accounting and corporate operations. He currently serves as the Independent Director of ANLI International Co., Ltd., President of Jingwei Material Technology Co., Ltd. and Sales Manager of High Entropy Materials, Inc., And not under any of the categories stated in Article 30 of the Company Act. | (6) Directors, supervisors, or employed persons of other companies not exceeding half of the Company's director seats or shares with voting rights controlled by the same person (not limited to concurrent independent directors designated by the Company, parent | None |

| <div>Condition</div> <div>Identity (Note 1) Name</div> | Professional qualifications and experience (Note 2) | Independence status (Note 3) | Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies |
|--|--|---|---|
| | | <p>company, subsidiary, or subsidiary under the same parent company by the local regulations).</p> <p>(7) Not the same person as the Company's chairman, general manager (or equivalent position); not the spouse's company or institution board of directors (directors), supervisors (members of the board of supervisors), or employed persons (not limited to concurrent independent directors designed by the Company, parent company, subsidiary, or subsidiary under the same parent company by the local regulations).</p> <p>(8) Board of directors (directors), supervisors (members of the board of supervisors), managers, or shareholders with more than 5% shareholding of specific companies or institutions without financial or business dealings with the Company (not limited to specific companies or institutions with more than 20% but not exceeding 50% of shares issued by the Company and concurrent independent directors designated by local regulations of the Company and its parent company and subsidiary company or subsidiaries under the same parent company).</p> <p>(9) Professionals engaged in commercial, legal, financial, accounting, and other related services whose audits are not provided by the Company or its conglomerates or whose cumulative rewards in the recent two years have not exceeded NT\$500,000, sole proprietors, company or institution owners, partners, directors (board of directors), supervisors (members of the board of supervisors), managers, and their spouses. (Not limited to the members of the</p> | |

| Identity (Note 1) Name | Condition | Professional qualifications and experience (Note 2) | Independence status (Note 3) | Number of public companies where the members of the Remuneration Committee are also the members of the remuneration committees of these companies |
|---------------------------|-----------|--|---|---|
| | | | | |
| | | | Remuneration Committee, Public Takeover Review Committee, or Mergers and Acquisition Special Committee performing their duties in accordance with the Securities Exchanges Act or the Business Mergers and Acquisitions Act) (10) Not under any of the categories stated in Article 30 of the Company Act. | |

B.The operation of the Remuneration Committee

(1)In order to improve the efficiency of corporate governance and perfect the remuneration system for the Company's directors and managers, the Company established the Remuneration Committee in 2011, which is composed of three independent directors. The members of the Committee shall faithfully perform the following duties with the care of a good administrator: (1) Establish and periodically review the policies, systems, standards, and structures for evaluating the performance and compensation of directors and managers, (2) Regularly assess and determine the compensation of directors and managers, be accountable to the Board of Directors, and submit recommendations to the Board of Directors for discussion.

(2)The term of office to be held by the current Committee members:

a.The term of office to be held by the current Committee members: from May 26, 2022 to May 25, 2025

b.In 2024 and up to the printing date of the annual report, the Compensation Committee held 6 meetings.

The attendance of committee members was as follows:

| Title | Name | Number of actual attendance (B) | Attend through proxy | Actual attendance rate % (B/D) | Remarks |
|--------------------------------|----------------|---------------------------------|----------------------|--------------------------------|--|
| Independent director/Convener | Huang Kuo-Fen | 6 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director/Committee | Chen Li-Yuan | 6 | 0 | 100% | New director appointed on May 26, 2022 |
| Independent director/Committee | Huang Kui-Jung | 6 | 0 | 100% | New director appointed on May 26, 2022 |

a)Resolutions of the Remuneration Committee in 2024 and until the date of publication of the annual

report, and the execution thereof

| Remuneration Committee | Agenda | Status of implementation |
|--|--|--|
| January 1, 2024 6th Meeting of the 5th Board of Directors | 1. Passed the motion of year-end bonus for the managers of the Company in 2023. | Discussed and approved, and submitted to the Board of Directors for a resolution, and distributed on February 05, 2024 |
| March 11, 2024 7th Meeting of the 5th Board of Directors | 1. Passed the motion of appropriation of remuneration to the employees and the Directors of the Company in 2023. 2. To pass the Company's 2024 manager remuneration case. | 1. Reported at the 2024 Annual Shareholders' Meeting. 2. Discussed and approved, submitted to the Board of Directors for resolution |
| May 6, 2024 8th Meeting of the 5th Board of Directors | 1. Proposed amendments to the Company's "Payment Regulations for Compensation of Directors, Functional Committee Members, and Managers." | Discussed and approved, submitted to the Board of Directors for resolution |
| July 11, 2024 9th Meeting of the 5th Board of Directors | 1. To pass the Company's 2024 manager remuneration case. 2. Proposed approval of the performance bonus for the Company's managers for 2024. | Discussed and approved, submitted to the Board of Directors for resolution |
| January 14, 2025 10th Meeting of the 5th Board of Directors | 1. The Manager's Year-End Bonus for Fiscal Year 2024. 2. The Manager's Salary for Fiscal Year 2024. | Discussed and approved, and submitted to the Board of Directors for a resolution, and distributed on January 20, 2025 |
| March 10, 2025 11th Meeting of the 5th Board of Directors | 1. Passed the motion of appropriation of remuneration to the employees and the Directors of the Company in 2023. | Discussed and approved, submitted to the Board of Directors for resolution |

b) Other notes:

- (i) If the Board declined to accept or revised the recommendations of the Remuneration Committee, specify the date and the session, the content of the motions, the resolution of the Board, and the response to the opinions of the Remuneration Committee (such as if the resolution of the Board on the remuneration is at a higher level than the recommendation of the committee, specify the difference and the reasons for the difference): None.
- (ii) If there is any member of the Remuneration Committee who holds adverse or qualified opinions on the resolutions of the committee on record or in written declaration, specify the date and session, the content of the motion, the opinions of all members, and response to the opinions of the members: None.

(5)Implementation of sustainable development practice, and deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

| Items for evaluation | Implementation Status | | | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof |
|--|-----------------------|----|--|---|
| | Yes | No | Summary | |
| 1.Has the Company established a governance structure for the promotion of sustainable development, with dedicated (or part-time) units to promote sustainable development, with senior management authorized by the Board of Directors to handle it, and whether it is supervised by the Board of Directors? | ✓ | | <p>The Company established an “ESG Sustainability Promotion Team” in the fourth quarter of 2024, with the Chairman serving as the convener and the CFO as the project leader coordinating all related matters. Various specialized teams were assigned specific functions to jointly implement sustainable development plans according to their areas of responsibility, reporting to the Board of Directors at least once annually.</p> <p>The “ESG Sustainability Promotion Team” serves as a cross-departmental communication platform that integrates vertical and horizontal connections throughout the organization. Responsible for establishing and revising sustainability development-related systems and regulations, supervising the Company’s sustainability policies and plans, and regularly tracking and evaluating sustainability development progress. The Company’s Board of Directors, as a good administrator, will also perform its duties, supervise the implementation of corporate social responsibility, and review implementation effectiveness and seek continuous improvement in order to ensure the fulfillment of sustainable development policies.</p> | No significant differences. |
| 2.Has the Company conducted a risk assessment on the Company’s operational plan related environment and social and corporate governance issues, and has it formulated related risk management policies or strategies? (Note 2) | ✓ | | <p>The Company has established an “ESG Sustainability Promotion Team” as a dedicated unit for advancing sustainable development. Following the materiality principle, this team conducts risk assessments on environment, social, and governance issues relevant to company operations, identifying risk events that may impact business objectives.</p> <p>The team identifies potential risks and impacts on operations due to climate change, and formulates adaptation and mitigation strategies with implementation plans. These include environmental initiatives: reducing greenhouse gas emissions, conserving energy and water, and minimizing waste. Social aspects: Implemented through talent recruitment and retention, career development and education training, and occupational safety and health. The Company values employees’ balanced development and is committed to providing a safe and healthy work environment. By identifying potential risks in daily operations across different units, the Company strengthens operational management as a preventive mechanism, regularly conducts hazard identification and risk assessment of operational processes, and implements risk controls. Corporate governance: Through establishing governance organizations and implementing internal control mechanisms, the Company ensures all personnel and operations comply with relevant legal regulations.</p> | No significant differences. |

| Items for evaluation | Implementation Status | | | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof |
|--|-----------------------|----|---|---|
| | Yes | No | Summary | |
| 3.Environmental Issues | | | | |
| (1)Does the Company have an appropriate environmental management system established in accordance with its industrial character? | ✓ | | (1)The Company has tasked its Taiwan and overseas plants with implementing environmental protection practices that not only comply with laws and relevant regulations but also follow ISO 14001 environmental management systems. The Company has also established “Environmental Safety and Health Management Regulations” to effectively achieve environmental safety maintenance and energy conservation goals. Annual pollution prevention and equipment improvement implementation plans are set to effectively reduce pollution emissions and review the environmental management system in a timely manner. ANLI Kunshan, Anli Huzhou, Gtek (Chongqing) have passed ISO 14001: 2015 (with the valid period ending on September 7, 2026, July 29, 2027, August 15, 2027) | No significant differences. |
| (2)Is the Company committed to enhancing the efficiency of resources and using renewable materials that have low impact on the environment? | ✓ | | (2)“Energy conservation, carbon reduction, environmental protection, and loving the earth” are the Company’s main objectives for protecting the global environment. Starting from production/procurement (establishing green supply chain systems/promoting energy conservation and carbon reduction in production areas), quality assurance (promoting environmental management system certification), using low-energy/low-pollution raw materials, and negotiating with customers on packaging material reuse and other recycling mechanisms, the Company maximizes resource utilization efficiency, reduces pollution during manufacturing, and fulfills its social responsibility for pollution prevention. To maximize resource utilization efficiency, enhance product value while reducing environmental impact. | No significant differences. |
| (3)Has the Company evaluated the current and future potential risks and opportunities from climate change, and adopted relevant response measures? | ✓ | | (3)The Company designates the “ESG Sustainability Promotion Team” as the primary implementation team for climate change management. This team annually reviews the Company’s climate change strategies and objectives, manages climate change risks and opportunities, and examines implementation status while discussing future plans. The team leads five major functional organizations - environmental, governance, supply chain, cultural, and social - to implement climate change-related management tasks and reports regularly to the Board of Directors. Based on operational conditions, the Company formulates energy conservation, carbon reduction, and greenhouse gas reduction measures to minimize the impact of company operations on the natural environment. Detailed explanations of the Company’s climate change risk and opportunity analysis are disclosed in the Company’s sustainability report. | No significant differences. |
| (4)Has the Company compiled statistics on greenhouse gas emissions, water usage, and total waste weight for the past two years, and established policies for greenhouse gas reduction, water | ✓ | | (4)The Company fully implements energy conservation, environmental protection, resource reuse, cost reduction, and reduction of carbon dioxide and other greenhouse gas emissions. The Company continues to promote energy conservation and carbon reduction, improve energy resource utilization efficiency, and reduce waste. Detailed information is disclosed in the | No significant differences. |

| Items for evaluation | Implementation Status | | | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof | | | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------------------------|-----------------------------|--|---|----------------|----------------|------------------------|------|--------|----------|----------|------|----------|----------|----------|------|--------------------------|-----------------------------|------|---------|---------|------|-------------------------------|-----------------------|------|------|------------------------|--|
| | Yes | No | Summary | | | | | | | | | | | | | | | | | | | | | | | | | |
| conservation, or other waste management? | | | <p>Company’s sustainability report.</p> <p>Greenhouse gas emissions for 2023 and 2024 are as follows:</p> <table><tr><th>Year</th><th>Scope 1 (tons)</th><th>Scope 2 (tons)</th><th>Total emissions (tons)</th></tr><tr><td>2023</td><td>940.47</td><td>2,874.24</td><td>3,814.71</td></tr><tr><td>2024</td><td>3,611.27</td><td>5,411.26</td><td>9,022.53</td></tr></table> <p>Water consumption in 2024 is as follows:</p> <table><tr><th>Year</th><th>Water consumption (tons)</th><th>Wastewater discharge (tons)</th></tr><tr><td>2024</td><td>119,826</td><td>1,650.0</td></tr></table> <p>2024 waste details:</p> <table><tr><th>Year</th><th>Waste treatment volume (tons)</th><th>Final disposal method</th></tr><tr><td>2024</td><td>2.35</td><td>Primarily incineration</td></tr></table> | Year | Scope 1 (tons) | Scope 2 (tons) | Total emissions (tons) | 2023 | 940.47 | 2,874.24 | 3,814.71 | 2024 | 3,611.27 | 5,411.26 | 9,022.53 | Year | Water consumption (tons) | Wastewater discharge (tons) | 2024 | 119,826 | 1,650.0 | Year | Waste treatment volume (tons) | Final disposal method | 2024 | 2.35 | Primarily incineration | |
| Year | Scope 1 (tons) | Scope 2 (tons) | Total emissions (tons) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2023 | 940.47 | 2,874.24 | 3,814.71 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 3,611.27 | 5,411.26 | 9,022.53 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | Water consumption (tons) | Wastewater discharge (tons) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 119,826 | 1,650.0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | Waste treatment volume (tons) | Final disposal method | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 2.35 | Primarily incineration | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.Social Issues | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1)Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights? | ✓ | | (1)The Company complies with relevant labor regulations and follows international human rights conventions including the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work. We implement the Responsible Business Alliance (RBA) Code of Conduct and have established human rights policies covering non-discrimination, freedom of association, prohibition of child labor, and prevention of forced labor to protect the fundamental rights of employees and stakeholders. | No significant differences. | | | | | | | | | | | | | | | | | | | | | | | | |
| (2)Has the Company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected operating performance or results in employee compensation? | ✓ | | (2)The Company has established reasonable and competitive compensation policies, performance management regulations, and personnel rules that include employee benefits and leave arrangements. We conduct regular employee performance evaluations, providing opportunities for annual promotion and salary adjustments for high-performing employees. Based on the Company’s annual operating results and employee performance, we provide reasonable rewards to employees in various forms. Adjustments are made according to relevant local laws and | No significant differences. | | | | | | | | | | | | | | | | | | | | | | | | |

| Items for evaluation | Implementation Status | | | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof |
|---|-----------------------|----|--|---|
| | Yes | No | Summary | |
| (3)Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly? | ✓ | | <p>actual market needs, with timely integration of sustainability policies to fulfill our social responsibilities.</p> <p>(3)The Company follows the “Environmental Safety and Health Management System,” regularly reviewing and maintaining workplace safety and hygiene. Through continuous education, training, and promotion, we train employees in emergency response capabilities and correct safety concepts, striving to enhance workplace safety and health to reduce workplace hazards to employee wellbeing. The Company had no fire incidents in 2024. In addition to installing fire equipment, establishing emergency exits, and purchasing disaster insurance, we conduct emergency evacuation drills for employees, including personnel evacuation and fire facility operation demonstrations. These measures help employees establish fire safety awareness, effectively reducing disaster losses and protecting employee lives and company property. The Company’s 2024 Disabling Injury Frequency Rate (FR) was: 0, and the Disabling Injury Severity Rate (SR) was: 0, with workplace injuries below 1%. For any workplace injury incidents, the Company conducts case-specific reviews, develops solutions, implements corresponding improvement strategies, and takes preventive measures to avoid recurrence. ANLI Kunshan and Anli Huzhou passed ISO45001:2018 (with valid period ending on March 18, 2027 and July 9, 2027).</p> | No significant differences. |
| (4)Has the company established an effective career development and training program for employees? | ✓ | | <p>(4)The Company considers employees as important assets. To establish effective talent development, we develop training programs annually across four dimensions: new employee orientation, professional competencies, management competencies, and self-development. In response to annual company objectives, we implement various training courses and project activities to continuously enhance organizational competitiveness and strengthen employee career development capabilities.</p> <p>In 2024, the Company provided career training to 766 participants, totaling 19,580.50 hours.</p> | No significant differences. |
| (5)Regarding the issues including product and service-related customer health & safety and privacy, and marketing and labeling, has the Company set up relevant consumer or customer rights protection policies and complaint reporting procedures in accordance with relevant regulations and international standards? | ✓ | | <p>(5)The Company’s marketing and labeling of products and services comply with relevant regulations, international standards, and requirements from customers and stakeholders. This includes ISO certifications, IECQ QC080000, ITAF16949, and other regulatory frameworks, all of which meet legal requirements.</p> <p>The Company protects customer privacy by observing confidentiality agreements and contractual obligations to safeguard confidential information. We create a secure information environment to ensure all information remains confidential without risk of external attack or leakage. Customers can submit complaints through our customer complaint channels. We analyze the causes based on complaint content and implement improvements to protect customer rights.</p> | No significant differences. |

| Items for evaluation | Implementation Status | | | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof |
|---|-----------------------|----|--|---|
| | Yes | No | Summary | |
| (6)Has the Company set up supplier management policies, requiring suppliers to comply with relevant provisions on the issues of environmental protection, vocational safety and health, or labor human rights? What is the implementation situation? | ✓ | | (6)The Company has established a comprehensive “Supplier Control Procedure,” including new supplier evaluation, development of a supplier education and training platform, and conducting on-site supplier visits and guidance. Based on the Company’s product development requirements and procurement strategy, we regularly evaluate suppliers’ suitability, considering factors such as technology, capacity, innovation capability, quality performance, and sustainable carbon reduction status. The Company conducts regular annual supplier evaluations. If suppliers fail to meet evaluation standards, the Company will provide guidance for improvement and review their performance in supplier assessment meetings. The supplier audit achievement rate was 100% for 2024. No significant deficiencies or risks were identified in audit evaluation results. | No significant differences. |
| 5.Has the Company adopted internationally recognized guidelines or standards for preparing sustainability reports or other non-financial information disclosures? Has the aforementioned report obtained assurance or verification opinion from a third-party verification body? | ✓ | | <p>The Company has been preparing sustainability reports since 2024 (without assurance or verification opinion from a third-party verification body) and discloses them on the Company website by the required date.</p> <p>The Company’s sustainability report is prepared in accordance with the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the industry indicators disclosed by the Sustainability Accounting Standards Board (SASB), and the “Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies,” disclosing relevant information.</p> <p>The Company’s sustainability report is prepared in accordance with the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the industry indicators disclosed by the Sustainability Accounting Standards Board (SASB), and the “Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies,” disclosing relevant information.</p> | No significant differences. |
| <p>6.Where the Company may have established its own sustainable development best-practice principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies,” please describe the current practices and any deviations thereof from such principles:</p> <p>The Company has established “Sustainable Development Best Practice Principles.” While pursuing sustainable operations and profitability, the Company also emphasizes environmental protection, social welfare participation, and corporate governance implementation. These aspects have been incorporated into the Company’s management and operations, gradually promoted and implemented. There are no significant differences between actual operations and the provisions of the principles.</p> | | | | |

| Items for evaluation | Implementation Status | | | Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof |
|--|-----------------------|----|---------|---|
| | Yes | No | Summary | |
| 7.Other important information to help understand the implementation of sustainable development: | | | | |
| (1)Environmental Protection Measures: The Company fulfills its social responsibility for environmental protection by ①not using harmful substances in production and R&D processes; ②recycling water resources; ③reusing product packaging materials; ④renovating production workshops to reduce exhaust emissions; gradually implementing solar power generation in 2024. | | | | |
| (2)Social Welfare Activities: The Company participates in the “Retrieving Pearls Project” to assist disadvantaged students with educational opportunities by providing financial support to complete high school education. | | | | |
| The Company has initiated the “Educational Caring Scholarship Program” to ensure more children can start from an equal position. | | | | |
| During the winter season, The Company brings love and warmth to elderly people who need care most by participating in charitable “Donation of Supplies” activities. | | | | |
| The Company participates in the “Winter Warmth Charity” activities to help low and middle-income families through the cold season. | | | | |
| The Company takes part in the “One Heart, One Benefit • Love for All Seasons” summer relief charity activities to help frontline workers endure hot days. | | | | |

(6) Listed company climate-related information

1. Implementation status of climate-related information

| Item | Status of implementation |
|--|--|
| 1. Describe the board of directors and management’s oversight and governance regarding climate-related risks and opportunities. | 1. The Company’s Board of Directors serves as the supervisory body for climate-related issues, while the General Manager’s Office functions as the Company’s part-time governance unit. In Q4 2024, the “ESG Sustainability Promotion Team” was established with the Chairman serving as the convener. This team acts as the executive organization for climate-related risks and opportunities. The promotion team oversees five functional execution groups based on their responsibilities: Corporate Governance Group, Customer Partnership Group, Environmental Sustainability Group, Employee Care Group, and Social Participation Group. The five execution groups are coordinated by the Company’s Chief Financial Officer to fulfill the spirit of sustainable operations. Climate-related management and implementation status are reported to the Board of Directors at least once annually, enabling the Board to understand the impact of climate change on the Company’s business operations and corresponding strategies. |
| 2. Explain how identified climate risks and opportunities impact the company’s business, strategy, and finances (short-term, mid-term, long-term). | 2. The Company’s “ESG Sustainability Promotion Team” was just established in Q4 2024. It plans to initially identify and prioritize the operational and financial impacts caused by transition and physical risks, and to develop short-term, medium-term, and long-term operational strategies and response measures. Short-term is defined as within the next 3 years, medium-term as within the next 10 years, and long-term as beyond the next 10 years. The next phase will primarily focus on: identifying climate change risks and countermeasures in 2025. |

| | |
|--|---|
| <p>3. Describe the financial impacts of extreme climate events and transition actions.</p> <p>4. Explain how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the plan's content and the indicators and targets used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, explain the basis for price setting.</p> | <p>3. Physical risks may result in impacts such as work stoppages at various plants due to power outages, production staff unable to report to work due to climate conditions, financial losses caused by flooding, and transportation disruptions due to road damage. Transition actions will lead to increased operating costs and expenditures due to the implementation of Carbon Border Adjustment Mechanism (CBAM) and carbon taxes, affecting existing assets or causing them to be scrapped, and increasing liabilities. During the transition process, we aim to balance financial sustainability, environmental protection best practices, and social responsibility while considering market demands and regulatory changes to achieve long-term profitability and corporate sustainable development.</p> <p>4. The Company will coordinate with relevant internal departments to jointly review the risks faced by the company, compile various risk items including strategic, operational, financial, and disaster aspects, evaluate their probability and severity, and plan risk response strategies to ensure the effectiveness of risk management programs and related control operations. This will also be coordinated with internal controls to ensure that operation-related risks are effectively controlled. Climate change risk identification and countermeasures are expected to be presented in 2025.</p> <p>5. The Company has not yet implemented scenario analysis for evaluation.</p> <p>6. To achieve the goal of net-zero carbon emissions by 2050, the Company is actively implementing carbon reduction plans independently. Annual statistics are compiled for greenhouse gas emissions, water usage, wastewater volume, and total waste weight. The Company is striving to take further steps toward the goal of controlling the global warming increase to within 0.5 degrees Celsius by 2030 for the group. At the same time, the Company also commits to gradually phasing out coal-fired power generation and enhancing energy independence and stability by 2040 for all organizational boundaries where photovoltaic power generation can be adopted. Through green energy transition, we aim to achieve multiple benefits including carbon emission reduction, lower energy costs, and improved energy flexibility. Our goal is to meet our own electricity needs through green power generation and further reduce energy expenditures.</p> <p>7. The Company has not yet implemented carbon pricing as a planning tool. In the future, we will actively consider international carbon market prices and greenhouse gas regulations to formulate internal carbon prices based on carbon reduction costs as a reference for planning carbon reduction management. Around the world, there is a shared commitment to take more decisive carbon reduction actions. The Company will also fulfill its responsibilities in this regard, responding appropriately while considering climate science, industry best practices, market developments, and the growing expectations of investors, customers, regulators, employees, and other stakeholders.</p> |
|--|---|

| | |
|--|---|
| <p>8. If climate-related targets have been set, describe the activities covered, greenhouse gas emission scopes, planning timeline, and annual progress information; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, explain the sources and quantities of the offset carbon reduction credits or the number of Renewable Energy Certificates (RECs).</p> | <p>8. The Company plans to achieve net-zero carbon emissions by 2050 and commits to reviewing the group's climate transition plans and targets at least every three years. The determining factors include the evolution of climate and energy policies, technological advancements, and other related developments. Climate change risk identification and countermeasures are expected to be presented in 2025. To accelerate the pace of energy transition, preliminary annual climate-related targets have been established, including: reducing water consumption, decreasing energy usage, implementing greenhouse gas inventory and carbon reduction plans, and improving waste recycling rates. Currently, no Renewable Energy Certificates (RECs) have been purchased for carbon reduction purposes.</p> |
| <p>9. Greenhouse Gas Inventory, Verification Status, Reduction Targets, Strategies and Action Plans (to be completed separately in 1-1 and 1-2).</p> | <p>9. The greenhouse gas inventory, verification status, reduction targets, strategies, and specific action plans are presented in the table below.</p> |

1-1 Greenhouse Gas Inventory and Verification Status for the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

| Detailing the greenhouse gas emissions for the past two years (metric tons CO ₂ e), emission intensity (metric tons CO ₂ e/million dollars), and data coverage scope. | | | | |
|--|----------------|----------------|------------------------|---|
| Greenhouse gas emissions for the past two years | | | | |
| Year | Scope 1 (tons) | Scope 2 (tons) | Total emissions (tons) | Emission intensity (Tons CO ₂ e/million dollars) |
| 2023 | 940.47 | 2,874.24 | 3,814.71 | 2.5014 |
| 2024 | 3,611.27 | 5,411.26 | 9,022.53 | 5.4353 |
| The 2023 organizational boundary does not yet include ANLI Technology Co., Ltd. (Huzhou). | | | | |
| The 2024 organizational boundary include Anli International Co., Ltd (Taiwan Branch and Taipei office), KUNSHAN ANLI PRECISE METAL CO., LTD., Gtek (Chongqing), Huzhou Anli Technology Co.,LTD.. | | | | |

Note 1: Direct emissions (Scope 1, emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, indirect greenhouse gas emissions from imported electricity, heat, or steam), and other indirect emissions (Scope 3, emissions resulting from company activities, excluding energy indirect emissions, that come from emission sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and energy indirect emissions should be implemented according to the schedule specified in Article 10, Paragraph 2 of these Standards. Disclosure of other indirect emissions information is voluntary.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity may be calculated per unit of product/service or revenue, but data calculated based on revenue (NT\$ million) must be disclosed at minimum.

1-1-2 Greenhouse Gas Assurance Information

| |
|---|
| Describe the assurance status for the most recent two years as of the annual report printing date, including assurance scope, assurance institution, assurance standards, and assurance opinion. |
| <p>Not applicable.</p> <p>According to the “Listed Companies Sustainability Development Roadmap,” companies with capital below NT\$5 billion are required to begin carbon inventory by 2026 and complete assurance by 2028. To lead the industry, the Company has actively begun collecting carbon inventory data since 2024. We are currently focusing on calculating our organizational carbon inventory report, which has been certified by SGS, ensuring compliance with future regulatory requirements and strengthening corporate sustainability.</p> |

Note 1: Procedures should be conducted according to the schedule specified in Paragraph 2, Article 10 of these Standards. If the Company has not obtained a complete greenhouse gas assurance opinion by the annual report printing date, it should note that “Complete assurance information will be disclosed in the Sustainability Report.”

If the Company does not prepare a Sustainability Report, it should note that “Complete assurance information will be disclosed on the Market Observation Post System,” and disclose the complete assurance information in the following year’s annual report.

Note 2: The assurance institution should comply with the relevant regulations for sustainability report assurance institutions established by Taiwan Stock Exchange Corporation and Taipei Exchange.

Note 3: The disclosure content can refer to the best practice examples on the website of the Corporate Governance Center of Taiwan Stock Exchange.

1-2 Greenhouse gas reduction targets, strategies and specific action plans

| |
|---|
| Describe greenhouse gas reduction base year and its data, reduction targets, strategies and specific action plans, and the achievement status of reduction targets. |
| Not applicable. →(Reason: Base year has not yet been defined) |

Note 1: Should be implemented according to the schedule specified in the order under Article 10, Paragraph 2 of these standards.

Note 2: The base year should be the year in which inventory is completed within the boundary of the consolidated financial report. For example, according to the order specified in Article 10, Paragraph 2 of these Standards, companies with capital exceeding NT\$10 billion shall complete the inventory of the 2024 consolidated financial report by 2025, thus the base year is 2024. If a company has completed the inventory of consolidated financial reports in advance, it may use that earlier year as the base year. Additionally, the base year data may be calculated based on a single year or as an average of multiple years.

Note 3: The disclosure content can refer to the best practice examples on the website of the Corporate Governance Center of Taiwan Stock Exchange.

(7)The Company's situation of social responsibility fulfillment, differences in Exchange-Listed and OTC-Listed Companies' Code of Practice for Corporate Social Responsibility, and the reasons.

| Items for evaluation | Implementation Status | | | Differences and reasons between the Company and the Ethical Corporate Management Best |
|---|-----------------------|----|---|---|
| | Yes | No | Summary | |
| 1.The policy and plan of business integrity (1)Does the Company have the corporate management policy and method declared explicitly in the Articles of Incorporation and external files, and what is the commitment of the Board of Directors and the management to actively implement the operating policies? | ✓ | | (1)The Company has set up the “Code for Integrity Operations” and the “Integrity Operation Procedure Guidelines,” explicitly stipulating relevant policies and regulations in order to establish the corporate culture of integrity operations. Additionally, the board and the management level adhere by integrity as the corporate philosophy and actively implements relevant policies. | No significant discrepancy. |
| (2)Has the Company established a dishonest behavioral risk assessment mechanism to periodically analyze and assess the business activities involving a higher risk of dishonest conduct within the business scope, based on which a dishonest conduct behavior plan is set up and covers at least the preventive measures in the conducts in Article 7, Paragraph 2 of the “Code for Integrity Operations of Exchange-Listed and OTC-Listed Companies”? | ✓ | | (2)The Company engages in business activities based on the principles of fairness, honesty, and transparency. The “Code for Integrity Operations,” “Integrity Operation Procedure and Conduct Guidelines,” and “Code of Ethical Conduct” have been set up to specifically provision precautions when company staff perform business. | |
| (3)Has the Company clearly established operating procedures, behavioral guidelines, disciplinary and grievance systems for preventing dishonest behavior in its program, implemented them, and regularly reviewed and revised the aforementioned program? | ✓ | | (3)In addition to provisions in the “Code for Integrity Operations” and “Code of Ethical Conduct” on prohibiting dishonest conduct, the Integrity Operation Procedure and Conduct Guidelines” has also been set up to provision dishonest conduct handling procedures of company staff and the establishment of a reward, punishment, and complaint system, strictly requiring compliance by company staff concerned in order to prevent occurrences of dishonest conduct and carry out the implementation. | |

| Items for evaluation | Implementation Status | | | Differences and reasons between the Company and the Ethical Corporate Management Best |
|---|--|----|--|---|
| | Yes | No | Summary | |
| <p>2.Implementation of ethical corporate management</p> <p>(1)Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p> <p>(2)Has the Company set up corporate integrity operation full-time (part-time) units under the board, and do they regularly report to the board (at least once a year) regarding the integration operation policies and dishonest conduct prevention plans and supervision execution situations?</p> <p>(3)Does the company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?</p> <p>(4)Has the Company set up an effective accounting system, and internal control system to implement integrity operations? Has the internal audit unit formulated relevant audit plans according to dishonest conduct risk assessment results, based on which the dishonest conduct prevention plan compliance situation can be checked, or are CPAs commissioned to execute checking?</p> <p>(5)Has the Company organized corporate management internal and external education and training programs on a regular basis?</p> | <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> | | <p>(1)The Company has established “Ethical Corporate Management Principles” and conducts various assessments including ethical behavior when executing business operations, while also explaining the Company’s integrity policies to transaction counterparties.</p> <p>(2)The Company has appointed the board internal audit unit to be responsible for setting up integrity operation policies and prevention plans, engaging in relevant operation conduct and implementation supervision, and periodically reporting to the board.</p> <p>(3)The Company’s “Ethical Corporate Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” include provisions on conflict of interest avoidance, with clear and accessible channels for reporting concerns.</p> <p>(4)To ensure the effective implementation of ethical business practices, the Company has established a robust accounting and internal control system. The internal audit unit formulates relevant audit plans based on assessment results and conducts compliance audits accordingly. If necessary, external CPAs may be engaged to perform additional audits.</p> <p>(5)The Company has formulated the “Ethical Corporate Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” and regularly reinforces employee awareness through periodic training and communication efforts.</p> | No significant discrepancy. |

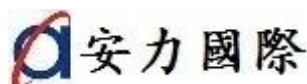
| Items for evaluation | Implementation Status | | | Differences and reasons between the Company and the Ethical Corporate Management Best |
|---|----------------------------|----|--|---|
| | Yes | No | Summary | |
| <p>3.The operations of the Company's Report System</p> <p>(1)Does the company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p> <p>(2)Has the Company established standard operating procedures for investigating reported matters, subsequent measures to be taken after investigations are completed, and related confidentiality mechanisms?</p> <p>(3)Has the Company adopted measures to protect whistleblowers from improper treatment due to their reporting?</p> | <p>✓</p> <p>✓</p> <p>✓</p> | | <p>(1)The Company explicitly defines the reporting procedures and grievance channels in the "Ethical Corporate Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct." Employees or stakeholders may report violations or file complaints to the internal audit unit via the Company's internal email system. In the event of a major violation or potential significant damage to the Group, an immediate investigation shall be conducted, and a report shall be prepared. The board of directors and independent directors shall be promptly notified in writing.</p> <p>(2)Any dishonest behavior can be reported directly to relevant supervisors and, in accordance with the "Ethical Corporate Management Principles" and "Ethical Corporate Management Operating Procedures and Behavioral Guidelines," appropriate procedures will be followed and subsequent measures will be taken based on the severity of the situation. When necessary, reports will be made to regulatory authorities or cases will be transferred to judicial authorities for investigation. All relevant information is handled with confidentiality.</p> <p>(3)The Company protects the informants from undue treatment because of the act of reporting on unethical practices.</p> | No significant discrepancy. |
| <p>4.Enhanced information disclosure</p> <p>Does the company have the contents of ethical corporate management and its implementation disclosed on the website and MOPS?</p> | ✓ | | The Company has set up its official website for the disclosure of related information on ethical corporate management, and has uploaded such information to MOPS as required by law. | No significant discrepancy. |

| Items for evaluation | Implementation Status | | | Differences and reasons between the Company and the Ethical Corporate Management Best |
|---|-----------------------|----|---------|---|
| | Yes | No | Summary | |
| 5.Has the Company established its own ethical corporate management principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”? Please describe any operational differences from the established principles: No significant differences The Company has established “Ethical Corporate Management Principles,” and their operation does not significantly differ from the established principles. | | | | |
| 6.Other important information that helps understand the Company’s ethical corporate management operations: (Such as the Company’s review and revision of its established ethical corporate management principles): (1)The ethics code of conduct for the personnel (including the Directors, Supervisors, managers and the employees) was inscribed in the “Ethical Corporate Management Best-Practice Principles” of the Company for assisting the pursuit of its policy of ethical corporate management. (2)The mechanisms of handling and disclosing internal information in materiality were stated in the “Procedures for Handling Internal Information in Materiality” and ensure the consistency and accuracy of all information for disclosure. (3)The Company has established a “Board Meeting Operational Guidelines” that includes a conflict of interest recusal system for directors. When directors have personal interests (whether direct or indirect), they must explain the important details of such interests at the board meeting. If there is concern about potential harm to the Company’s interests, they shall not participate in voting or discussion. However, they must explain the important details of their personal interests at that board meeting, and must recuse themselves during discussion and voting, and may not exercise voting rights on behalf of other directors. | | | | |

(8)Other information that may enhance understanding of the Company’s corporate governance operations may be disclosed: None

(9)The following shall be disclosed in the pursuit of the internal control system

A.Internal Control Statement



ANLI International Co., Ltd.
Statement on Internal Control System

Date: March 10, 2025

Pursuant to the self-assessment results, our company hereby declares the following regarding the internal control system for the fiscal year 2024:

- I. Our company acknowledges and understands that the internal control system is a fundamental cornerstone of corporate operations and a key responsibility of management. We have established this system to reasonably ensure the achievement of objectives concerning operational effectiveness and efficiency (including profitability, performance, and asset protection), the reliability, timeliness, and transparency of reporting, and compliance with relevant regulations.
- II. The internal control system has inherent limitations, and even a well-designed and effectively implemented system cannot provide absolute assurance of achieving the aforementioned objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may vary. However, our company has established a self-monitoring mechanism to identify deficiencies and will take necessary corrective actions promptly when issues are detected.
- III. Our company has designed and implemented the internal control system in accordance with the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). The effectiveness of the system’s design and implementation is assessed based on the evaluation criteria stipulated in the Regulations. These evaluation criteria classify internal control into five components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component consists of multiple principles, which our company adheres to in accordance with the Regulations.
- IV. Our company has assessed the effectiveness of the design and implementation of the internal control system based on the aforementioned evaluation criteria.
- V. Based on the results of this assessment, our company believes that, as of December 31, 2024, our internal control system (including supervision of subsidiaries) is effective in ensuring operational effectiveness and efficiency, the reliability and timeliness of financial reporting, and compliance with applicable laws and regulations, thereby providing reasonable assurance of achieving these objectives.
- VI. This statement will be included in our company's annual report and prospectus and will be publicly disclosed. If any falsehoods, concealments, or other unlawful acts are found in the disclosed information, the company will be held legally liable under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on March 10, 2025. Among the seven directors (including three independent directors), none expressed objections. Therefore, this statement is hereby affirmed.

Anli International Co., Ltd.

Chairman: Hsu Cheng-Kun

President: Hsu Cheng-Kun

B.Commissioned CPAs to conduct project review on the internal control system: None

(10)Major resolutions of the shareholders’ meeting and the Board in 2024 and until the date of publication of the annual report.

A.Important resolutions of the 2024 annual shareholders’ meeting and implementation status

| Date | Important Resolution Items | Status of implementation |
|--------------|---|---|
| May 31, 2024 | Ratification of the Business Report and Consolidated Financial Statements in 2023. | Resolved to pass the motion. |
| | Acknowledgment of 2023 deficit compensation proposal. | Resolved to pass the motion. Considering the capital demand, financial structure and the prudent principle of corporate sustainability, the Company plans to distribute no dividends this year. |
| | Amendment to certain provisions of the “Articles of Incorporation” of the Company. Amendments to certain provisions of the “Shareholders’ meeting Procedure” of the Company. Amendment to certain provisions of the “Operating Procedure for Endorsements/Guarantees” of the Company. | Already executed per the resolution of the shareholders’ meeting. |

B.Important Board of Directors resolutions in 2024 and as of printing date of this annual report

| Date | Important Resolution Items |
|------------------|--|
| January 11, 2024 | <ol style="list-style-type: none"> 1. Report on the Company’s subsidiary Anli Huzhou plant construction project report. 2. Reported on the Company’s internal audit operations from October to November 2023. 3. Proposed to pass the Company’s 2024 annual business plan. 4. Proposed to pass the motion for ratification of acquisition and disposal of machine and equipment by the Company’s subsidiary, Anli Huzhou, from the related party, Kuanghe Kunsha 5. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company. 6. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company’s subsidiary, ANLI Hong Kong. 7. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company’s subsidiary, Kuanghe Hong Kong. 8. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company’s subsidiary, ANLI Kunshan 9. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company’s subsidiary, Kuanghe Kunsha 10. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company’s subsidiary, Gtek (Chongqing). 11. Proposed to pass the amendments to certain provisions of the “Enforcement Rules for Internal Audit” of the Company’s subsidiary, Anli Huzhou. 12. Proposed to pass the Company’s application for endorsements/guarantees of financing facilities with The Shanghai Commercial & Savings Bank, Ltd. for the Company’s subsidiary, ANLI International Co., Ltd., Taiwan Branch. 13. Approved the 2023 year-end bonus proposal for the Company’s managers. |
| March 11, 2024 | <ol style="list-style-type: none"> 1. Reported on the Company’s subsidiary Anli Huzhou plant construction project report. 2. Reported on the Company’s operational performance for the fourth quarter of 2023. 3. Reported on the Company’s foreign exchange hedging activities in February 2024. 4. Reported on the Company’s issuance of the 1st Unsecured Convertible Corporate Bonds in Taiwan. 5. Reported on the Company’s internal audit operations for the fourth quarter of 2023. 6. Reported on the communication between the Audit Committee members and the head of internal audit of the Company in 2023. 7. Reported on the Company’s GHG inventory report. 8. Reported on the Company’s Board of Directors performance self-evaluation results for 2023. 9. Reported on the Directors and key officers liability insurance for 2024. |

| Date | Important Resolution Items |
|---------------|---|
| | <p>10. Proposed to pass the evaluation of independence of the Company's CPAs for 2023.</p> <p>11. Proposed to pass the Company's 2023 Business Report and Consolidated Financial Statements.</p> <p>12. Proposed to pass the Company's 2023 earnings distribution proposal.</p> <p>13. Proposed to pass the appointment and remuneration of the Company's CPAs for 2024.</p> <p>14. Proposed to pass the change in the Company's external auditors.</p> <p>15. Proposed to pass the Company's 2024 second quarter budget proposal.</p> <p>16. Proposed to pass the Company's 2023 "Internal Control System Statement."</p> <p>17. Proposed approval of amendments to certain provisions of the Company's "Articles of Incorporation."</p> <p>18. Proposed approval of amendments to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings."</p> <p>19. Passed the partial amendment to the "Rules of Procedure for Board of Directors Meetings" of the Company.</p> <p>20. Proposed to pass the amendments to certain provisions of the Company's "Organization Regulations of Audit Committee."</p> <p>21. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Hong Kong.</p> <p>22. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Hong Kong.</p> <p>23. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Kunshan.</p> <p>24. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Kunsha.</p> <p>25. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Gtek (Chongqing).</p> <p>26. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Anli Huzhou.</p> <p>27. Proposed to pass the changes in the Company's "financial officer" and "accounting officer."</p> <p>28. Proposed to pass the change in the Company's "chief internal auditor."</p> <p>29. Proposed to pass the change in the Company's "chief corporate governance officer."</p> <p>30. Proposed to pass the Company's 2024 managers' compensation proposal.</p> <p>31. Proposed to pass convening the Company's 2024 Annual Shareholders' Meeting.</p> |
| May 6, 2024 | <p>1. Reported on the Company's subsidiary Anli Huzhou plant construction project report.</p> <p>2. Report on the Company's Q1 2024 Operations.</p> <p>3. Report on the Company's Foreign Exchange Hedging Activities in April 2024.</p> <p>4. Reported on the Company's Q1 2024 Internal Audit Activities.</p> <p>5. Reported on the Company's GHG inventory report.</p> <p>6. Proposal to approve the Company's Q1 2024 Consolidated Financial Statements.</p> <p>7. Proposal to approve the Company's Q3 2024 Budget.</p> <p>8. Proposed to pass the endorsements/guarantees made by the Company's subsidies pertaining to customs matters.</p> <p>9. Proposed approval of the release of the Company's endorsement guarantee for the financing application of our branch office, ANLI International Taiwan Branch, with Shanghai Commercial Bank.</p> |
| July 11, 2024 | <p>1. Reported on the Company's Internal Audit Activities from April to May 2024.</p> <p>2. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Hong Kong.</p> <p>3. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Hong Kong.</p> <p>4. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, ANLI Kunshan.</p> <p>5. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Kuanghe Kunsha.</p> <p>6. Proposed to pass the amendments to certain provisions of the "Operating Procedure for Loaning of Funds to Others" of the Company's subsidiary, Gtek (Chongqing).</p> <p>7. Proposed to pass the amendments to certain provisions of the "Operating Procedure for</p> |

| Date | Important Resolution Items |
|-------------------|--|
| | <p>Loaning of Funds to Others” of the Company’s subsidiary, Anli Huzhou.</p> <p>8. Proposed to pass the application of the Company’s subsidiary, ANLI Hong Kong, for endorsements/guarantees of financing facilities with CTBC Bank for the Company.</p> <p>9. Proposed to pass the application of the Company’s subsidiary, Kuanghe Hong Kong, for endorsements/guarantees of financing facilities with CTBC Bank for the Company.</p> <p>10. Proposed approval of the Company’s endorsement guarantee for the financing application of our subsidiary, Anli International Holdings (Taiwan) Limited, with CTBC Bank.</p> <p>11. Proposed approval of the Company’s endorsement guarantee for the financing application of our subsidiary, Kuanghe Co., Limited Taiwan Branch, with CTBC Bank.</p> <p>12. Proposed to approve the application for financing facilities from Chailease Specialty Finance Co., Ltd. by the Company’s branch office, Anli International Co., Ltd, Taiwan Branch.</p> <p>13. Proposed to pass the Company’s 2024 managers’ compensation proposal.</p> <p>14. Proposed to approve the performance bonus for the Company’s managers for 2024.</p> |
| August 20, 2024 | <p>1. Reported on the Company’s Q2 2024 Operations.</p> <p>2. Reported on the Company’s Foreign Exchange Hedging Activities in July 2024.</p> <p>3. Reported on the Company’s Q2 2024 Internal Audit Activities.</p> <p>4. Reported on the Company’s GHG inventory report.</p> <p>5. Proposed to approve the Company’s Q2 2024 Consolidated Financial Statements.</p> <p>6. Proposed to approve the Company’s Q4 2024 Budget.</p> <p>7. Proposed approval of amendments to certain provisions of the Company’s “Sustainable Development Best Practice Principles.”</p> <p>8. Proposed to acquire and dispose of machinery equipment from the related party Kuanghe Kunsha through the Company’s subsidiary Anli Huzhou.</p> <p>9. Proposed approval of the change of the Company’s stock affairs agent.</p> <p>10. The Company’s subsidiary ANLI Kunshan providing loans to Anli Huzhou.</p> |
| November 12, 2024 | <p>1. Reported on the Company’s operational status for the third quarter of 2024.</p> <p>2. Reported on the Company’s foreign exchange hedging operations in October 2024.</p> <p>3. Reported on the Company’s internal audit operations for the third quarter of 2024.</p> <p>4. Report from the corporate governance officer on the results of qualifications review of independent directors during their tenure.</p> <p>5. Proposed to pass the Company’s consolidated financial statements for the third quarter of 2024.</p> <p>6. Proposed to pass the Company’s budget for the first quarter of 2025.</p> <p>7. Proposed approval of the release of funds loaned by the Company’s subsidiary, ANLI Kunshan, to Anli Huzhou.</p> <p>8. Proposed to pass the loaning of funds by the Company’s subsidiary, ANLI Kunshan, to Anli Huzhou.</p> <p>9. Proposing to acquire and dispose of machinery and equipment from non-related parties through the Company’s subsidiary.</p> <p>10. Proposed to pass the Company’s application for financing facilities with Cathay United Bank.</p> <p>11. Proposed to pass the Company’s application for endorsements/guarantees of financing facilities with Cathay United Bank for the Company’s subsidiary, ANLI International Co., Ltd., Taiwan Branch.</p> <p>12. Proposed to pass the Company and its subsidiaries’ 2025 Audit Plan.</p> <p>13. Proposing to approve the internal control measures for the management of the Company’s sustainability information.</p> <p>14. Proposed to pass the amendments to certain provisions of the Company’s “Organization Regulations of Audit Committee.”</p> <p>15. Proposing to approve the amendments to certain provisions of the Company’s “Corporate Governance Practice Principles.”</p> <p>16. Proposed to pass the amendments to certain provisions of the “Operating Procedure for Loaning of Funds to Others” of the Company’s subsidiary, ANLI Hong Kong.</p> <p>17. Proposed to pass the amendments to certain provisions of the “Operating Procedure for Loaning of Funds to Others” of the Company’s subsidiary, Kuanghe Hong Kong.</p> <p>18. Proposed to pass the amendments to certain provisions of the “Operating Procedure for Loaning of Funds to Others” of the Company’s subsidiary, ANLI Kunshan.</p> <p>19. Proposed to pass the amendments to certain provisions of the “Operating Procedure for</p> |

| Date | Important Resolution Items |
|------------------|--|
| | <p>Loaning of Funds to Others” of the Company’s subsidiary, Kuanghe Kunsha.</p> <p>20. Proposed to pass the amendments to certain provisions of the “Operating Procedure for Loaning of Funds to Others” of the Company’s subsidiary, Gtek (Chongqing).</p> <p>21. Proposed to pass the amendments to certain provisions of the “Operating Procedure for Loaning of Funds to Others” of the Company’s subsidiary, Anli Huzhou.</p> <p>22. Proposed to pass the change in the Company’s “chief internal auditor.”</p> |
| January 14, 2025 | <p>1. Reported on the Company’s internal audit business from October to November, 2024.</p> <p>2. Proposing to approve the Company’s 2025 operational plan.</p> <p>3. Proposing to approve the Company’s “Guidelines for Directors’ Continuing Education.”</p> <p>4. Proposing to approve the Company’s “Operational Procedures for Preparation and Filing of Sustainability Report.”</p> <p>5. Proposing to approve the release of the Company’s subsidiary from acquiring and disposing of machinery and equipment from non-related parties.</p> <p>6. Passed the motion of year-end bonus for the managers of the Company in 113.</p> <p>7. To pass the Company’s 114 manager remuneration case.</p> |
| March 10, 2025 | <p>1. Reported on the Company’s Q4 2024 Operations</p> <p>2. Reported on the Company’s Q4 2024 Internal Audit Operations.</p> <p>3. Reported on Communication between the Company’s 2024 Audit Committee Members and the Head of Internal Audit.</p> <p>4. Reported on the Company’s 2024 Board of Directors Performance Self-Evaluation Results.</p> <p>5. Reported on the Company’s 2025 Liability Insurance for Directors and Key Officers.</p> <p>6. Proposing to approve the evaluation of independence and competence of the Company’s certifying accountants for the year 2024.</p> <p>7. Proposing to approve the Company’s 2024 business report and consolidated financial statements.</p> <p>8. Proposing to approve the Company’s 2024 profit/loss appropriation plan.</p> <p>9. Passed the motion of appropriation of remuneration to the employees and the Directors of the Company in 113.</p> <p>10. Proposing to approve the Company’s budget for the second quarter of 2025.</p> <p>11. Proposing to approve the appointment and remuneration of the Company’s certifying accountants for the year 2025.</p> <p>12. Proposed to pass the loaning of funds by the Company’s subsidiary, Kuanghe Kunsha, to Anli Huzhou.</p> <p>13. Proposed to pass the capital increase of the Company’s subsidiary, Anli Huzhou.</p> <p>14. Proposed to pass application of credit facilities from First Commercial Bank for the Company.</p> <p>15. Proposing to approve the Company’s 2024 “Statement of Internal Control System.”</p> <p>16. Proposing to ratify the acquisition and disposal of transportation equipment by the Company’s subsidiary, Anli Huzhou, from the related party, Kuanghe Kunsha.</p> <p>17. Proposing to approve the amendments to the “Table of Approval Authorities” of the Company’s subsidiary, Anli Huzhou.</p> <p>18. Proposed to pass the endorsements/guarantees made by the Company’s subsidies pertaining to customs matters.</p> <p>19. Proposed approval of amendments to certain provisions of the Company’s “Articles of Incorporation.”</p> <p>20. Proposed to elect the Company’s 7th Board of Directors.</p> <p>21. Proposed to waive the non-competition restrictions for the Company’s Directors.</p> <p>22. Proposed to convene the Company’s 2025 Annual General Shareholders’ Meeting.</p> |

(11) Adverse opinions from the Directors or the Supervisors against major resolutions of the Board on record or in written declaration in the most recent year to the date this report was printed. The key content: None

3.2024 CPA fee information

Unit: NT\$ Thousand

| Firm Name | CPA Name | | The duration of the audit | Auditing fee | Non-Auditing fee | Total | Remarks |
|------------|-----------------|--------------|---------------------------|--------------|------------------|-------|---------|
| PwC Taiwan | Chiu Chao-Hsien | Liao Fu-Ming | 2024.1.1 to 2024.3.31 | 4,530 | - | 4,530 | - |
| | Chiu Chao-Hsien | Liao Fu-Ming | 2024.4.1 to 2024.6.30 | | | | |
| | Chiu Chao-Hsien | Liao Fu-Ming | 2024.7.1 to 2024.9.30 | | | | |
| | Chiu Chao-Hsien | Liao Fu-Ming | 2024.10.1 to 2024.12.31 | | | | |

Unit: NT\$ Thousand

| Firm Name | Name of auditor | Auditing fee | Non-Auditing fee | | | | | Duration of Audit | Remarks |
|------------|---------------------------------|--------------|------------------|------------------------|-----------------|--------|----------|---|---------|
| | | | System design | Corporate Registration | Human Resources | Others | Subtotal | | |
| PwC Taiwan | Chiu Chao-Hsien Liao Fu-Ming | 4,530 | - | - | - | - | - | January 01, 2024 to December 31, 2024 | |

- (1) When the non-audit fee paid to the certifying accountant, the accounting firm to which the certifying accountant belongs, and its affiliated enterprises exceeds one-fourth of the audit fee, the audit and non-audit fee amounts and the content of non-audit services shall be disclosed: No such situation exists.
- (2) For those whose audit public fees on the year of accounting firm change decreased compared to that of the previous year, the amount, ratio, and reason of audit public fees decrease should be disclosed: Not applicable.
- (3) If the audit remuneration was reduced by more than 10% from the previous year, the amount, percentage, and reasons for the reduction must be disclosed: None.

4.Information on change of CPA

(1)Information relating to the former CPA

| | | | |
|---|--|----------------|--------------------------------|
| Date of replacement | March 11, 2024 | | |
| Reason for reappointment | Due to internal organizational adjustments at PwC Taiwan, starting from Q1 2024, the original certifying accountants from PwC Taiwan, CPA Chiu Chao-Hsien and CPA Chen Chin-Chang, have been replaced by CPA Chiu Chao-Hsien and CPA Liao Fu-Ming from PwC Taiwan. | | |
| Was the termination of audit services initiated by the principal or by the CPA | Nature of agreement | | |
| | Status | CPA | Principal |
| | Service terminated by | Not applicable | Not applicable |
| | Service no longer accepted (continued) by | Not applicable | Not applicable |
| Reasons for issuing opinions other than unqualified opinions in the recent 2 years | Not applicable | | |
| Disagreements with the issuer | Yes | - | Accounting policy or practice |
| | | - | Financial statement disclosure |
| | | - | Audit coverage or procedures |
| | | - | Others |
| | None | ✓ | |
| | Remark | | |
| Other disclosure items (Items that should be disclosed under Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7) | None | | |

(2)Information relating to the succeeding CPA

| | |
|--|---|
| Name of firm | PwC Taiwan |
| CPA Name | Chiu Chao-Hsien, CPA and Liao Fu-Ming, CPA |
| Date of reappointment | March 11, 2024, approved by the Company's Board of Directors. |
| Inquiries and replies relating to the accounting practices or accounting principles of certain transactions, or any audit opinions the auditors were likely to issue and counseling results on the financial reports prior to reappointment. | None |
| Written disagreements from the succeeding auditor against the opinions made by the former CPA | None |

(3)Response to items as required under Article 10, Paragraph 6, Subparagraph 1, Item 4 to Item 7 of these Standards from previous accountants: Not applicable.

5.The Company's Chairperson, President, or managers responsible for financial or accounting affairs who have been employed by the accounting firm of the certifying accountants or its affiliated enterprises within the past year: No such situation exists.

6.2024 and as of the printing date of the annual report: Changes in shareholding and pledge of shares by directors, supervisors, managers, and major shareholders with over 10% shareholding

(1) Shareholding changes of directors, supervisors, managers, and major shareholders

| Title (Note 1) | Name | 2024 | | As of March 28, 2025 | |
|---|-----------------------------------|--------------------------------------|--|--|---|
| | | Increase (decrease) in No. of Shares | Increase (decrease) in No. of Pledged Shares | Increase in the number of shares held (decrease) | Increase in the number of pledged shares (decrease) |
| Corporate director and currently major shareholder | ANLI INTERNATIONAL LIMITED(SAMOA) | 0 | 0 | 0 | 0 |
| Chairman and President | Hsu Cheng-Kun | 0 | 0 | 0 | 0 |
| Corporate director and currently major shareholder | KUANGHECO., LTD. (SAMOA) | 0 | 0 | 0 | 0 |
| Institutional director representative ,President of Anli Huzhou and President of Kuanghe Kunsha | Wu Chin-Song | 0 | 0 | 0 | 0 |
| Director and President of ANLI Kunshan | Lin Chih-Kun | 0 | 0 | 0 | 0 |
| Director | Lo Li-Wen | 0 | 0 | 0 | 0 |
| Independent director | Chen Li-Yuan | 0 | 0 | 0 | 0 |
| Independent director | Huang Kuo-Fen | 0 | 0 | 0 | 0 |
| Independent director | Huang Kui-Jung | 0 | 0 | 0 | 0 |
| President, Gtek (Chongqing) | Chang Yi-Chang | 0 | 0 | 0 | 0 |
| Vice President, Anli Huzhou and Vice President, Kuanghe Kunsha | Wu Chi-Kun | 0 | 0 | 0 | 0 |
| Vice President, ANLI Kunshan | Chen Chia-Feng | 0 | 0 | 0 | 0 |
| CFO and Chief Accounting Officer | Yao Li-Fang | 0 | 0 | 0 | 0 |
| Chief Internal Auditor | Chang Jin-Wen | 0 | 0 | 0 | 0 |
| Chief Corporate Governance Officer | Cheng Ya-Wen | 0 | 0 | 0 | 0 |

Note 1: Shareholders with more than 10% of company shares shall be listed as a major shareholder, as listed below:

Note 2: Where the counterparty of equity transfer or pledge of equity is a related person, the table below should be filled out.

(2)Information on the counterparty of directors, supervisors, managers, and major shareholders' transfer of equity who is a related person: None.

(3)Information on the counterparty of directors, supervisors, managers, and major shareholders' pledge of equity who is a related person: None.

7.Information on shareholders among the top ten in shareholding who are related parties, spouses, or relatives within second degree of kinship

March 28, 2025 Unit: Shares, %

| Name (Note 1) | Shares held under own name | | Shares Held by Spouse & Dependents | | Shareholdings under the title of a third party | | The titles or names and relationships of the top ten shareholders with spouse relations or second-degree relative relations. (Note 3) | | Remarks |
|--|----------------------------|-----------------------|------------------------------------|-----------------------|--|-----------------------|---|---|---------|
| | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Quantity | Ratio of Shareholding | Name | Relation | |
| ANLI INTERNATIONAL LIMITED(SAMOA) Representative: Hsu Cheng-Kun | 12,578,589 | 28.23% | - | - | - | - | Wu Wen-Yu Huang A-Chun | Major shareholder of ANLI INTERNATIONAL LIMITED (SAMOA) | |
| | 494,000 | 1.11% | - | - | - | - | | | |
| KUANGHECO., LTD. (SAMOA) Representative: Wu Chin-Song | 3,962,979 | 8.90% | - | - | - | - | | | |
| | 0 | 0% | - | - | - | - | | | |
| Dinkle Holding Co., Ltd (B.V.I.) Representative: Wu Shang-Tsai | 2,020,685 | 4.54% | - | - | - | - | | | |
| | 0 | 0% | - | - | - | - | | | |
| Tsai Kuei-Fan | 1,670,714 | 3.75% | 40,080 | 0.09% | - | - | | | |
| Chou Feng-yuan | 1,456,000 | 3.27% | | | | | | | |
| Tsai Chun-Hsin | 1,340,951 | 3.01% | - | - | - | - | | | |
| WAYS Technical Corp., Ltd. Representative: Kuo Shih-Yi | 1,035,207 | 2.32% | - | - | - | - | | | |
| | 0 | 0% | - | - | - | - | | | |
| Wu Wen-Yu | 985,871 | 2.21% | 140,400 | 0.32% | - | - | ANLI INTERNATIONAL LIMITED (SAMOA) | Major Shareholder | |
| Liao Guo-Xiang | 728,000 | 1.63% | | | | | | | |
| Huang A-Chun | 638,671 | 1.43% | - | - | - | - | ANLI INTERNATIONAL LIMITED (SAMOA) | Major Shareholder | |

Note 1: All top ten shareholders must be listed. For corporate shareholders, the name of the corporate shareholder and the name of its representative must be listed separately.

Note 2: The calculation of shareholding ratio refers to the shareholding ratio calculated in accordance with the shareholding of the shareholders, spouse, minor children, and in the name of others.

Note 3: The shareholders listed above include both juridical persons and natural persons, and their relationships with each other shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuer

8.Shareholdings of the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee company, and the calculation of comprehensive shareholding ratio

March 28, 2025 Unit: Shares; %

| Investee company (Note 1) | Invested by the Company | | Held by directors, supervisors, managers, and directly or indirectly controlled enterprises | | Comprehensive investment | |
|---|-------------------------|--------------------|---|--------------------|--------------------------|--------------------|
| | Quantity | Shareholding ratio | Quantity | Shareholding ratio | Quantity | Shareholding ratio |
| ANLI INTERNATIONAL HOLDINGS LIMITED | 92,190 | 100% | - | - | 92,190 | 100% |
| KUANGHECO., LIMITED | 13,166 | 100% | - | - | 13,166 | 100% |
| KUNSHAN ANLI PRECISE METAL CO., LTD. (Note 1.A) | - (Note 2) | 100% | - | - | - (Note 2) | 100% |
| Kunshan Kuanghe Electronic Technology Co., Ltd. (Note 1.B) | - (Note 2) | 100% | - | - | - (Note 2) | 100% |
| Gtek Technology Co., Ltd. (Chongqing) (Note 1.C) | - (Note 2) | 100% | - | - | - (Note 2) | 100% |
| Anli Huzhou Technology Co.,LTD. (Note 1.D) | - (Note 2) | 100% | - | - | - (Note 2) | 100% |

Note 1: Indirect investment in Mainland China through a third area

(1)Reinvestment in KUNSHAN ANLI PRECISE METAL CO., LTD. Through ANLI INTERNATIONAL HOLDINGS LIMITED

(2)Kunshan Kuanghe Electronic Technology Co., Ltd. made the investment through KUANGHE CO., LIMITED and KUNSHAN ANLI PRECISE METAL CO., LTD.

(3)Gtek Technology Co., Ltd. (Chongqing) made the investment through Kunshan Kuanghe Electronic Technology Co., Ltd. and KUNSHAN ANLI PRECISE METAL CO., LTD.

(4)Reinvestment in Anli Huzhou Technology Co.,LTD. through ANLI INTERNATIONAL HOLDINGS LIMITED and KUANGHECO., LIMITED

Note 2: It is a limited liability company, so there are no shares.

IV. Status of Capital Planning

1. The Company's capital stock and stock shares

(1) Sources of shares and dividends

A. Stock Type

March 28, 2025; Unit: shares

| Stock Type | Authorized shares capital | | | Remarks |
|--------------|---------------------------|-----------------|-------------|------------------------------|
| | Outstanding shares | Unissued Shares | Total | |
| Common stock | 44,549,781 | 55,450,219 | 100,000,000 | Taipei Exchange listed stock |

Note: Transaction of shares is prohibited on March 28, 2025

B. Sources of shares and dividends

Unit: Shares; NT\$

| Year and month | Issue price | Authorized shares capital | | Paid-in shares capital | | Remarks | | |
|-----------------|-------------|---------------------------|---------------|------------------------|-------------|--|------------------------------------|--|
| | | Quantity | Amount | Quantity | Amount | Sources of shares and dividends | Paid in properties other than cash | Others |
| June 2010 | NT\$10 | 50,000,000 | 500,000,000 | 1 | 10 | Authorized capital | - | - |
| March, 2011 | NT\$10 | 50,000,000 | 500,000,000 | 26,000,001 | 260,000,010 | Equity conversion at NT\$260,000,000 | - | - |
| October, 2011 | NT\$10 | 50,000,000 | 500,000,000 | 27,800,000 | 278,000,000 | Capitalization of additional paid-in capital at NT\$17,999,990 | - | - |
| July, 2012 | NT\$10 | 50,000,000 | 500,000,000 | 31,800,000 | 318,000,000 | Cash capitalization for NT\$40,000,000 | - | - |
| August, 2012 | NT\$10 | 50,000,000 | 500,000,000 | 34,026,000 | 340,260,000 | Recapitalization of earnings for NT\$22,260,000 | - | - |
| June 2013 | NT\$10 | 50,000,000 | 500,000,000 | 35,046,780 | 350,467,800 | Recapitalization of earnings for NT\$10,207,800 | - | - |
| September, 2013 | NT\$10 | 50,000,000 | 500,000,000 | 38,441,700 | 384,417,000 | Cash capitalization for NT\$33,949,200 | - | - |
| June 2018 | NT\$27 | 50,000,000 | 500,000,000 | 43,247,700 | 432,477,000 | Cash capitalization for NT\$48,060,000 | - | 1070523 Letter Zheng-Gui-Shen-Zi No.0700113862 |
| April 2021 | NT\$75.8 | 100,000,000 | 1,000,000,000 | 44,549,781 | 445,497,810 | Corporate bonds conversion at NT\$98,700,000 | - | - |

C. Relevant information of Shelf Registration System: Not applicable.

(2) Roster of Major Shareholders

Names of shareholders holding more than 5% of the shares or the top 10 shareholders by shareholding, the quantity and proportion of their shareholding:

March 28, 2025; Unit: shares

| Stock Name of major shareholder | shareholding | Shareholding percentage % |
|------------------------------------|--------------|------------------------------|
| ANLI INTERNATIONAL LIMITED (SAMOA) | 12,578,589 | 28.23 |
| KUANGHE CO., LTD. (SAMOA) | 3,962,979 | 8.90 |
| Dinkle Holding Co., Ltd (B.V.I.) | 2,020,685 | 4.54 |
| Tsai Kuei-Fan | 1,670,714 | 3.75 |
| Chou Feng-yuan | 1,456,000 | 3.27 |
| Tsai Chun-Hsin | 1,340,951 | 3.01 |
| WAYS Technical Corp., Ltd. | 1,035,207 | 2.32 |
| Wu Wen-Yu | 985,871 | 2.21 |
| Liao Guo-Xiang | 728,000 | 1.63 |
| Huang A-Chun | 638,671 | 1.43 |

(3) The Company's dividend policies and execution thereof

A. The Company's dividend policy:

- a. The Company is at the stage of long-term growth and is conditioned by the basic capital spending, business expansion, and vital financial planning for sustainable development. As such, the dividend policy is based on the capital expenditure budgeting and capital requirements of the future where dividends paid to the shareholders will be in the forms of stock dividends and/or cash dividends.
- b. If the Company has earnings after account settlement, (1) appropriate for payment of applicable taxes as required by law; (2) Cover carryforward loss (if applicable); followed by (3) the appropriation of 10% as legal reserve until the amount of legal reserve is equivalent to the paid-in capital of the Company; and (4) appropriation or reversal of special reserve as required by law. If there is still a balance, pool up with undistributed incomes for distribution at the proposal of the Board, and present it to the shareholders' meeting for payment of the shareholder dividends.
- c. The Company may release dividends in cash and/or stock, and the amount of dividend for release shall not fall below the net earnings of the year of the appropriation specified in (1) to (4) of 5% if there is no contradiction to the law of the Cayman Islands. In addition, the amount of cash dividend shall not fall below 20% and up to 100% of the total dividend payable to the shareholders.

B. The Company's 2024 deficit compensation proposal has been approved by the Board of Directors on March 10, 2025.

(4) The influence of stock dividend planned to be released by the Shareholders Meeting for this year on the operation performance and earnings per share of the Company: Not applicable.

(5) Remuneration to the employees and directors: The Company has established the Audit Committee to replace the Supervisors.

A. The Articles of Incorporation of the Company specified that if there are earnings before taxation (EBIT), the Company shall appropriate for:

(1) At least 2% as remuneration to the employees (including the employees of the Company and/or employees of affiliates) (hereinafter referred to as “remuneration to employees”), and (2) No more than 3% as remuneration to the Directors (hereinafter referred to as “remuneration to Directors”). Appropriate for covering carryforward loss, if applicable, followed by the remuneration to employees and remuneration to Directors as mentioned. The remuneration to employees and remuneration to directors shall be reported to the shareholders’ meeting.

B. The estimation of remuneration to the employees and Directors for the current period was based on the calculation of the quantity of shares distributed to the employees and the actual amount paid, and the accounting of the difference between the estimates and the actual payment:

The Company reported a pre-tax loss for fiscal year 2024 and thus did not accrue employee and director compensation. If changes occur after the approval date of the financial statements in the following year, they will be treated as changes in accounting estimates, and the effects of such changes will be recognized in the profit or loss of the following year.

C. The Board passed the proposal for remunerations:

a. By resolution of the Board of Directors on March 10, 2025, the Company will not distribute employee compensation or director compensation for 2024

b. If there are any differences between the estimated amount recognized in the expense year and the actual amount, the difference, reason, and handling should be disclosed: No such circumstances.

c. Percentage of the amount of employee remuneration distributed by shares to the summation of current after-tax profits and total employee remuneration: Not applicable.

D. The actual amount released as remuneration to employees and remuneration to Directors and Supervisors in the previous year (including the quantity and amount of stock dividends paid, and the stock price), and the difference from the recognized amount of remuneration to employees and remuneration to Directors and Supervisors, the reason of the variation and the response: The Company passed a resolution at the 2024 Annual General Meeting of Shareholders that due to the loss before tax, there was no distribution of employee compensation or director compensation.

(6) Shares repurchased by the Company: none.

Repurchase by the Company of its shares in 2024 and until the date of publication of the annual report: Not applicable.

2.Any offering of corporate bonds (including offshore bonds): None.

3.Disclosure relating to preference shares: None.

4.Employee stock certificates: None.

5.Disclosure relating to depository receipts: None.

6.The new shares from restricted employee stock option: None.

7.Disclosure on new shares issued in exchange of other company shares: None.

8.Progress on the use of funds

(1)The plan: As of the end of the quarter prior to the printing of this report, the offering of securities in tranches or through private placement was not fully accomplished, or was accomplished in the last 3 years but the result is insignificant: None.

(2)Implementation: As of the end of the quarter prior to the printing of this report, the offering of securities in tranches or through private placement and related fund utilization has been fully accomplished.

IV.Operation Profile

1.The operation of the Company

(1)Business contents

A.Business scope

a.Content of principal business:

- i.The manufacturing, processing and trading of various types of machines and parts, and precision molds.
- ii.The manufacturing and sale of precision casting items.
- iii.The manufacturing and sale of various types of stamping items.
- iv.Automated lathe and CNC lathe machine processing.
- v.The export trade of the above products.

b.The proportion of key items to overall operation:

Unit: NTD thousand

| Product name \ Year | 2024 | | 2023 | |
|--------------------------------------|-----------|--------|-----------|--------|
| | Amount | % | Amount | % |
| Computer parts and components | 1,326,588 | 79.91 | 1,089,631 | 71.44 |
| Consumer Electronics Components | 72,764 | 4.38 | 203,748 | 13.36 |
| Automotive accessories | 127,787 | 7.70 | 118,392 | 7.76 |
| Portable device parts and components | 20,075 | 1.21 | 16,455 | 1.08 |
| Others | 112,862 | 6.80 | 96,977 | 6.36 |
| Total | 1,660,076 | 100.00 | 1,525,203 | 100.00 |

c.Carrying items of the Company

The Company is a professional supplier of key heat dissipation components. Our production technology includes mold development for heat-dissipating metal components, precision metal die-casting, precision metal stamping, and CNC processing. Our products are mainly used in notebooks, servers, game consoles, and handheld devices.

d.New products and services in planning for development:

The Company's production technology provides integrated solutions for mold development, precision metal die-casting, precision metal stamping, and CNC processing. As the products produced are precision metal components, they can be applied to a wide range of downstream applications, which frees the Company from a single industry order to avoid the impact of economic changes. At present, the Company is a professional supplier of key components for heat dissipation. The products have been widely used in notebook computers, servers, game consoles, and handheld devices. The Company is committed to diversified products and services, and explore new markets and new customers. The products planned for development include:

- i.The development of new models for the above products.
- ii.Continue to optimize and innovate key thermal components for CPUs.
- iii.Automotive electronic product components
- iv.Optical communication product components
- v.Components of Wearable Devices
- vi.Satellite navigation products.
- vii.Household and Electrical Appliance Parts and Accessories
- viii.Precision machining specializes in semiconductor precision ceramics, engineering plastics, and metal processing markets, expanding into probe card-related components and parts.

B. Industry overview

a. Industrial status and development

ANLI International Co., Ltd. was established in 2010 as the group's holding company. The Company is a professional supplier of key thermal components. The main key components for thermal modules include thermal back covers, fan covers, fin covers, and thermal plates. of cellphones and cellphones. In addition to the aforementioned applications, the Company positions itself as a provider of comprehensive solutions in multiple fields and continues to invest in new product lines such as automotive electronics, optical communication products, wearable devices, satellite navigation, and home appliances to diversify products. In terms of manufacturing, the Company is one of the few in the industry with excellent mold development technology and manufacturing management capabilities, and also provides integrated solutions for precision metal die-casting, precision metal stamping processes, and CNC processing. The consistent production strategy of vertical integration of processes provides customers with a full range of services, from product development to production services, which greatly shortens the development time and creates competitive advantages.

In recent years, we have developed probe card-related equipment for the semiconductor industry, and developed other semiconductor testing-related modules, fixtures, and equipment. This aims to expand into the probe card components and accessories market.

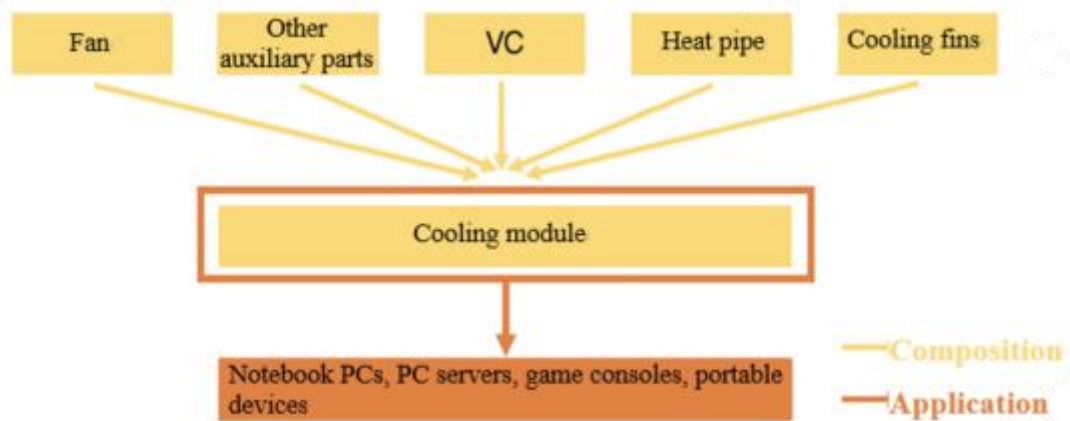


Fig. 1. Anli-KY product line: NB/Thermal module/Shaft/Handheld device components

Source: Anli-KY

In recent years, the Company has been devoted to solving the problem of heat dissipation in electronic products. Through the development of the process planning of heat dissipation modules and the selection of materials, the Company can meet the customization requirements. The metal materials of heat dissipation fins include copper alloy, aluminum and stainless steel. Each metal material has different heat transfer speed. The material must be selected according to the heat dissipation needs of the customer's product. In order to increase the heat dissipation area, the density of heat dissipation fins per unit area must be increased. This density is closely related to the manufacturing process, as it involves the restriction on the design of the heat dissipation mold. In addition, the heat dissipation fins must be fully attached to the CPU for even heat transfer. Therefore, flatness is very important. However, the Company has professional precision metal die-casting and stamping process capabilities, and can according to the heat dissipation requirements of different electronic products, through the die-casting process, stamping, and CNC machining, as well as different combinations of thermal modules, which not only maintain the same quality during mass production, but also make the products meet customized requirements, making thermal molds a highly customized product.

End application of thermal module



Source: Compiled by Fubon Securities

Heat dissipation components are the most critical components in electronic products and the key to the smooth operation of the entire system. From heat pipes, hot plates, fans to heat dissipation modules, they are all indispensable. Currently, most electronic products require cooling devices, with thermal modules being widely applied across various applications. With the development of emerging technologies requiring high-performance computing such as 5G, AI, and IoT, electronic products need solutions for the instantaneous high heat generated during high-speed computing and data transmission. This is to prevent overheating that could cause products to malfunction, resulting in increased demand for thermal modules. At present, the Company's products are mainly applied to the related application parts and components of notebook computers, servers, game consoles, and handheld devices. The fluctuation of its sales products is closely related to the outlook of the main product application markets. The industrial classification of the Company is as follows:

i. Notebook PCs

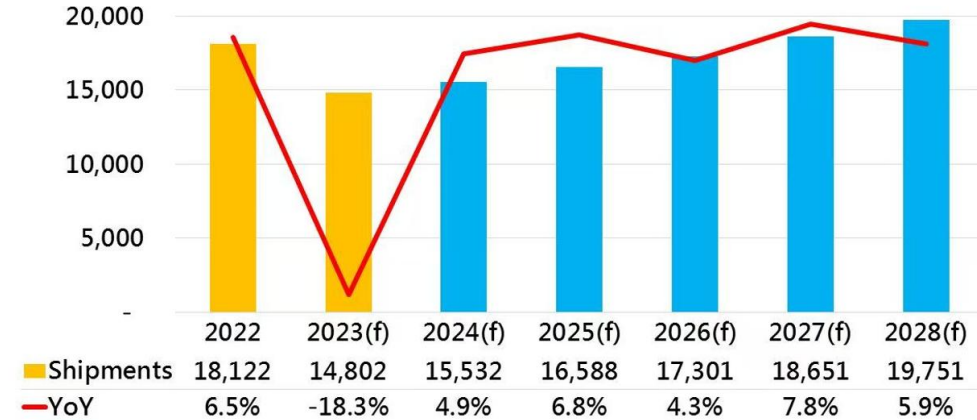
At present, computer products are still the main application of thermal modules, and the design of notebook computers is currently facing two major trends, one is light and thin, and the other is high performance and multi-function. Therefore, while the original chip functions experience a significant increase, the corresponding increase in area is minimal. Consequently, this necessitates accommodating more transistors within a limited space and effectively dissipating the escalating heat. With the increase in heat generation and size reduction of chips, coupled with the rapid increase in computing speed, the heat generation density also increases rapidly. In order to avoid the impact of high temperature and high heat environment on product performance and reliability, the product has even been shortened. Therefore, thermal management is becoming increasingly important to the entire notebook computer industry.

The demand for high-speed computing, transmission, and image processing in notebooks has surged, leading to an increased need for heat-dissipating metal components. Alongside the rise of M-shaped notebooks, both consumer and business segments are gravitating towards more upscale designs. The forthcoming Narrow border design is poised to become the standard feature, with all notebooks shrinking in size. This shift towards smaller form factors is driving a trend towards high-end casings and precision-engineered, lightweight thermal modules, thereby benefiting the electronic heat dissipation component industry.

ii.Server

 The global server shipment volume CAGR from 2023 to 2028 is expected to be 6%.

Unit: Thousand units



Source: DIGITIMES Research

DIGITIMES

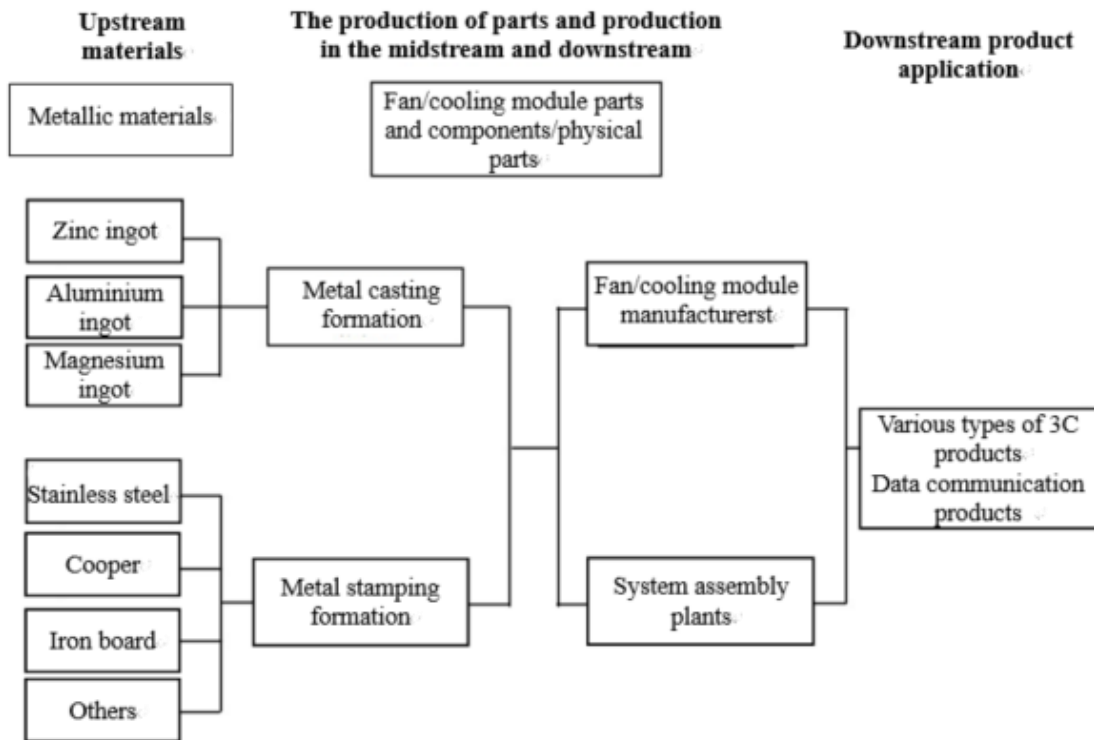
In the server market, it is expected that the service providers will continue to convert old and new platforms and upgrade computing performance, which will help stimulate the emergence of replacement trend, as well as the development of IoT, AI, virtual reality and other applications, and will also drive Internet service providers as the demand for large-scale data centers continues to expand, it will be beneficial to the performance of server shipments. In recent years, enterprises have actively moved toward digitization, and it is expected that more and more data or information will be generated. With the promotion of IoT and 5G mobile broadband services, as well as the improvement of AI technology and applications, the accumulated data has increased exponentially. This influx of data presents both opportunities and challenges for various industries. In the future, the demand for computing servers will increase year by year. It is expected that the server shipments from 2022 to 2027 will still be mainly driven by the demand for large cloud data centers in North America. In addition, edge AIoT and 5G telecommunications applications will drive cloud providers and server brands to invest in the development of hybrid clouds in various application areas. The compound annual growth rate of global server shipments is expected to reach 8%.

iii.Handheld device

With the evolving trend of smartphone functionality, more applications are being integrated into phones, transforming them from traditional communication devices into multifunctional handheld mobile computing products. Beyond traditional calling capabilities, smartphones now encompass social networking, email, mobile internet, and open application services. With the AI wave arriving, many phone brands have added AI features to their devices, maintaining momentum for future smartphone replacement cycles.

b. Association between upstream, midstream, and downstream industry participants

The formation of metal parts (casting and stamping) of metallic parts of consumer electronics from upstream to downstream.



i. Supply status of key upstream materials

Magnesium ingots, aluminum ingots, and different types of metal board (rolls) are important materials purchased in the casting process. The supply of these materials could be secured by a long-term relationship with domestic and foreign suppliers. Usually, there are more than two suppliers. In general, the sources for the supply of materials and parts and components are abundant. In addition, the Company has established positive relations with the suppliers in the long run to assure reliable sources of material supply with a cost advantage. Therefore, the Company has stable sources of supply of key materials.

ii. Downstream product applications

Most 3C precision electronic products require thermal modules, highlighting the critical role of thermal components across various electronic devices. As information electronic products continue to become lighter, thinner, more compact, and increasingly functional, it's foreseeable that the application of thermal components will be further emphasized in the short to medium term across information, communication, and consumer electronics sectors.

c. The development trends for each product

The application of thermal modules is derived from the development of desktop computer CPUs, and the heat generation increases with the improvement of the working clock. As business notebooks and consumer models move toward higher and higher-end designs, the demand for heat dissipation components has increased, and benefited from the diversification of functions in the next-generation game console industry, the increasing demand for e-sports market, and the heat of global electronic-related products. As the production volume and heat generation density continue to increase, the product field continues to diversify, and manufacturers actively seek new growth opportunities in diversified product areas, such as e-sports industry, communication equipment room, automotive industry, and new niche markets such as LED lighting. Continuously improve and apply core technologies to different product areas to create diversified sources of revenue and profit.

The traditional cooling technology is air cooling, including fans and heat dissipation fins. The new generation of the electronic heat dissipation industry is developing in the direction of heat sinks combined with heat pipes, vapor chambers, water cooling technology, and high thermal conductivity composite materials. This is illustrated as follows:

i. Heat sink combined with heat pipe or vapor chamber

The thermal modules are mainly made of aluminum heat sinks, combined with fans and heat pipes;

and special copper paste for adhesion) as an anti-heat solution, especially for large-scale server data centers, the emphasis on space saving has driven the proportion of vapor chambers. In addition, high-end notebook computers have also increased thermal conductivity and accelerated cooling, thereby enhancing the performance of the CPU (central processing unit). It is mainly used in the e-sports industry and high-end server products.

ii. Water cooling technology

Water cooling technology refers to the use of liquid with high specific heat coefficient as the medium to help carry away the heat of the internal parts; the water-cooled heat dissipation module uses a water pump to push the coolant to take the heat source to the external water-cooled heat dissipation radiator, and then the fan drives the air flow Blowing through water cooling fins to assist heat dissipation.

iii. High thermal conductivity composite material

An ideal electronic assembly and heat dissipation material should have the characteristics of high thermal conductivity, low density and low expansion coefficient. To meet the above characteristics, it is not possible for the general traditional copper and aluminum materials alone to achieve, but more than two types of materials must be used. combination; among all advanced heat pipe-lining materials, carbon fiber composite material is considered as a potential heat dissipation material due to its high thermal conductivity (higher than copper), lower density and thermal expansion coefficient than aluminum and copper.

d. Competition status

The components of 3C products produced by the Company are used by world-renowned computer manufacturers. They are of high technical level and great added value. With continuous development, innovation and process improvement, the Company is competitive in product development and manufacturing. The Company could maintain its competitive edge mainly based on the following factors:

- i. The product line is broad. The Company produces and supplies parts and components from world-renowned computer manufacturers with high and stable quality.
- ii. For customized production, the Company manufactures products according to customer's specifications, and its technology and quality can meet customer's requirements.
- iii. With R&D and innovation capabilities, the Company continues to develop and improve new product processes, and has obtained relevant patents to make the Company's products more competitive.

C. Technology and R&D overview

a. Technical level and R&D for business operations

Since the establishment of the Company, we have successively developed a number of key technologies for the production of professional heat dissipation components, and various key technologies have been awarded multiple patents in mainland China, bringing the design and production of heat dissipation components to a new era. Actively recruit professional talents to be responsible for the research and development of new products and technologies, and to develop and improve precision metal die-casting and stamping processes and technologies, so that heat dissipation components products meet the standards adopted by major brands.

At present, the Company is still actively engaged in the improvement and innovation of precision metal die-casting and precision metal stamping processes for key heat dissipation components, and has developed a number of automated control and production equipment to improve production performance and efficiency in order to meet the complete needs of customers in various fields. The Company will continue to enlarge the scale of R&D and further the development of cooling-related products and technologies, and will also develop products for applications in different areas for diversification of product development.

b. Education and work experience of the R&D staff

Unit: person

| Item | 2024 | 2023 |
|--|------|------|
| Graduate schools | 1 | 1 |
| Bachelor | 35 | 31 |
| High school/vocational school or below | 63 | 77 |
| Total | 99 | 109 |

c. Annual R&D expenses for the last 5 years

Unit: NTD thousand

| Item/year | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| R&D expenses (A) | 46,677 | 69,271 | 79,289 | 71,836 | 61,963 |
| Net operating revenue (B) | 2,075,283 | 2,275,541 | 2,059,560 | 1,525,203 | 1,660,076 |
| (A)/(B) | 2.25% | 3.04% | 3.85% | 4.71% | 3.73% |

d. Successfully developed technologies or products

Based on the competitive advantage of excellent tooling technology for key components of heat dissipation, innovative manufacturing processes and excellent management team, with excellent R&D team and development strategies, the Company continues to innovate design and improve in line with the application needs of customers in the market. to successfully develop multiple technologies and applications, and to obtain numerous patents and competitive advantages in the market. The development results of the Company in recent years are listed as follows:

| Year | Important R&D results |
|------|--|
| 2015 | <ul style="list-style-type: none"> ■Development of changing masking lamination to lamination with tape in production process ■Formation mold and processing technologies for super small magnesium alloy cooling fans ■Formation technology of locks ■Production process for physical parts of cell phones |
| 2016 | <ul style="list-style-type: none"> ■Introduction of automatic flatness inspection equipment ■Introduction of automatic laser engraving equipment ■Introduction of automatic loading and riveting equipment ■Integrated stamping-riveting-drilling equipment |
| 2017 | <ul style="list-style-type: none"> ■Introduction of CCD smart camera testing system ■Development of trapezium cooling plates ■Development of in-mold riveting technique for introduction into production process. ■Development of FN series CNC material feeding system ■Development of FN automatic grinder |
| 2018 | <ul style="list-style-type: none"> ■FN series conversion of manual inspection to automated inspection ■Self-developed improvement of the fastener for effective reduction of loss ■Formation of precision motor products and technology improvement ■The FN series thermal jig stamping module changed to silicone materials to solve the problem of defects black electric fan products. |
| 2019 | <ul style="list-style-type: none"> ■Technical modification project applied in replacing humans by machines ■Smart intellectual property international standard system declaration ■Auxiliary jig for bonding of mobile phone battery and display screen support plate ■Manufacturing method of mobile phone battery interconnect board ■Height specifications automatic testing device ■Computer shaft assembly jig ■Precision motor accessory processing jig ■Automatic thread locker |

| Year | Important R&D results |
|------|---|
| 2020 | <ul style="list-style-type: none"> ■Processing technology project of notebook computer heat dissipation bracket ■Portable projector enclosure molding project ■Ultrabook fan base ■Assembly method of switch cover for autonomous driving ■Inclined heat sink ■Heat pipe for vacuum dosing |
| 2021 | <ul style="list-style-type: none"> ■High safety and high latitude cutting method for electric vehicles ■New energy vehicle starting component testing method ■Swing-adjustable automatic die-casting method for computer components ■Multi-functional through-pipe heat dissipation fin set ■Round radio heat dissipation base |
| 2022 | <ul style="list-style-type: none"> ■Multi-tiered 3D heat sink ■New fan cover ■Wireless charging shield ■Molding technology for automotive lidar mechanical parts |
| 2023 | <ul style="list-style-type: none"> ■Modular cooling fin assembly ■Bridge-type heat sink assembly ■Innovative keyboard bracket ■Structurally enhanced motor housing stamping ■Laptop cooling fan bracket ■CPU cooling device for laptops ■Notebook cooling stand with detachable fan module ■Laptop cooling assembly ■Research and development of laptop cooling fan molding technology ■Research and development of mini-PC component molding technology ■Research and development and trial production of automotive information processor water cooling plate forming technology ■Research and development of automated die casting technology for computer cooling components ■Research and development of processing technology for magnesium-aluminum alloy drone structural components |
| 2024 | <ul style="list-style-type: none"> ■High-performance continuous module heat sink ■F-type cooling fin assembly ■Structurally improved fan cover ■All-in-one VR cooling system ■Smart control technology for rear laptop cooling device ■Adjustable spot-welding method for cooling components |

D. Long and short-term business development plan

The Company mapped out its long and short-term plans as the basis for business planning in the future in responding to industrial development and the macroeconomic trend so as to upgrade our competitive power. The Company's long and short term plans are summarized below:

a. Short-term development

i. Marketing Strategy

- i) Consolidate the existing notebook market and actively expand the market share of key components for heat dissipation.
- ii) Support the PC system firms in business deployment for expansion of the production capacity in Chongqing plant for bringing in higher revenue.
- iii) Step into the market of consumer electronics parts and traditional industry such as automotive parts in full effort.
- iv) Continue to improve the product lines of high added value through in depth cultivation of customer relations.

ii. Production policy

- i) Extend to the back-end production process for an upgrade in the capacity of self-production.
- ii) Satisfy the needs of the customers in delivery
- iii) Automation of equipment to optimize the production utilization rate and capacity utilization rate.
- iv) Enhance logistics management efficiency and reduce logistics costs and delivery schedule.

iii. Direction of product development

- i) Actively develop non-computer heat dissipation components and mechanical component products based on the successful research and development experience of key components for heat dissipation of notebook computers.
- ii) Develop customers in products other than electronics with the advantage of R&D and mass production.
- iii) Keep close ties with existing customers in business cooperation, keep abreast of market information, and secure purchase orders for new models.

iv. R&D strategy

- i) Recruit good people in research and development for augmenting the R&D team.
- ii) Proceed to the research and development of applications beyond electronic products with the existing size and staffing of the R&D function, and recruit talents in different areas of specialization.
- iii) Research and develop the production process for improvement of the yield rate and reduction of the cost of production.
- iv) Strengthen the competitive power of the R&D staff and increase the investment in research and development.

b. Long-term Development Plan

i. Marketing Strategy

- i) Train and develop professional talents in the long run, keep alert of any business opportunity in the market, and increase the market share.
- ii) Continue bonding with customers as good business partners, keep abreast of the market trends and outreach for new customers and purchase orders for the new generation of models to maintain the competitive power of the Company.
- iii) Expand revenues from mechanisms; strengthen the scope of non-electronic product market applications; expand electronic devices (automatic control, automotive, etc.) markets.

ii. Production policy

- i) Cultivate a positive relationship with the OEM partners for the effective use of production capacity and expand the capacity for structural parts to reduce the cost of production and increase revenue.
- ii) Improve the production process and optimize the utilization rate and yield rate.
- iii) Become capable of satisfying the demand of the customers in "speed and quality first."
- iv) Continue the launch of automated production to enhance productivity and product quality.
- v) Keep abreast of the front-end trend through close association with the supply chain.
- vi) Actively import Industrial 4.0 to enhance efficiency.

iii. Direction of product development

- i) Strengthen the development of other application products such as automotive electronic products, optical

communication products, wearable devices, satellite navigation and home appliances, and enhance the Company's competitiveness by increasing the breadth of products.

ii)Continue the research and development of products with stronger structural strength, slimmer in size, and lighter in weight.

iv.R&D strategy

i)Strengthen the development of other application products such as automotive electronic products, optical communication products, wearable devices, satellite navigation and home appliances, and enhance the Company's competitiveness by increasing the breadth of products.

ii)Continue the research and development of products with stronger structural strength, slimmer in size, and lighter in weight.

iii)Recruit professionals capable of internalized operation for bolstering the core competence of the Company.

(2)Market and sales overview

A.Market analysis

a.Regions of sale of premium items

| Sales area | 2024 | | 2023 | |
|-------------|-----------|--------|-----------|--------|
| | Amount | % | Amount | % |
| China | 1,274,682 | 76.79 | 1,243,559 | 81.53 |
| Philippines | 240,746 | 14.50 | 154,328 | 10.12 |
| Thailand | 107,736 | 6.49 | 60,079 | 3.94 |
| Taiwan | 24,751 | 1.49 | 46,257 | 3.03 |
| Others | 12,161 | 0.73 | 20,980 | 1.38 |
| Total | 1,660,076 | 100.00 | 1,525,203 | 100.00 |

b.Market share

The key customers of the Company are big international OEM manufacturers and companies listed on the TWSE or TPEX. The products of the Company are customized merchandise and are fully in conformity with the specifications and quantities of the orders of the customers under accreditation. There is no commonality among these products. The performance of thermal modules affects the computing performance of electronic products. Therefore, they have gradually become an indispensable component of thin and light electronic products, and have a certain influence on the sales of 3C electronic products such as computers and mobile devices. Therefore, they are highly trusted by customers. to maintain a long-term cooperative relationship. The Company focuses on the key component technology of thermal modules, and works closely with customers to grasp the front-end trends and develop high value-added products to meet the needs of customers and establish a win-win production and sales cooperation.

c.Future market supply/demand and growth potentials

i. The trend of the industry's future development

KY Anli is a professional supplier of heat dissipation key components. Its production technology includes precision metal die-casting, stamping and self-development and production of molds. Various process technologies are integrated to achieve perfect products. At present, its products are mainly used in the thermal modules of the notebook computer industry, as well as in various 3C electronic products. Most precision electronic devices require their components with thermal modules and mechanical parts, which are important key parts in various electronic products. In the past, thermal product technology was mainly based on active and passive hybrid thermal management solutions. The functions continue to be enhanced. In addition, countries around the world have begun to fully support 5G commercialization since 2019. In the future, 5G application scenarios are actively developing in AR/VR film and television entertainment, smart cars/transportation, smart manufacturing/factories, and IoT, etc. Under the characteristics of delay, the related infrastructure and terminal equipment will be actively developed. In response to the emerging applications of high-performance computing, the demand for thermal modules will continue to expand, and the thermal solutions will be mainly transferred to vapor chambers and heat pipes. Consumer electronics will become the application area for thermal components in the short to medium term. The future development trend is analyzed as follows:

i)Precision and composite development of mold making

With the development of semi-conductor and micro system technology, various 3C and optoelectronics advanced technology products will be developed to be portable and highly functional. Therefore, the requirements for parts and components will move toward precision and miniaturization. With the

increasing trend, the demand for micro parts and components is expanding, and there are endless business opportunities for micro molds.

ii)Shortened time to market for new products and compression of mold development schedule

The life cycle of the 3C industry is getting shorter and shorter, so that the mold development period is constantly shortened. At the same time, the price of raw materials is rising, which makes the cost rise and the profit margin is compressed. Therefore, mold design needs to make full use of design software to achieve instant and meet customer needs.

iii)Diversified heat dissipation applications

The application of thermal modules originated from the development of desktop computer CPUs. As the performance of electronic products improves, power consumption increases accordingly, leading to new thermal management requirements. Rapid growth is observed in markets such as tablet computers, laptops, smartphones, and the cloud market. Consequently, the thermal management industry is flourishing. Moreover, the last-generation game console industry, exemplified by products like Sony's PS5, Microsoft's Xbox360, and Nintendo's SWITCH, has diversified its functionalities to include activities such as watching movies, browsing the internet, and listening to music. This indicates a continuous evolution towards the miniaturization of functionalities and appearances in global electronic-related products, resulting in varying degrees of heat dissipation requirements. The heat generation and heat generation density of these products are expected to continue increasing. Leveraging our keen observation and judgment of industry trends, our company will persistently expand into diversified product areas and actively pursue new growth opportunities beyond the PC market. These opportunities include automotive electronic products, optical communication products, wearable devices, satellite navigation systems, and emerging niche markets such as home appliances. We aim to continuously enhance our technological capabilities and apply core technologies across different product domains to foster diversified business opportunities and revenue streams.

ii.The Company's market position

The Company's principal business is to provide parts and components for key thermal modules. Although there are many domestic and foreign manufacturers of metal die-casting and stamping products, many small-scale manufacturers have been added in mainland China in recent years, but the Company's production scale and the precision of products varies greatly. Among the domestic TWSE/TPEX listed companies, the production process, product application, industry relevance and development potential include AURAS TECHNOLOGY CO., LTD., Forcecon Tech. Co., Ltd., and LemTech-KY.

The Company's core technology is the key components of thermal modules. Through close cooperation with customers, we keep abreast of front-end trends. Products are customized, so there is no commonality between its products. As the performance of key components of thermal modules affects the computing performance of electronic products, it has gradually become an indispensable component of thin and light electronic products, and has a certain impact on the sales of consumer electronics products such as computers and mobile devices. In addition, the Company actively develops and improves die-casting and stamping processes and technologies, so that the thermal module components and structural components products meet the standards adopted by major brands and meet the complete needs of customers in various fields. manufacturers, international OEMs, and TWSE/TPEX listed companies in Taiwan, all of whom have high and stable product quality. Despite the frequent upgrade of terminal electronic products, the Company's main customers still regard the Company as an important cooperative partner during the model conversion period. This shows that the Company has won the high trust of its customers, so it can become one of their main suppliers for a long time and maintain a stable market share growth.

iii.Future growth

In recent years, the maturity of 3C electronic products has continued to improve, and the overall market has transitioned from a high-speed growth period to a stable growth stage. As the growth rate has gradually slowed down, the differentiated and personalized market is open to compete, and the 3C electronics market is moving toward innovation and intelligence. The products have been maintaining a considerable degree of growth, and the market capacity has also been gradually developed with differentiation and personalization. With the continuous development of emerging 3C electronic product application fields, R&D technology upgrades, and benefiting from the rise of emerging smart devices, wearable devices, VR/AR The growth in spending power of equipment and other markets has driven the continued growth of 3C electronics and related industries.

The current design trend is gradually moving toward light, thin, short, and multi-functional, which makes the materials used for product casings more particular. Customized heat dissipation devices must be used to effectively cool down. Therefore, the key components of thermal modules and

die-casting parts are applied in It is very extensive and diversified. The Company's current terminal applications are still mainly based on thermal modules for electronic products, including CPU cooling fans, notebook computer thermal modules, communication products, servers and game consoles. In addition to the electronic brand customers' products, the Company is also actively expanding other non-3C product areas to develop diversified applications, and the manufacturing process will also continue to move toward automation, which is explained as follows:

i)Cultivation of existing 3C electronic products and heat dissipation components

The Company focuses on the research and development of heat dissipation components, mainly in response to the development trend of 3C electronic products at various stages and the customized design according to the product specifications of each brand customers. In the future, electronic products will become increasingly slim and light, saving power and fast networking needs. However, as the heat generation of CPUs, chip sets and graphics chips continue to increase, and the performance and functions of software and hardware are improved simultaneously, all of which have resulted in high heat dissipation requirements. In recent years, the Company has developed various slim and light micro-fan computer components, and thermal modules, wearable electronic devices, household appliances, and electrical appliances; from the initial two-piece riveting process for precision metal die-casting and stamping parts to the advancement of one-piece die-casting direct molding, and from traditional fins to the development of ultra-thin ring-shaped fins, stepped fins, and all-in-one high-performance fins. In the future, the Company will continue to work with customers to develop more advanced thermal application technologies and thermal solutions.

ii)Diversify non-3C application products

a)Automotive products

In recent years, governments of various countries have offered various incentives and preferential policies based on considerations of environmental protection, energy security, industrial policies, etc., and have also invested in infrastructure to increase energy supply stations to support the development of the electric vehicle industry. Electric vehicles and autonomous driving are booming development of the automotive industry and will inevitably trigger a new demand for auto parts and components. In the future, the horsepower of electric vehicles will continue to increase. The higher the motor power, the higher the converted power, the higher the related heat dissipation requirements. To reduce the weight of automobiles, the auto parts and components will be switched to light metal such as magnesium and aluminum die castings.

The Company is optimistic about the trend of the automotive industry and has actively deployed various automotive parts and components, internal parts, heat dissipation parts and electronic control related application products, such as parts and components of automotive satellite navigation, and lamp heat sink brackets. In the future, in addition to increasing the breadth of on-board related components and heat dissipation components, the Company will also apply die-casting and stamping processes to the electromechanical system of electric vehicles, such as the die-casting of transmission motor casings, as well as the processes of automotive powder coating, in order to provide customers with a complete product line solutions, the newly developed molding process, and vertical integration to reduce production costs and provide customers with modular services.

b)Others

The upgrade of each generation of communication technology has brought revolutionary changes to the terminal products, redefined products, and driven the restructuring and drastic changes of the entire industry chain. The establishment of 5G is related to the innovation of technology applications in the future. The bottlenecks encountered by many industrial applications will be resolved, and the intelligent era of the Internet of Everything will be ushered in. 5G will reconstruct the digital economy and drive the development of the national economy. Urban life will become smarter in all aspects, including transportation, safety, education, and tourism.

5G is a change of the whole industry chain and the whole ecosystem. The platform, technology, network and all aspects of 5G will revolutionize this field and change the rules of the game for all of society in 8–10 years. The number of connected terminal devices is projected to surpass existing technology by more than 1,000 times. This surge will propel the advancement of AI, IoT, and other technologies, marking the final piece needed for the realization of cutting-edge technologies like edge computing, big data, and blockchain. Such progress will foster the comprehensive development of associated technologies and applications. According to Deloitte Research, between 2020 and 2035, the investment in the global 5G industry chain is expected to reach about USD4 trillion, and the global industrial applications driven by 5G technology will create more than USD12 trillion in sales.

The Company has been actively expanding the application scenarios of 5G products recently. The gradual rise of 5G has driven the demand for optical fibers, smart cities, smart factories, and face recognition security monitoring. Related thermal modules are becoming increasingly popular, and the Company is introducing mass production of them for various 5G terminal applications. The Company will continue to meet customer needs and develop related product components in the future.

iii) Production automation

The Company has made ceaseless efforts to production automation so as to save manpower, cut down cost, and to minimize human error, and hence improve the yield rate. At present, the equipment that the Company has successfully developed and put into automated production include stamping and automatic rivet and riveting equipment, four-axis rotary spot welding automatic equipment, die-casting automatic unloading and blanking, CNC processing automatic loading and unloading, punching, drilling and riveting equipment. All-in-one automated equipment and automated punching, drilling, and tapping equipment. In the future, the Company plans to continuously improve the automated production capacity of each process.

d. Competitive advantage

i. Outstanding production process technology to satisfy the needs of customers

The company's metal materials manufacturing process includes precision metal die-casting, precise metal stamping, and integration with CNC precision machining in the backend. Secondary processes such as drilling, tapping, laser engraving, welding, and riveting are also seamlessly incorporated, either as standalone processes or integrated into CNC machining. Additionally, we offer outsourced surface treatment services such as grinding, polishing, mirror finishing, printing, highlighting, sandblasting, and anodizing. Moreover, we specialize in functional products, combining plastic injection molding and exploring emerging technologies such as exposure and development. Our emphasis on straightforward assembly ensures that we deliver comprehensive services for metal mechanical parts to our customers.

ii. Mold development capability

Molds are the mother of the industry and the main equipment for the mass production of industrial products. The manufacturing of precision molds is particularly critical to the efficient production of high-quality metal and plastic parts. Since its establishment, the Company has accumulated rich experience in professional mold design and production. The Company is a supplier of heat dissipation components, so the heat dissipation components produced need to be jointly developed according to the customer's end product. Through joint discussions with customers, the feasibility of production development is explored through product mold design expectations, through perfect design process planning, to achieve precise development cost management, so that customer products have competitive advantages in the market. Therefore, the excellent mold development capabilities and process technology is the competitive advantage of the Company.

iii. Distinguished management team

The members of our management team have more than 10 years of experience in this industry and are well seasoned for responding to the changes in the industrial environment, product development trend, and experienced in production, manufacturing, and marketing. The revenue and profit over the years indicated growth, which is the result of the professional standing and industrial experience of the management team. In addition, operation performance is also sound. The Company has acquired several patents, which implied the technical capacity of the Company has reached a specific level and is highly competitive.

iv. Solid financial foundation

The enlargement of the scale of operation inevitably pushed up the inventory level and amount of account receivables. As such, the management of working capital will become particularly important. In the electronic industry where product update is ceaseless and price raises come so quickly, the control of working capital and healthy financial structures will be critical for proper appropriation and performance of operation. In addition, the Company has conducted credit evaluation on all its customers as a reference for granting credit limits for the customers and management of account receivables. Besides, the Company also reviewed its aging inventory from time to time to keep sound utility.

v. Technology and people oriented corporate philosophy

In recent years, the Company has significantly expanded its production capacity and continued to optimize its process technology. It is committed to improving its metal process capabilities and developing high-quality heat dissipation components. The Company is also engaged in the training and development of human resources so as to attract good people to become a part of the Company. This remains an integral part of the major strategy. The product development and production technology process are high precision processing processes, and the Company highly treasures professionals in good standing to maintain its competitiveness and advantage.

vi. Sustainable refinement of R&D capacity

Business is like sailing against the current. Under the constantly changing macro environment and rapid development of technology, the Company continues to invest R&D resources and enhance R&D capabilities to meet customer needs, maintain customer relationships, and expand the Company's product lines to strengthen the Company's competitive advantages.

e. Factors favorable and unfavorable for the development in the long run and response

i. Favorable factors

i) Increased demand for heat dissipation components for electronic products

Under the development trend of electronic products toward ultra-thin, intelligent and multi-functional, the volume of integrated circuit chips and electronic components continues to shrink, but the power density increases rapidly. At the same time, the packaging density is also getting higher and higher, Thinner and thinner, the problem of heat dissipation has become an issue that needs to be solved urgently for electronic devices.

The great heat dissipation problem faced by electronic products is inevitably to design related heat dissipation modules inside the electronic products for cooling, making heat dissipation products gradually become an important key component, and the demand is increasing day by day.

ii) Wide range of applications for precision metal die-casting and stamping

Metallic materials are indispensable in the application of different industries and could mainly be classified as ferrous and non-ferrous metals, such as copper, aluminum, and magnesium. Copper has excellent chemical stability and corrosion resistance, making it an outstanding electrical engineering metal material;

aluminum, being lightweight with good ductility and high plasticity, can undergo various mechanical processing; particularly noteworthy is the extensive application of magnesium-aluminum alloys in recent years, which are now highly regarded as high-strength, lightweight, and environmentally friendly metals.

It can be foreseen that the development of various industries and products will increase the demand for metal die-casting and stamping processes more rapidly.

iii) The development of products is congruent with the industrial development trend

The Company specializes in precision metal die-casting, stamping and mold manufacturing for key heat dissipation components. Since its establishment, in addition to continuously introducing advanced mold-making and production equipment to improve technical capabilities and product quality, the Company has adhered to the principles of "integrity, positivity, innovation, and breakthrough." In addition, the Company grasps the market trend and actively invests in the research and development of mainstream components with excellent technology, so it is deeply recognized by international big firms and continues to deepen the cooperative relationship between both parties.

ii. Unfavorable factors and response

i) Vulnerable to industry cycles

The functions designed by different manufacturers of consumer electronics approximate one another and are highly substitutional. In addition, the overall consumer market is under the influence of the global economic cycle and inflation. Big brand proprietors are under the ceaseless pressure of price cutting to stimulate sales and clear up the inventory and transfer the burden to the upstream parts suppliers that deprived their profit margin.

Responses:

a) Continue to strengthen the overall technical capacity

The Company continues to upgrade the capacity of mold development and structure a diversity of surface treatment technologies, strengthen the overall technical capacity, and work in conjunction with the big brand proprietors as early as at the product R&D and design stage. In addition, the Company also works closely with the customers to create higher added value for the products.

The Company has made ceaseless efforts to production automation so as to save manpower, cut down cost, and to minimize human error, and hence improve the yield rate.

At present, the equipment that the Company has successfully developed and put into automated production include stamping and automatic rivet and riveting equipment, four-axis rotary spot welding automatic equipment, die-casting automatic unloading and blanking, CNC processing automatic loading and unloading, punching, drilling and riveting equipment. All-in-one automated equipment and automated punching, drilling, and tapping equipment. In the future, the Company plans to continuously improve the automated production capacity of each process.

b) Diversified development of products

The application fields of metal die-casting and stamping parts are very wide. At present, the Company's products are mainly used in electronic products. In the future, in addition to continuing to develop other non-3C products, the Company will expand into other products

such as automotive electronic products, optical communication products, wearable devices, satellite navigation, and home appliances.

In terms of auto parts and components, Kuanghe Kunsha, XinLi Kunshan and IDO Chongqing have obtained IATF16949 automotive quality management system certification. As a matter of the business development strategy, the Company will continue to locate big brand proprietors for the possible opportunity of joint ventures in new products to balance the existing product portfolio and dependence on existing customers for reducing operation risk.

ii) Frequent fluctuation of the prices of key materials.

The key metallic materials used by the Company are copper, aluminum and magnesium and are vulnerable to price fluctuation in the metal market.

The Company will pay close attention to the international price trends of materials and make appropriate adjustments to the inventory level to mitigate the negative effects from price fluctuation. In addition, the Company has cultivated positive interactive relationships with the materials suppliers in the long run to keep abreast of the latest trend of prices so as to purchase at the best price and reduce the risk from price fluctuations.

When prices increase, we adjust our selling prices to maintain consistent profit margins.

iii) Ceaseless entrance of industry peers resulted in acute competition

The competition from existing competitors and the entrance of newly emerging sectors, and the pressure of costing and inventory downsizing strategies from upstream customers made competition even more acute.

Responses:

The Company will continue to upgrade and introduce new technologies to compress the lead-time for mold development, develop high precision products and improve service quality. In addition, the Company will maintain close relationships with suppliers to earn the trust of customers and retain a strong foothold in the market.

In addition, the Company continuously improves its management quality, effectively enhancing operational efficiency, constantly refining existing technologies, and developing diversified product categories to maintain our competitive advantage.

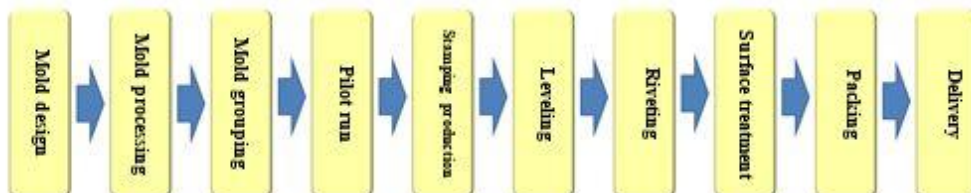
B. The purpose of key items and production process

a. Important use of key items.

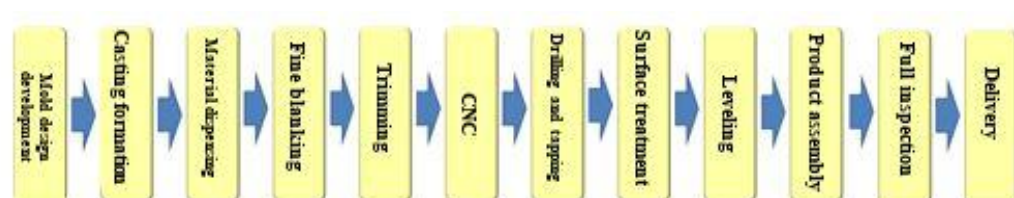
| Product category | Purpose or scope of application |
|--------------------------------------|--|
| Computer parts and components | Key components of thermal modules, fan frames, and mechanical parts used in notebook computers, desktop computers, and servers |
| Consumer Electronics Components | Game consoles, wearable devices |
| Automotive accessories | Automotive electronic products |
| Portable device parts and components | Structural parts for Tablet PCs, Smartphones, and LCD Frames |
| Others | Optical communication products, satellite navigation, semiconductor probe cards, and home appliances, etc. |

b. The production process of the main products

i. Precision stamping process



ii. Precision casting process



C. Supply of key materials

| Main raw materials | Location of supply | Supply status |
|-------------------------------|--------------------|---------------|
| Aluminum/aluminum alloy ingot | China | Good |
| Copper | China | Good |
| Iron/stainless steel | China | Good |

D. Note to significant changes in the gross margin of key items or departments in the last 2 years.

a. Analysis of change in gross margin:

Unit: NTD thousand

| Primary | 2024 | | | 2023 | | | Change (%) |
|--------------------------------------|-------------------|--------------|------------------|-------------------|--------------|------------------|------------|
| Products by category | Operating revenue | Gross profit | Gross margin (%) | Operating revenue | Gross profit | Gross margin (%) | |
| Computer parts and components | 1,326,588 | 230,476 | 17.37 | 1,089,631 | 198,583 | 18.22 | (4.67) |
| Consumer electronics components | 72,764 | 12,159 | 16.71 | 203,748 | 41,499 | 20.37 | (17.96) |
| Automotive accessories | 127,787 | 12,510 | 9.79 | 118,392 | 24,562 | 20.75 | (52.81) |
| Portable device parts and components | 20,075 | 3,280 | 16.34 | 16,455 | 2,313 | 14.06 | 16.24 |

b. Explanation of gross profit margin fluctuation exceeding 20%: This is primarily due to the Chinese electric vehicle market entering a red supply chain situation, leading to a decrease in automotive gross profit margin.

c. For construction companies or companies with a construction department, specify the year of declaration and the projected revenue for recognition of construction projects and analysis of gross profit of the previous year, and explain if there is any exception of gross margin, projects completed without sale, and the projected sale: Not applicable.

E. List of key customers for purchase and sales

a. Names of suppliers accounting for more than 10% of the total purchase in any of the last 2 years, the amount of purchase and proportion to total purchase, and explain the reasons for the changes:

Unit: NTD thousand

| Item | 2024 | | | | 2023 | | | |
|------|--------------|---------|--|------------------------------|--------------|---------|--|------------------------------|
| | Name | Amount | Percentage to net purchase of the whole year (%) | Relationship with the issuer | Name | Amount | Percentage to net purchase of the whole year (%) | Relationship with the issuer |
| 1 | Company A | 253,149 | 34.91 | None | Company A | 215,471 | 33.06 | None |
| 2 | Others | 472,094 | 65.09 | — | Others | 436,365 | 66.94 | — |
| | Net purchase | 725,243 | 100.00 | — | Net purchase | 651,836 | 100.00 | — |

Note to the changes:

In addition to metal raw materials such as copper, aluminum, iron, and stainless steel, the Company's main procurement items include die-casting and stamping semi-finished products. The annual procurement amount changes with the customer's order demand and different materials used for the products.

b.Names of customers accounted for more than 10% of the total sale in any of the last 2 years, the amount of sale and proportion to total sale, and explain the reasons for the changes:

Unit: NTD thousand

| | 2024 | | | | 2023 | | | |
|------|-----------|-----------|---|------------------------------|-----------|-----------|---|------------------------------|
| Item | Name | Amount | Percentage to net sales of the whole year (%) | Relationship with the issuer | Name | Amount | Percentage to net sales of the whole year (%) | Relationship with the issuer |
| 1 | A | 267,144 | 16.09 | None | A | 212,144 | 13.91 | None |
| 2 | B | 240,746 | 14.50 | None | B | 154,105 | 10.10 | None |
| 3 | C | 166,715 | 10.05 | None | C | 164,634 | 10.79 | None |
| 4 | D | 136,619 | 8.23 | None | D | 41,598 | 2.73 | None |
| 5 | Others | 848,852 | 51.13 | — | Others | 952,722 | 62.47 | — |
| | Net sales | 1,660,076 | 100.00 | — | Net sales | 1,525,203 | 100.00 | — |

Note to the changes:

Company A and Company B, the end customers that have had business with our company for many years, are highly affirmative of our product quality, technology, and mass production capacity. The sales amount total has been subject to change mainly due to changes in product portfolio.

2.The number of employees, average years of service, average age and education in the last 2 years to the date this report was printed.

Unit: person

| Year | | 2023 | 2024 |
|------------------------|-------------------------------|-------|-------|
| Employee No. | R&D | 109 | 99 |
| | Management and sale personnel | 99 | 91 |
| | Operators and technical staff | 360 | 402 |
| | Total | 568 | 592 |
| Average age | | 40.34 | 39.94 |
| Average seniority | | 7.05 | 4.78 |
| Academic qualification | Doctoral Degree | - | - |
| | Master | 1% | 1% |
| | University | 22% | 22% |
| | Below Senior High School | 77% | 77% |
| Total | | 100% | 100% |

3.Information on spending on environmental protection

(1)Application for anti-pollution facility and spending

Permit of the installation of pollution treatment facility, or permit for emission of pollutants, or the payable fees for anti-pollution treatment, or the appointment of the designated body and personnel for environmental protection under law, and the status of licensing, payment or installation of such facility:

The production process of the Company is subject to the regulations of local bylaws so that application for permission of the emission of pollutants is required by law and specified as follows:

| Plant | Contents | Effective date |
|------------------|--|--|
| ANLI Kunshan | The Company has installed water treatment facilities for treating water pollutants from production and household use to the required standard before emission. | The Company has been granted the permit for the emission of pollutants |
| | | Validity date: November 15, 2027 |
| Gtek (Chongqing) | The Company has installed water treatment facilities for treating water pollutants from production and household use to the required standard before emission. | The Company has been granted the permit for the emission of pollutants |
| | | Validity date: July 25, 2026 |

(2)Anti-pollution equipment

Specify the investment in the major equipment of the Company for environmental protection and anti-pollution, the purpose and desired result:

December 31, 2024

Unit: NTD thousand

| Machinery name | Quantity | Acquisition date | Investment cost | Balance before depreciations and amortization | Purpose and expected result |
|--|----------|------------------|-----------------|---|--|
| Water pollutant treatment work | 1 | 2007.11.30 | 2,052 | 205 | Water pollutants from household use and industrial production were treated to the required standard before emission. This helps to save the consumption of water required for neutralization and reduce the emission of hazardous substances. |
| Water and air pollutants treatment work | 1 | 2016.5.30 | 687 | 69 | Water pollutants from household use and industrial production were treated to the required standard before emission. This helps to save the consumption of water required for neutralization and the collection and purification of air pollutants from industrial production for purification, and reduce the emission of hazardous substances. |
| Treatment of air pollutants from the casting process | 1 | 2021.11.30 | 775 | 484 | Used to collect waste gas for discharge, and pass through a cyclone dust removal device to reduce the emission of harmful substances. |
| Combustion waste gas treatment project | 1 | 2021.11.30 | 244 | 152 | Used for collecting waste gas emission, secondary combustion, water spraying, and plasma devices to reduce the emission of harmful substances. |
| Production wastewater treatment project | 1 | 2021.11.30 | 1,671 | 1,044 | Used for industrial wastewater discharge after reaching the standard after neutralization; it can save the amount of tap water required for neutralization and the collection and purification of industrial waste gas, reducing the emission of harmful substances. |
| Online wastewater monitoring facilities | 1 | 2018.11.30 | 1,219 | 122 | For use in the collection of air pollutants before emission, and transferred through the spraying device to reduce the emission of air pollutants. |
| Treatment of air pollutants from the casting process | 4 | 2024.3.13 | 9,120 | - | Used to collect waste gas for discharge, and pass through a sprinkler system to reduce the emission of harmful substances. |

- (3) Please describe the process taken to improve the environment in the two most recent fiscal years and up to the date of publication of the annual report; if there is any pollution dispute, the process of handling it should also be explained: None.
- (4) In the most recent two years and up to the date of publication of the annual report, the losses incurred by the company due to environmental pollution, including compensation and environmental audits, indicate violations of environmental laws and regulations. The company will disclose both the estimated current and future amounts of these losses, as well as the corresponding response measures; if it cannot be reasonably estimated, the reason why it cannot be estimated shall be stated: The Company has not suffered any losses due to environmental pollution.
- (5) Describe the status of pollution and corrective action, and the influence on the earnings, competitive position, and capital expenditures of the Company, and the major capital expenditures for environmental protection projected in the 2 years ahead:
- A. Current problem of pollution and the influence of the remedy to pollution on the earnings, competitive position, and capital expenditure of the Company: In the last 2 years to the day this report was printed, the Company's earnings, competitive position, and capital expenditures have not been affected by pollution.
- B. Significant capital expenditures on environmental protection in 2 years ahead: None.
4. Labor-Management Relations
- (1) List out the employee benefits, continuing education, training, retirement system and the status of implementation, and labor-management agreement and the protection of employee rights:
- A. Employee benefit policies:
- As always, the Company spares no effort in providing benefits and a positive work environment for its employees. Further to the release of bonuses and gifts for the Chinese New Year and festivals, the Company also provides the opportunity for its employees to participate in the operation of the Company for improving labor-management bonding and team work. Performance bonuses will be released in commensuration with the individual performance of the employees and the business performance of the Company. The Company also takes care of the physical and mental health of its employees by establishing the Employee Welfare Committee for organizing tourist traveling and parties for the employees from time to time in addition to the protection of the employees with medical insurance, social security insurance, and all the required insurances under law.
- B. Employee education and training status
- The Company organized internal training from time to time, and arranged external training on topics relevant to the required professional skills for the employees to improve their professional skills and competitive power. Different training programs have also been arranged for employees of different job functions.
- C. Retirement system and implementation status:
- a. Factories in China: The Company pays pension in accordance with the regulations of each place of operation. Each month, the Company contributes 24% of the total salary and deposits it in a designated account, of which 16% is borne by the Company and the other 8% is borne by the individual. The Company has no other obligations for pension benefits.
- b. Employees of Taiwanese origin are governed by the "Labor Pension Act" under the system of defined appropriation of pension funds. Under this system, 6% of the monthly salaries of the employees will be appropriated to their individual pension accounts at the Labor Insurance Bureau.
- c. Subsidiaries established in different regions shall be governed by the applicable laws of the respective regions governing pension funds. The Company recognized the contribution to the pension fund as an expense and is not liable for any other retirement fund and pension of the employees.
- D. Labor-management agreement and the protection of employee rights:
- The Company attaches great importance to employee benefits, employee future planning, employee professional intelligence enhancement and employee opinions, hoping to promote harmonious labor-management relations. As of the publication date of the annual report, there were no labor disputes.
- (2) Losses incurred due to labor disputes in the last 2 years to the day this report was printed (including the violation of Labor Standards Act found in labor inspections, specify the date of punishment, punishment document number, the provisions of the law violated, the content of the violation, and the content of punishment). Also, disclose the estimated amount that may occur at present and in the future, and measures in response. If it cannot

be reasonably estimated, specify the facts of the reason:

The Company's labor relations have always been harmonious. In the last two years and as of the printing date of the annual report, the Company has not suffered losses due to labor disputes.

5. Cyber security management

(1) Cyber security risk management framework, cyber security policy, specific management plans, and resources invested in cyber security management:

A. Cyber security risk management framework

The Company's Information Department is the responsible unit for information communication security. It has established information security officer and professional information personnel to formulate the Company's information security policy, plan information security operations, and promote and implement information security policies. Each year, the Audit Office conducts regular audits. If any deficiencies are found during the audit, the audited unit will be immediately required to propose improvement measures, and the results of improvement will be tracked regularly to reduce internal information security risks.

B. Cyber security policy

In order to maintain the normal operation of the Company's information system, strengthen information security management, ensure the availability, integrity and confidentiality of information, and protect against internal and external deliberate or accidental threats.

The Company's information communication security management mechanism includes the following four aspects:

a. System and regulation: Formulate the Company's information and communication security management system to regulate personnel operating behavior.

b. Organization and management system: Establish a top-down information security management system of the Company, define the responsibilities of the security management organization, make overall planning, and make expert decision-making to promote the development of information security work for the entire jurisdiction.

c. System protection: Establish information security management equipment and tools, and implement information security management measures.

d. Personnel training: The Company conducts regular information security training to improve the information security knowledge and professional skills of the Company's employees.

C. Specific management plan for information security

Regularly review internal information security regulations; coordinate, manage, and supervise all information security operations of the Group; regularly conduct protection system effectiveness inspections, social engineering drills and other related information security tests, and continue to provide relevant information security propaganda to employees. Through the implementation of information security policies and operating procedures, a sufficient information security environment can be provided to ensure the normal operation of the Company's services.

D. Invest resources in cyber security management

By establishing an information security monitoring system and executing system vulnerability scanning, professional information security measures can prevent hackers from invading and stealing confidential company information. At the same time, a complete information system security protection (for desktop computers, laptops, etc.) is essential to implement the protection of employees' personal information, confidential company information, customers and suppliers.

(2) Losses due to major IT security incidents in the most recent year and up to the date of publication of the annual report, their possible impacts and responsive measures: None.

6.Important contract

Valid supply contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other contracts that are significant enough to affect shareholders' equity that are currently in force and expire in the most recent year:

(1)KY Anli

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|------------------------|--------------------------------------|---|--|---|
| Credit limit contracts | Cathay United Bank | September 4, 2024 to September 04, 2025 | Applying for short-term financing quota from a bank. | For amounts totaling over one million US dollars, a pledge of 50% deposit is required for the portion exceeding this amount |
| Credit limit contracts | AILEASE SPECIALTY FINANCE CO., LTD. | July 31, 2024 to July 31, 2026 | Applying for short-term financing quota from a bank. | None |
| Credit limit contracts | CTBC Bank | November 1, 2024 to November 01, 2027 | Applying for mid- and long-term financing quota from a bank. | None |
| Credit limit contracts | Shilin Branch, First Commercial Bank | December 26, 2024 to December 26, 2025 | Applying for short-term financing quota from a bank. | None |

(2)Anli Hong Kong

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|------------------|--------------------------|--------------------------------------|---|--------------------|
| Loans contract | Qingpu Branch, CTBC Bank | November 1, 2024 to November 1, 2031 | Financing for procurement of fixed assets | None |

(3)Kuanghe Hong Kong

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|------------------------|--------------------------|---------------------------------------|---|--------------------|
| Loans contract | Qingpu Branch, CTBC Bank | November 1, 2024 to November 01, 2031 | Financing for procurement of fixed assets | None |
| Credit limit contracts | CTBC Bank | September 1, 2024 to August 31, 2025 | Applying for bank financing facility | None |

(4)Kuanghe Kunsha

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|------------------------|---|------------------------------------|--------------------------|--------------------|
| Credit limit contracts | Kunshan Rural Commercial Bank Co., Ltd. | January 5, 2024 to January 5, 2025 | Working capital turnover | None |

(5)ANLI Kunshan

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|------------------|---|--|--------------------------|--------------------|
| Loans contract | Kunshan Rural Commercial Bank Co., Ltd. | November 25, 2024 to May 23, 2025 | Working capital turnover | None |
| Loans contract | Kunshan Rural Commercial Bank Co., Ltd. | December 3, 2024 to June 02, 2025 | Working capital turnover | None |
| Loans contract | Seokpo Branch, Agricultural Bank of China | December 10, 2024 to December 09, 2025 | Working capital turnover | None |

(6)Gtek (Chongqing)

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|----------------------|--|----------------------------------|--------------------|--------------------|
| Engineering contract | Chongqing Jinqing Construction Engineering Co., Ltd. | May 9, 2022 to December 31, 2024 | Plant construction | None |

(7)Anli Huzhou

| Major Agreements | Nature of agreement | Contract start and end dates | Term of Agreement | Limitation Article |
|------------------------|---|-------------------------------------|---|--------------------|
| Credit limit contracts | High-Tech Zone Green Branch, Wuxing Rural Commercial Bank, Huzhou | August 8, 2024 to December 3, 2025 | Working capital turnover | None |
| Credit limit contracts | High-Tech Zone Green Branch, Wuxing Rural Commercial Bank, Huzhou | October 26, 2024 To October 9, 2027 | Financing for procurement of fixed assets | None |

V. Financial position and review and analysis of the financial performance

1. Comparison and analysis of the financial position

Unit: NT\$ thousand; %

| Item \ Year | 2024 | 2023 | Variation | |
|--------------------------------|-----------|-----------|-----------|---------|
| | | | Amount | % |
| Current assets | 1,540,328 | 1,326,863 | 213,465 | 16.09 |
| Property, plant, and equipment | 1,577,308 | 1,352,538 | 224,770 | 16.62 |
| Intangible assets | 1,916 | 1,863 | 53 | 2.84 |
| Other non-current assets | 404,787 | 438,004 | (33,217) | (7.58) |
| Total assets | 3,524,339 | 3,119,268 | 405,071 | 12.99 |
| Current liabilities | 1,036,409 | 872,688 | 163,721 | 18.76 |
| Non-current liabilities | 467,445 | 321,459 | 145,986 | 45.41 |
| Total liabilities | 1,503,854 | 1,194,147 | 309,707 | 25.94 |
| Share capital | 445,498 | 445,498 | 0 | 0.00 |
| Capital reserve | 561,556 | 561,556 | 0 | 0.00 |
| Retained earnings | 1,022,171 | 1,046,223 | (24,052) | (2.30) |
| Other equity | (8,740) | (128,156) | 119,416 | (93.18) |
| Total equity | 2,020,485 | 1,925,121 | 95,364 | 4.95 |

If the change between the two periods exceeds 20% and the amount is more than NT\$10 million, the analysis of the main cause of the change is specified below:

(1) Non-current liabilities increased by 45.41%: This was mainly due to increased long-term bank loans.

(2) Other equity decreased by 93.18%, primarily resulting from exchange differences on translation of foreign operations' financial statements.

2. Comparison and analysis of the financial performance

Unit: NT\$ thousand; %

| Item \ Year | 2024 | 2023 | Variation | |
|---|-------------|-------------|-----------|----------|
| | | | Amount | % |
| Operating revenue | 1,660,076 | 1,525,203 | 134,873 | 8.84 |
| Operating costs | (1,358,676) | (1,212,049) | (146,627) | 12.10 |
| Gross profit | 301,400 | 313,154 | (11,754) | (3.75) |
| Operating expenses | 309,953 | 320,022 | (10,069) | (3.15) |
| Net Operating Income | (8,553) | (6,868) | (1,685) | 24.53 |
| Non-operating income (expenses) | 1,295 | 8,687 | (7,392) | (85.09) |
| Net profit before taxation | (7,258) | 1,819 | (9,077) | (499.01) |
| Income tax expenses | (16,794) | (5,519) | (11,275) | 204.29 |
| Net income | (24,052) | (3,700) | (20,352) | 550.05 |
| Other comprehensive profit or loss | 119,416 | (35,135) | 154,551 | (439.88) |
| Current period other comprehensive income (Gross) | 95,364 | (38,835) | 134,199 | (345.56) |

If the change between the two periods exceeds 20% and the amount is more than NT\$10 million, the analysis of the main cause of the change is specified below:

- (1) Income tax expense increased by 204.29%, mainly due to an increase of NT\$20,198 thousand in unrecognized deferred tax assets from taxable losses in 2024.
- (2) Other comprehensive profit or loss increased by 439.88%, primarily resulting from exchange differences on translation of foreign operations' financial statements.

3. Cash flows

(1) Analysis of changes in cash flow in the most recent year:

| Opening cash balance | Expected net cash inflow from operating activities for the year | Expected net cash inflow from investing activities for the year | Expected net cash inflow from financing activities for the year | Projected cash surplus (deficit) amount | Financing of cash deficits | |
|--|---|---|---|---|----------------------------|-------------------|
| (1) | (2) | (3) | (4) | (1)+ (2) + (3) + (4) | Investment | Wealth management |
| 311,409 | (166,493) | 50,640 | 184,254 | 379,810 | - | - |
| Analysis of cash flow changes | | | | | | |
| 1. Operating activities: This reflects the estimated 15% revenue growth in 2025, with accounts receivable occupying funds due to payment terms, resulting in an overall net outflow from operating activities. | | | | | | |
| 2. Investment activities: This estimates that in 2025, financial assets will be liquidated to meet the increased working capital requirements. | | | | | | |
| 3. Financing activities: This estimates that in 2025, due to rapid revenue growth, external financing will be needed, resulting in net cash inflow. | | | | | | |

(2) Plans to improve liquidity

The Company's operating activities will result in a net cash outflow over the next year, which will be addressed by optimizing accounts receivable collection mechanisms, flexibly allocating bank loans, and evaluating capital raising options.

(3) Cash flow analysis for the next year

While the Company can maintain short-term cash liquidity, effective management of financial leverage remains necessary for the long term.

4. Impacts of major capital expenditures in the most recent year on business and financial operations:

(1) Status and funding sources of major capital expenditures:

Unit: NTD thousand

| Planned items | Source of Funds | Expected date of completion | Total funds required | Actual or planned utilization of funds (2025) |
|---|---------------------------------------|-----------------------------|----------------------|---|
| Machinery | Self-owned capital and bank financing | 2025 Q2 | 52,461 | 22,233 |
| Commissioning construction contractors and building factories | Self-owned capital and bank financing | 2025 Q4 | 885,932 | 54,806 |
| Total | Self-owned capital and bank financing | | 938,393 | 77,039 |

(2) Expected potential benefits: To support the group's capacity planning, business growth, and development needs through equipment purchases and factory construction, which will fulfill the Company's future production and operational requirements.

5. The major causes for profits or losses incurred by investments during the most recent year; rectifications and investment plans for the next year

(1)The Company's investment policy

The Company's investments are mainly located in areas related to the Company's business, and the relevant execution departments are executed in accordance with the internal control system "Investment Cycles" and "Operating Procedure for Acquisition or Disposal of Assets." The above regulations or procedures have also been discussed and approved by the Board of Directors or shareholders' meetings.

(2)The main reason for the profit or loss of reinvestment in the most recent year, and the improvement plan

Unit: NTD thousand

| Description item | Gains (losses) recognized in 2024 | Main reason for profit or loss | Improvement plan |
|-------------------|-----------------------------------|---|--|
| Anli Hong Kong | 32,870 | Investment in the Mainland China subsidiaries through the company has achieved good performance and profitability. | Not applicable |
| Kuanghe Hong Kong | (29,379) | Investment in the Mainland China subsidiaries through the company resulted in the decrease in customers' purchases and annual losses. | Proactive development of new customers |
| ANLI Kunshan | 51,416 | It is the actual operating entity in Mainland China in a good standing. | Not applicable |
| Kuanghe Kunsha | 431 | It is the actual operating entity in Mainland China in a fine standing. | Not applicable |
| Gtek (Chongqing) | (34,094) | As the actual operating entity in mainland China, due to the decrease in customers' purchases resulted in the annual loss. | Proactive development of new customers |
| Anli Huzhou | (47,981) | New subsidiary's factory commences operations in the third quarter | Not applicable |

(3)Investment plans for the coming year:

In alignment with the Group's strategy to expand into new energy vehicles and fifth-generation communication equipment, and to increase the Group's production capacity, we have invested in establishing a new housing factory and office building in Huzhou City, Zhejiang Province. Mass production began at the end of 2024, and we will continue to invest in machinery and equipment for this facility over the coming year.

6. Risk analysis and assessment:

(1)Impacts of interest rate and exchange rate changes and inflation on the Company's profit and loss and future countermeasures:

A. Interest rate

Unit: NTD thousand

| Item \ Year | 2024 | | 2023 | |
|----------------------|--------|--|--------|--|
| | Amount | As a percentage of net operating revenue | Amount | As a percentage of net operating revenue |
| Interest revenue | 5,872 | 0.35% | 10,209 | 0.67% |
| Interest expenditure | 17,485 | 1.05% | 15,570 | 1.02% |

Data source: Financial statements with the auditing and attestation performed by the CPAs.

The Company's interest income accounted for 0.35% and 0.67% of net revenue in 2024 and 2023, respectively, while interest expenses represented 1.05% and 1.02% of net revenue in 2024 and 2023, respectively. These figures have minimal impact on the Company. Additionally, the Company has consistently maintained good relationships with its banking partners, demonstrates financial stability, and maintains good credit standing. When funding is needed, the Company can secure favorable interest rates. Future interest rate fluctuations are not expected to significantly impact the overall operations of the consolidated company.

B. Foreign exchange rate

Unit: NTD thousand

| Item \ Year | 2024 | 2023 |
|---------------------------|-----------|-----------|
| | | |
| Foreign exchange loss (A) | 5,546 | (2,036) |
| Operating revenue (B) | 1,660,076 | 1,525,203 |
| (A)/(B) (%) | 0.33% | (0.13%) |

Data source: Financial statements with the auditing and attestation performed by the CPAs.

The Company's exchange gain (loss) account is mainly generated by the conversion of USD obtained from export into RMB to meet the needs of local purchases and daily expenses in Mainland China. Therefore, fluctuations in the foreign exchange market may erode its profits and make fund management difficult. In the face of the risk brought about by exchange rate fluctuations, the Company has adopted the following response measures to reduce the impact posed by exchange rate changes on it. The response measures that the Company may take are as follows:

- Keeping abreast of exchange rate trends: To enhance the finance and accounting personnel's understanding of the concept of exchange rate hedging, to maintain close contact with foreign exchange departments of various financial institutions, and to collect exchange rate information at any time to fully verify the trend of exchange rate changes and respond to the negative impact posed therefor proactively.
- Determining the appropriate timing of foreign exchange settlement and maintaining safe foreign currency levels: The Company reviews foreign currency cash levels on a daily basis, comprehensively evaluates the capital demand, and makes reference to the actual exchange rate and exchange rate assessment reports issued by the bank, and settles the deposit in USD as that in RMB in a timely manner.
- Adjust the product quote in a timely manner: The products of the Company are all customized, and the business units will take the trend of exchange rates into account when quoting quotations to customers to prevent changes in exchange rates from eroding the Company's profits.
- Undertaking of financial hedging instruments: The Company and each of its subsidiaries have established their own "operating procedures for acquisition and disposal of assets." Each of them will conduct hedging operations in accordance with internal control regulations when it is necessary to apply financial derivatives, such as forward foreign exchange contracts, for hedging based on evaluation results, subject to the foreign currency position and changes in foreign exchange rates

C.Inflation:

The global economic environment is changing rapidly. Up to now, the Company has not experienced an inflation crisis that has had a significant impact on the profit and loss. In the future, the Company will continue to maintain close and good interaction with customers and suppliers, keep noticing market price fluctuations, and adjust procurement and sales strategies and cost structure in a timely manner, in order to mitigate the impact posed by inflation changes on the Company's profit and loss.

(2)High-risk investments, high-leverage investments, loans to others, endorsements/guarantees, and derivative transactions, the main reasons for profit or loss, and response measures:

- A.The Company's financial strategy is based on the principle of prudence and conservatism. Therefore, in the most recent year and as of the date of publication of the annual report, the Company has not engaged in high-risk or high-leverage investments and derivative transactions.
- B.The Company and its subsidiaries have formulated the "Operating Procedure for Loaning of Funds to Others," "Operating Procedure for Endorsements/Guarantees," and "Operating Procedure for Acquisition or Disposal of Assets" to serve as guidelines for loaning of funds to others and making of endorsements/guarantees.

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

The Company has R&D departments in ANLI Kunshan, Kuanghe Kunsha, Gtek (Chongqing), and Anli Huzhou focusing on mold development for heat dissipation parts and components and other metal component products, modification of manufacturing processes, acquisition and construction of automation equipment and implementation thereof into actual production lines. In response to the rapid changes in the environment, the Company trains professional mold, stamping, and die-casting technicians proactively, and improves production processes and innovates technologies to provide customers with complete key component solutions. In the future, the Company will keep making every endeavor to develop heat dissipation parts and components for electronic products, expand to the applications of new energy automotive and fifth generation communications equipment, and continue to research, develop, and improve related equipment for automated production so as to enhance production efficiency and reduce the cost of manual labor.

The Company spent approximately NT\$61,963 thousand and NT\$71,736 thousand in R&D in 2024 and 2023, respectively, for production research and development, innovation of production technologies and improvement of production process. In the future, the Company will continue to invest R&D resources depending on product development plans. Through joint R&D cooperation with customers, the Company will continue to develop advanced technologies, accumulate R&D results, and refine product performance and cost to maintain its market competitiveness.

(4)Impacts of Changes in Key Domestic and International Policies and Laws on the Company's Financial Operations, and Countermeasures:

The Company is registered in the Cayman Islands, with its main business operations based in Hong Kong and China. Its products are primarily sold to various system manufacturers in China. The Cayman Islands' economy primarily revolves around financial services. Hong Kong is a Special Administrative Region of the People's Republic of China, while Mainland China is one of the world's major economies. The Company's products, which are key components in heat transfer and 3C structural applications, are not subject to licensing or industry restrictions. The Company operates in compliance with key domestic and international policies, laws, and regulations. It closely monitors policy and legal developments and takes appropriate countermeasures in response to market changes. As a result, the Company has not encountered any significant financial impacts due to policy or legal changes in the Cayman Islands, Hong Kong, or Mainland China.

- (5) Effects of technological and industrial changes to the company's financial and business performance, and the responsive actions

By interacting with customers and regularly reading related technology and industry reports, we accumulate long-term observation of technological changes and technological development evolution related to our industry, and can quickly grasp the industry dynamics. Patent protection is applied for various innovative concepts, designs and developments; in order to enhance competitiveness and actively expand into future market sectors, the Company anticipates that changes in technology and industry will have no significant adverse impact.

- (6) Impacts of changes in corporate image on corporate crisis management and countermeasures:

The Company's business philosophy is based on the principles of honesty, cooperation, innovation, speed and learning. Since its inception, the Company has had a good image and a stable management team, and the Company continues to introduce outstanding talents to join the Company to provide services, return the operating results to shareholders, and at the same time fulfill the Company's due Social Responsibility. At present, there is no corporate crisis caused by the change of corporate image.

- (7) Expected benefits and possible risks of mergers and acquisitions and countermeasures:

In the most recent year and as of the publication date of the annual report, the Company did not have any plan to merge or merge other companies. If there is any plan of merger in the future, the Company will carefully evaluate and consider the synergy of the merger to ensure the rights and interests of shareholders.

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

The expansion of the Company's plant is to accommodate future increases in product lines and enhance the efficiency of production line equipment. All plant expansions undergo a comprehensive, prudent, and professional evaluation process, complying with internal control requirements. Significant capital expenditures must also be submitted to the Board of Directors for review. The required funds come from the Company's retained earnings, capital increases, or bank financing. Possible Risks and Countermeasures: To mitigate uncertainties in the environment and market, the Company will continuously review industry and market trends, assess market demand, and evaluate its financial position to formulate appropriate countermeasures. These efforts aim to reduce operational risks while ensuring the Company's growth and competitiveness.

- (9) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken:

A. Procurement risk

The main raw materials for the key components of thermal conductivity and 3C structure are copper, aluminum, iron, and stainless steel. There is no irreplaceable monopoly on the suppliers of these materials, and their sources of supply are still sufficient; in addition, the Company has always adopted the principle of decentralized procurement, and inquiries about the prices of the same raw materials from two or more suppliers, so there is no centralized procurement and related risks.

B. Sales risk

The Company's sales targets are mainly well-known thermal module manufacturers, international system assembly factories, and brand manufacturers. In 2024, the sales amount to each single customer and the proportion of the Company's sales amount exceeded 10%. Three companies were all less than 10%. Current response measures:

- a. Maintain close interaction with customers, assist in front-end design and development, and enhance customer adhesion
- b. Diversified development of products
- c. Enhance automated production to improve yield rate and production efficiency to expand the

competitive niche.

- (10) Impacts and Risks to the Company in the Event of a Substantial Transfer of Shares Held by a Director, Supervisor, or a Shareholder with More than a 10% Stake, and the Mitigation Measures Taken or Planned:

During the most recent year and up to the date of the annual report's publication, no directors, supervisors, or major shareholders with more than a 10% stake transferred a substantial portion of their shares to other parties.

- (11) Impacts, risks, and responsive measures of a change in management rights:

In the most recent year and up to the publication date of the annual report, the Company has not experienced changes in management rights that affected its operations.

- (12) Litigation or non-litigation events Dispute, non-litigation, or administrative litigation, where the outcome is likely to have a significant impact on shareholders' equity or securities prices, the facts of the dispute, the amount of money at stake in the dispute, the date of litigation commencement, the main parties involved, and the status of handling as of the printing date of the annual report: No such circumstances.

- (13) Other important risks and coping measures: Information security risk assessment analysis and coping measures:

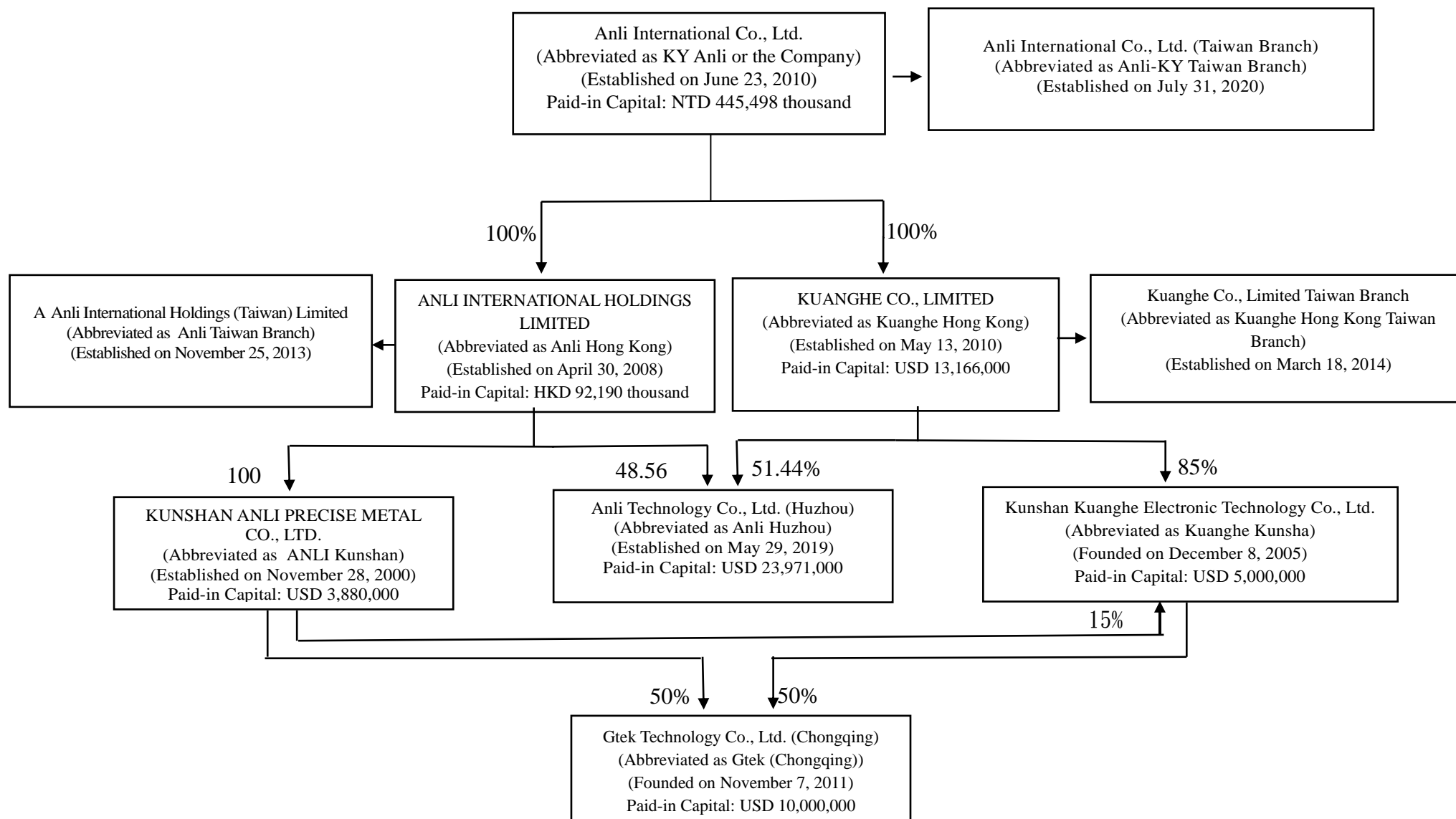
The Company has established an information security policy to create and maintain a secure environment for its information and computer systems, incorporating comprehensive security measures and management processes. Although the Company has implemented the aforementioned policies, procedures, and various other information security protection measures, it cannot guarantee that the computer systems responsible for controlling and maintaining critical corporate functions, such as manufacturing operations and accounting, are completely immune to unauthorized intrusions by third-party entities seeking to compromise the Company's internal network. Nevertheless, the Company continues to enhance security measures and management processes through regular reviews and evaluations to ensure their adequacy and effectiveness, thereby mitigating risks.

7. Other important notes: None.

VI.Special Notes

1.Affiliated companies

(1)Organization Chart of Affiliated Companies (As of the Printing Date of the Annual Report)



(2)Basic information of affiliated companies

| Name of affiliated company | Date of foundation | Address | Paid-in capital | Main business activities or products |
|----------------------------|--------------------|---|---------------------|---|
| Anli Hong Kong | April 30,2008 | Room S10, 5/F, 5 On Yiu Street, Shek Mun, Sha Tin, New Territories, Hong Kong | HKD 92,190 thousand | Investment, trading, and sales business of subsidiaries |
| Kuanghe Hong Kong | May 13,2010 | Room S10, 5/F, 5 On Yiu Street, Shek Mun, Sha Tin, New Territories, Hong Kong | USD 13,166 thousand | Investment, trading, and sales business of subsidiaries |
| ANLI Kunshan | November 28,2000 | 128 Xieyi Road, Qiandeng Town, Kunshan City, Jiangsu Province | USD 3,880 thousand | Responsible for the production and sales of the Company's stamping products |
| Kuanghe Kunsha | December 8, 2005 | No. 1425, Fengshou North Road, Qiandeng Township, Kunshan, Jiangsu Province. | USD 5,000 thousand | Responsible for the production and sales of the Company's die-casting products |
| Gtek (Chongqing) | November 7, 2011 | No. 199, Donglin Blvd, Bishan District, Chongqing City | USD 10,000 thousand | Responsible for the production and sales of the Company's stamping and die-casting products |
| Anli Huzhou | May 29,2019 | 777 Waixi Road, High-Tech Zone, Wuxing District, Huzhou City, Zhejiang Province | USD 23,971 thousand | Responsible for the production and sales of the Company's stamping and die-casting products |

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

(4) Information on directors, supervisors, and general managers of affiliate companies

| Name of affiliated company | Title | Name or the representative person | Status of shareholding | |
|----------------------------|------------------------|-----------------------------------|------------------------|--------------------|
| | | | Quantity | Shareholding ratio |
| Anli Hong Kong | Director and President | Lin Chih-Kun | - | - |
| | Director | Hsu Cheng-Kun | - | - |
| Kuanghe Hong Kong | Director and President | Wu Chin-Song | - | - |
| | Director | Hsu Cheng-Kun | - | - |
| ANLI Kunshan | Director and President | Lin Chih-Kun | - | - |
| | Director | Hsu Cheng-Kun | - | - |
| | Director | Huang Da-Peng | - | - |
| | Supervisor | Wu Chin-Song | - | - |
| Kuanghe Kunsha | Director and President | Wu Chin-Song | - | - |
| | Director | Hsu Cheng-Kun | - | - |
| | Director | Wu Chi-Kun | - | - |
| | Supervisor | Lin Chih-Kun | - | - |
| Gtek (Chongqing) | Director and President | Chang Yi-Chang | - | - |
| | Director | Hsu Cheng-Kun | - | - |
| | Director | Wu Chi-Kun | - | - |
| | Supervisor | Chen Chia-Feng | - | - |
| Anli Huzhou | Chairman | Hsu Cheng-Kun | - | - |
| | Director and President | Wu Chin-Song | - | - |
| | Director | Lin Chih-Kun | - | - |
| | Director | Wu Chi-Kun | - | - |
| | Director | Chang Yi-Chang | - | - |
| | Supervisor | Cheng Ya-Wen | - | - |

(5) Overview of the operation of each affiliate company

December 31, 2024; Unit: NT\$ thousand

| Name of affiliated company | Share capital | Total assets | Total liabilities | Net value | Operating revenue | Operating profit | Current period profit (after tax) | Earnings per share (\$) (After tax) |
|----------------------------|---------------|--------------|-------------------|-----------|-------------------|------------------|-----------------------------------|-------------------------------------|
| Anli Hong Kong | 497,221 | 1,581,087 | 257,246 | 1,323,841 | 422,091 | 16,294 | 32,870 | Note 1 |
| Kuanghe Hong Kong | 390,241 | 1,194,365 | 279,996 | 914,369 | 156,469 | 4,513 | (29,379) | Note 1 |
| ANLI Kunshan | 112,927 | 1,228,272 | 261,464 | 966,808 | 494,808 | 59,117 | 51,416 | Note 1 |
| Kuanghe Kunsha | 145,525 | 944,875 | 163,597 | 781,278 | 462,354 | (1,289) | 431 | Note 1 |
| Gtek (Chongqing) | 283,456 | 651,893 | 232,693 | 419,200 | 350,674 | (37,045) | (34,094) | Note 1 |
| Anli Huzhou | 735,366 | 1,315,351 | 651,840 | 663,511 | 176,672 | (38,058) | (47,981) | Note 1 |

Note 1: Non-limited company

(6) Consolidated financial statements of affiliate companies: Same as the consolidated financial statements of the parent company and subsidiaries. Please refer to pages 126 to 197. Report of Affiliate Company: None.

2. In the latest financial year to the date this report was printed, private placement of securities: None.

3. Other supplementary information:

Before its OTC listing, the Company committed to the Taipei Exchange to amend its “Procedures for Acquisition or Disposal of Assets” to include the following provision: “In future years, if the Company directly or indirectly waives its right to participate in capital increases of XinLi Kunshan Precise Metal Co., Ltd., Kuanghe Kunsha Electronic Technology Co., Ltd., and IDO Chongqing Technology Co., Ltd., or directly or indirectly disposes of shares in these companies in a way that results in the Company losing substantial control over them, such actions must first be approved by a special resolution of the Company’s Board of Directors, with all independent directors present to provide their opinions. The content of this resolution, along with any subsequent amendments to the guidelines, must be disclosed as significant information on the Market Observation Post System and reported to the Taipei Exchange for recordkeeping. On April 10, 2018, the Company issued a letter confirming its commitment to implement these revisions. The revised provisions were approved by the Board on April 24, 2018, and ratified at the general shareholders’ meeting on May 25, 2018.

4.Explanation for the material difference from the protection of shareholders' rights and interests in Taiwan

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|---|--|--|
| If the Company repurchases its own shares for transfer to employees, the employees may be restricted from transferring the shares for a certain period of time. However, the maximum period may not exceed two years. | The content of this paragraph is stipulated in Article 40D of the Articles of Incorporation, which read as follows: "Except as otherwise provided in Article 40E of the Articles of Incorporation and applicable laws governing TWSE and TPEX listed companies the treasury shares may be disposed of by the Company on such terms and conditions as determined by the Board of Directors. If the repurchase of treasury shares is transferred to employees in accordance with applicable laws governing TWSE and TPEX listed companies the employees may undertake to the Company not to transfer them within a certain period of time, but the period of restriction is no more than two years. (Note: The above is the Chinese version)" | Pursuant to Article 1 of the Company's Articles of Incorporation, "Treasury Shares" refer to the shares that are issued in accordance with the Articles of Incorporation, the Cayman Companies Act and applicable laws governing TWSE and TPEX listed companies which have been purchased, redeemed or otherwise acquired by the Company and have not been canceled. The content of this paragraph is stipulated in Article 40D of the Articles of Incorporation. According to the lawyer of the Cayman Islands, "the restrictions agreed between the transferor and transferee is a contractual matter between themselves." | <u>This transfer restriction can be settled in the form of a contract, and there should not have a material adverse effect on stockholders' equity.</u> |
| 6. The following matters shall be listed and explained in the reason for convening the shareholders' meeting, and shall not be proposed as an extraordinary motion. Its main contents may be placed on the website designated by the securities authority or the Company, and its URL shall be specified in the notice: (1)The election or dismissal of directors, | The contents of this paragraph are stipulated in Article 50 of the Company's Articles of Incorporation, which read as follows: "the following matters shall be included in the notice of the convention of the shareholders' meeting and may not be proposed as an extraordinary motion." The principal contents may be placed on the | The Cayman Companies Act has no particular regulations on extempore motions. According to the lawyer of the Cayman Islands, with regard to extraordinary motions, the shareholders' meeting notice must clearly state the content of the meeting's discussions and provide relevant information to | <u>In accordance with "Foreign Issuer Registration Country Shareholders' right Protection Matter Checklist" (hereinafter Shareholders' Right Protection Matter Checklist) amendment by letter of Zheng-Gui-Shen-Zi No. 10800681281 announced by Taipei Exchange on January 8, 2020, the Corporate Charter has been amended according to the Shareholders' Right Protection Matter</u> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|---|---|---|
| <p>supervisors;</p> <p>(2)Amendments to the Company Corporate Charter (Articles of Incorporation);</p> <p>(3)Capital reduction;</p> <p>(4)Application for cessation of public offering;</p> <p>(5)Company Dismissal, Consolidation, Share Conversion and Division;</p> <p>(6)Entering into, alteration, or termination of the agreement on leasing of the whole operation, entrustment of operation, or joint venture in operation with a third party;</p> <p>(7)Transferring the whole or any essential part of its business or assets;</p> <p>(8)Accepting the transfer of another whole business or assets, which has great bearing on the business operation of the company;</p> <p>(9)Private placement of equity-type securities;</p> <p>(10)Permission for directors to engage in non-competition activities;</p> <p>(11)Distributing dividends and bonuses in whole or in part in the form of new shares;</p> <p>(12)Distributing legal reserve and capital surplus from the issuance of stock premiums or receipts to the original shareholders in the</p> | <p>website designated by the TPEX or TWSE or websites designated by the Company and the website should be stated in the meeting notice: (a) the election or dismissal of directors or supervisors (if any); (b) change to the Memorandum and/or the Articles of Incorporation; (c) capital reduction. (d) application for cessation of public offering; (e) dissolution, share conversion (as defined in laws and regulations of TWSE and TPEX), merger or division of the Company; (f) conclude, change, or terminate all leased businesses, agreements on commissioned business operations with others of any contract relating to the lease of all the Company's businesses, commission of business, or regular joint business with others; (g) Transfer of all or any major part of the business or assets of the Company; (h) Transfer of the entire business or assets of another party that has a significant impact on the Company's operations; (i) Private placement of equity securities; (j) permission of directors to engage in non-competition activities; (k) dividends and bonuses are distributed in whole or in part by way of new</p> | <p>facilitate shareholders' understanding.</p> <p>However, "any other proposal" is usually added to the shareholders' meeting notice. Usually, it is of an informal or unimportant nature, and the chair may not include important matters in this proposal. If there are any important matters, they should be discussed and resolved in a separate meeting in accordance with the procedures. However, details of urgent matters discussed at the shareholders' meeting must be submitted to and ratified at the next meeting. Although the laws of Cayman Islands do not expressly prohibit extraordinary motions, Cayman's lawyers recommend that it is not appropriate to have extraordinary motions at the shareholders' meeting.</p> | <p><u>Check List and shall not have major impacts on shareholders' rights.</u></p> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|---|---|---|
| <p>form of new shares or cash.</p> | <p>shares; (l) legal reserve and capital surplus from the issuance of stock premiums or donations are distributed to the original shareholders in proportion to their shareholdings through the issuance of new shares in whole or in part; (m) in accordance with the Company Act, all or part of the legal reserve and capital surplus from the issuance of stock premiums or donations is distributed to the original shareholders in proportion to their shareholdings in the form of cash; (n) transfer of the Company's treasury shares to employees; and (o) delisting.</p> <p>Except as otherwise provided in the Company Act or the Articles of Incorporation, a shareholder may make a proposal at a shareholders' meeting only to the extent of the original proposal. (Note: The above is the Chinese version)"</p> | | |
| <p>2. When the Company exercises voting rights in writing or by way of electronic transmission, the method of exercising the voting rights shall be specified in the shareholders' meeting notice. Shareholders who exercise voting power in writing or by way of electronic transmission are</p> | <p>This provision is stipulated in Articles 67 and 68, Paragraph 1 of the Company's Articles of Incorporation, as follows: "67. Except as otherwise provided for by these Articles, when the Company convenes a shareholders' meeting, the Company may adopt the exercise of voting power</p> | <p>The Cayman Companies Act has no particular regulations on the contents of the beginning section of Paragraph 2. Given this, the beginning section of Paragraph 2 is stipulated in Article 67 of the Company's Articles of Incorporation. In addition, according to</p> | <p>According to Article 68 of the Articles of Incorporation, if a deemed chair exercising the voting rights on behalf of the shareholder in accordance with the instructions in writing or an electronic file, the voting right of the shareholder shall not be exercised by the chair in a manner not stated in the written or electronic file. There seems to be no significant adverse</p> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|--|--|---|--|
| <p>considered to have attended the shareholders' meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders' meeting.</p> | <p>in writing or by way of electronic transmission, provided, however, that the method of exercising voting rights shall be specified in the shareholders' meeting notice. Unless otherwise provisioned by OTC listing regulations, the Company shall list electronic means as one of the channels for exercising voting rights at shareholders' meetings. If the Board of Directors decides to convene a shareholders' meeting outside the Republic of China, such shareholders shall be entitled to exercise their voting power in writing or by way of electronic transmission." "68. According to the requirements of the previous paragraph, shareholders who exercise their voting power in writing or by way of electronic transmission in accordance with the preceding Article shall be deemed to have entrusted the chair of the shareholders' meeting to exercise their voting rights on behalf of them at the shareholders' meeting in accordance with the instructions in writing or electronic files. Extraordinary motions and amendments to the original proposals at such shareholders' meeting</p> | <p>the opinion of the lawyer of the Cayman Islands, a written vote of the shareholder is deemed to be a proxy vote of the chair of the shareholders' meeting; therefore, the latter section of Paragraph 2 is stipulated for in Article 68 of the Company's Articles of Incorporation according to the opinion of the lawyer of the Cayman Islands.</p> | <p>impact on shareholders' equity.</p> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|--|---|--|
| | shall be deemed to be waived the right from voting. However, aforementioned appointment shall not be deemed as constituting the requirement of proxy under the laws and regulations of TWSE and TPEX. If a shareholder is represented by the chair, the voting right of the shareholder shall not be exercised by the chair in a manner not stated in the written or electronic file. (Note: The above is the Chinese version)" | | |
| 4. Shareholders after exercising their voting power in writing or by way of electronic transmission wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic transmission revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic transmission shall prevail. | The content of this paragraph is set out in Article 70 of the Articles of Incorporation, which read as follows: "If a shareholder has voted in writing or by electronic transmission and wishes to attend the shareholders' meeting in person, he/she shall submit a written ballot or electronically such person shall be deemed to have revoked the proxy of the chair of the shareholders' meeting as referred to in Article 68. If a shareholder has revoked his/her vote power by a written or electronic transmission after the said time limit pursuant to Article 67 after the aforementioned period, the written or electronic vote and the appointment of the chair of the shareholders' meeting as stipulated in Article 68 shall prevail. If | The Cayman Companies Act has no particular regulations on the content of Paragraph 4. Therefore, Paragraph 4 is stipulated in Article 70 of the Articles of Incorporation. According to the lawyer of the Cayman Islands, a person may revoke their proxy by attending the meeting in person under the common law. As shareholders who exercise voting rights in the same manner shall be deemed to have entrusted the chair of the shareholders' meeting to exercise his/her voting rights on behalf of him/her at the shareholders' meeting in accordance with the instructions in writing or electronic file. Therefore, the content of Paragraph 4 may not be | <u>The variation in this section is caused by the principle of the Anglo-American Common Law system, which will not cause unfavorable and significant influence on shareholders equity. The shareholders equity could be protected after the disclosure of the content to the shareholders through the annual report.</u> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|---|--|--|
| | a shareholder, separately appoints a proxy to attend the shareholders' meeting on his/her behalf after submitting a written or electronic vote pursuant to Article 67, it shall be deemed to be a revocation of the appointment of the chair of the shareholders' meeting as referred to in Article 68, and the voting rights exercised by such proxy shall prevail. (Note: The above is the Chinese version)" | enforceable. | |
| 4. After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail. | The content of this paragraph is set out in Article 62B of the Articles of Incorporation, which read as follows: "After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting so as to rescind the proxy at issue; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail. (Note: The above is the Chinese version)" | The Cayman Companies Act has no particular regulations on proxies or the solicitation of proxies. Therefore, Paragraph 4 is stipulated in Article 62B of the Articles of Incorporation. According to the lawyer of the Cayman Islands, a person may revoke their proxy by attending the meeting in person. Therefore, the content of Paragraph 4 may not be enforceable. | <u>The variation in this section is caused by the principle of the Anglo-American Common Law system, which will not cause unfavorable and significant influence on shareholders equity. The shareholders equity could be protected after the disclosure of the content to the shareholders through the annual report.</u> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|--|--|---|
| <p>The following motions involving significant interests of shareholders require the attendance of shareholders representing more than two-thirds of the total number of outstanding shares and the consent of more than half of the shareholders with voting rights present at the meeting. If the total number of shares held by shareholders present is less than the aforementioned quorum, a two-thirds or more of the voting rights of the shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.</p> <p>(1) The Company concludes, changes or terminates any contract relating to the lease of all businesses, entrusts operations or regular joint operation with or by another person, the transfer of all or a major portion of the business or property, or the transfer of the entire business or property of another person, which has a significant impact on the Company's operations</p> <p>(2) Amendments to Articles of Incorporation</p> <p>(3) Changes in the Articles of Incorporation that damage preferred shareholders' rights shall be subject to resolution at the special shareholders' meeting</p> <p>(4) Dividends and bonuses in whole or in part distributed in the form of new shares to be issued</p> | <p>Subparagraphs 1, 4, and 5 regarding merger or demerger, Subparagraphs 6 and 7 of this Paragraph are set out in Article 32(a)(b)(c)(d)(g)(h) of the Articles of Incorporation. The contents are as follows: The Company shall adopt A-type Special Resolution or B-type Special Resolution to:</p> <p>(a) conclude, change, or terminate all leased businesses, agreements on commissioned business operations and business cooperation with others; (b) transfer all or any of the businesses or properties; (c) transfer all business or properties of others causing a major impact on the Company's operational plan; (d) perform company mergers in accordance with regulations for OTC listing (except "mergers & acquisitions/or consolidation" defined in the Company Act that only require Special Resolution), share transfer or division; [...] (g) issue new restricted employee shares in accordance with Article 17B; (h) distribute part or all dividends or bonuses by issuance of new shares. (Note: The above is the Chinese version)"</p> | <p>According to the lawyer of the Cayman Islands, (i) the Articles of Incorporation of a Cayman company must comply with the mandatory provisions of the Cayman Companies Act. In case of conflict, the provisions of the Cayman Companies Act shall prevail; (ii) "Special Resolution" is a legal term under the Cayman Companies Act. According to the Cayman Companies Act, matters that are subject to a Special Resolution should be resolved by the shareholders. The number of voting rights shall not be less than the threshold for a Special Resolution under the Cayman Companies Act; a higher threshold may be stipulated in the Articles of Incorporation.</p> | <p>Articles 32(a)(b)(c)(d)(g)(h) and 33(a) (referring to the voluntary dissolution of the company due to the inability to repay debts on time) have been generally amended based on the requirements of the Shareholders' Rights Protection Checklist. In addition, Article 157 of the Company's Articles of Incorporation changes the Articles of Incorporation (including Article 18 of the Company's Articles of Incorporation to amend the Company's Articles of Incorporation to the detriment of the rights of the preferred stock shareholders); Article 33(b) (except dissolution) and Article 31(c), merger and other matters are mandatory in accordance with the Cayman Companies Act and must be resolved through a "Special Resolution" and may not be arbitrarily changed by the Articles of Incorporation.</p> <p><u>However, with reference to the manner of resolution provided in the Special Resolution and the Shareholders' Rights Protection Checklist, the extent of protection of shareholders' rights set forth by the Articles of Incorporation and the Shareholders' Rights Protection Checklist is comparable.</u></p> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|--|---|-----------------------|--------------------------------|
| <p>(5) A resolution for dissolution, consolidation or merger, or split-up of a company</p> <p>(6) Issuance of new restricted employee shares</p> <p>(7) Share Conversion</p> | <p>Subparagraph 2 of this paragraph is stipulated in Article 157 of the Articles of Incorporation, which read as follows: "Except as otherwise provided in the Company Act and these articles, the Company may at any time, by a special resolution, amend the Memorandum and/or these Articles of Incorporation in whole or in part. (Note: The above is the Chinese version)"</p> <p>Subparagraph 3 of this paragraph is stipulated in Article 18 of the Articles of Incorporation, which read as follows: "If at any time when the capital of the Company is divided into different classes of shares (e.g. common shares and preferred shares), a materially adverse change in, or abrogation of, the rights (subject to the terms of issue of the shares of that class) (including but not limited to any amendments to the Articles of Incorporation that may prejudice the rights of any preferred shareholders) shall be approved (1) a special resolution of the common shareholders at a meeting of the common shareholders, and (2) a special resolution of the individual shareholders' meetings for that class of shares (e.g. preferred shares). (Note: The above</p> | | |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|--|--|---|
| | <p>is the Chinese version)”</p> <p>The requirement of section 5 in the aspect of dissolution of the organization is presented in Article 33 of the Articles of Incorporation and is specified as “Unless the Company Act, the Articles of Incorporation, and applicable laws and regulations of TWSE and TPEx specify otherwise in attendance, the Company shall (a) resolve to voluntary dissolution in case of insolvency for settlement of debts upon due under Special Resolution A or Special Resolution B; or (b) resolve to voluntary dissolution in case of other incidents beyond insolvency under special resolution for the dissolution of the Company. (Note: The above is the Chinese version)”</p> <p>Subparagraph 5 of this section in the aspect of merger is presented in Article 31 (c) of the Articles of Incorporation and is specified as “the Company may (c) proceed to merger in accordance with the applicable laws governing TWSE or TPEx listed companies through special resolution. (Note: The above is the Chinese version)”</p> | | |
| Regulations governing supervisors. | The Company has not designated supervisors. | The Cayman Companies Act has no specific | Pursuant to the first paragraph of Article 14-4 of the Securities |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|---|--|---|
| | Thus, no amendments have been made on the provisions related to supervisors in the charter. | provisions on supervisors, and the Company has set up the Audit Committee in place of supervisors. | and Exchange Act, a public company shall appoint an audit committee or supervisors. <u>In accordance with the Shareholders' Right Protection Matter Checklist, although there is no stipulation on the Company to set up either the Audit Committee or designate supervisors, Article 118 of the Corporate Charter provisioning the setup of an Audit Committee is in line with the purpose in the added "companies applying for first OTC stock should set up an Audit Committee." Thus, not designating supervisors shall have no major detrimental impacts on shareholders' interest.</u> |
| <p>1.Shareholders who hold more than 1% of the total number of issued shares of the Company for more than six months may request the audit committee or supervisor in writing to file a lawsuit against the director for the company, and the Taiwan Taipei District Court shall be the court of jurisdiction for the lawsuit.</p> <p>2.Within 30 days after a shareholder's request, if the supervisor or audit <u>committee</u> does not file a lawsuit, the shareholder may file a lawsuit for the Company, and the Taipei District Court, Taiwan shall be the court of first instance jurisdiction.</p> | The first and second paragraphs are stipulated in Article 123 of the Articles of Incorporation, which read as follows: "Subject to the laws of the Cayman Islands, a shareholder holding more than one percent (1%) of the total number of issued shares of the Company for more than six (6) consecutive months may, in writing, request that the Audit Committee should resolve to independently or jointly file a lawsuit by independent directors on behalf of the Company against a director, and may also have the right to do so in a court of competent jurisdiction (including the Taipei District Court, Taiwan, if | The Articles of Incorporation in the Cayman Islands have no particular requirements or prohibitions. Pursuant to the laws of the Cayman Islands, a shareholder may file a lawsuit on behalf of the Company if: (i) the act is illegal or beyond the scope of the Company's authority and thus cannot be ratified by the shareholder; or (ii) the act constitutes fraud on the minority shareholders (i.e. If the person against whom relief is sought in such action is a substantial shareholder who does not permit the company to release the plaintiff for relief in such action, an action under this | <u>In accepting the opinion of the lawyer of the Cayman Islands, this section is recommended to be disclosed in the annual report to make the information for the shareholders complete.</u> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|--|---|--|--|
| | applicable). If the independent director member(s) of the Audit Committee who is/are resolved by the Audit Committee to represent the Company individually or jointly, upon request from such shareholder pursuant to the preceding paragraph, does/do not file or refuse(s) to file a lawsuit within 30 days after receiving such request, then unless otherwise provided by the laws of the Cayman Islands, the shareholder may file a lawsuit for the Company and the court with jurisdiction (including the Taipei District Court in Taiwan, if applicable) may serve as the court of jurisdiction. (Note: The above is the Chinese version)" | paragraph would require proof of fraud and that the person engaging in the wrongful conduct had control of the company). Where an act is within the scope of the company's authority, or an act that exceeds the scope of authority but can be ratified by the shareholders, and is in line with the will of the majority of shareholders, the Cayman court mostly tends not to interfere with the internal acts of the company. In addition, the lawyer of the Cayman Islands stated that Article 123 of the Articles of Incorporation must comply with Cayman law. Under Cayman law, a director is not obliged to file a lawsuit against another director at the request of a shareholder holding more than 1% of the shares if the director does not consider that it is beneficial to the company. | |
| 1.The directors of the Company shall carry out their duties faithfully and exercise the due care of a good administrator and shall be liable for any damages caused to the Company due to any violation. If the act is done by the shareholder or a third party, the shareholders' meeting may resolve that any proceeds from such act shall be treated as proceeds of the | The content of requirement in this paragraph is presented in Article 97B of the Articles of Incorporation and is specified as "All Directors owe a fiduciary duty to the Company under the law of the Cayman Islands and applicable laws governing TWSE or TPEX listed companies, and such | According to the Cayman Companies Act, directors have fiduciary duties to the Company. If a director breaches such duties and causes damage to the Company, the court may hold the director liable for damages. If the breach of fiduciary duties is for himself/herself or for another person and he | <u>Based on the opinion of the lawyer from the Cayman Islands, it is recommended that this section be disclosed in the annual report to provide shareholders with complete information.</u> |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|--|--|--------------------------------|
| <p>Company.</p> <p>2.If a director of the Company violates the law in the execution of the Company's business and causes damage to a third party, he/she shall be jointly and severally liable to the third party for compensation against the Company.</p> <p>3.In the course of performing duties within the scope of their duties, the Company's managers and supervisors shall bear the same liability for damages as the directors of the Company.</p> | <p>fiduciary duty shall include without limitation the observation of honesty and good will, and avoidance of conflict between obligation and personal interest. If any director violates the aforementioned fiduciary duty, such director shall be liable for the damages incurred in accordance with the laws of the Cayman Islands and applicable laws governing TWSE or TPEX listed companies. According to the laws of the Cayman Islands and applicable laws governing TWSE or TPEX listed companies, if any director breaches the aforementioned fiduciary duty for himself/herself or for another person, the shareholders' meeting may resolve that any proceeds from such act shall be treated as proceeds of the Company. If a director acts for the Company and violates relevant laws and regulations and causes damage to a third party, the director shall be jointly and severally liable to the third party and the Company in accordance with the laws of the Cayman Islands and applicable laws governing TWSE or TPEX listed companies. In such event, the director shall compensate the Company for the damages claimed against</p> | <p>has an interest in the breach, the court may order the return of such interests.</p> <p>Under Cayman law, if a director causes damage to a third party in the course of carrying out the Company's business, the third party may claim damages from the Company. The Company may claim from such director the loss caused to the Company by the third party. Although the Articles of Incorporation provide that the director and the Company are jointly and severally liable, from the point of view of Cayman law, the third party cannot directly claim against the director.</p> | |

| Important matters concerning the protection of shareholders' rights and interests | Contents Provisioned in the Corporate Charter | Reason for difference | Effect on shareholders' equity |
|---|---|-----------------------|--------------------------------|
| | the third party. In accordance with the laws of the Cayman Islands and applicable laws governing TWSE or TPEx listed companies, the Company's managers and supervisors (if any), within the scope of their respective duties, shall bear the same responsibilities as the directors under the preceding paragraphs of this article. (Note: The above is the Chinese version)" | | |

5.Events in the most recent year and up until the date of publication of this annual report, as defined under Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act, that significantly impacted shareholders' equity or securities prices: None.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Anli International Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Anli International Co., Ltd. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(12) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of allowance for inventory losses.

The Group is primarily engaged in the sales of steelwork of computer, communication, consumer electronic (3C) products and automotive components. There is a higher risk of incurring loss on inventory valuation and obsolescence after considering the highly competitive market, short life cycle of electronic products, and fluctuations in market prices. Further, the determination of net realisable value in the evaluation of inventories involves subjective judgement. Thus, we considered the evaluation of inventories as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies and procedures related to the provision for allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of its industry, including the classification of inventory in determining the net realisable value.
2. Reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of internal controls over inventory.
3. Obtained an understanding of the policy on inventory aging and the preparation logic of inventory aging report. Tested the selected samples to verify the accuracy of inventory aging report.
4. Checked the appropriateness of classification of obsolete inventory and amount of net realisable value, including testing inventory sales or purchase prices, recalculating and evaluating the reasonableness of allowance for inventory valuation losses.

Existence and occurrence of revenue from customers with a significant increase in sales

Description

Refer to Notes 4(25) and 6(18) for accounting policy on revenue recognition and related details of revenue.

The Group is primarily engaged in the sales of steelwork of computer, communication, consumer electronic (3C) products and automotive components. For the year ended December 31, 2024, revenue from main customers constituted more than 80% of consolidated operating revenue. As such, the existence and occurrence of revenue from main customers are considered to be material to the consolidated operating revenue. Due to significant changes in revenue recognition arising from the main customers because of the highly competitive market, comparatively large changes in sales revenue and the pressure from the management to meet its financial targets, we considered the existence and occurrence of revenue from customers with significant changes in sales as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Understood and assessed the internal control over sales revenue from the customers with significant changes in sales and tested the effectiveness of its relevant control procedures.
2. Sampled and tested whether the sales schedules were in agreement with the supporting documents to ascertain the existence of revenue from customers with significant changes in sales.
3. Inspected related documents with respect to sales returns and discounts from customers with significant changes in sales, which occurred subsequent to the reporting period and assessed the reasonableness of respective sales revenue recognised.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Chiu, Chao-Hsien

Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 10, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

| | Assets | Notes | December 31, 2024 | December 31, 2023 |
|------|--------------------------------------|-------|---------------------|---------------------|
| | Current assets | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 311,409 | \$ 336,504 |
| 1136 | Financial assets at amortised cost | 6(3) | | |
| | -current | | 68,402 | 26,016 |
| 1150 | Notes receivable, net | 6(4) | 11,053 | 29,502 |
| 1170 | Accounts receivable, net | 6(4) | 875,240 | 713,945 |
| 1180 | Accounts receivable due from | 7 | | |
| | related parties, net | | 275 | - |
| 1200 | Other receivables | 7 | 12,385 | 14,642 |
| 130X | Inventories | 6(5) | 153,760 | 129,779 |
| 1410 | Prepayments | | 107,804 | 76,475 |
| 11XX | Total current assets | | <u>1,540,328</u> | <u>1,326,863</u> |
| | Non-current assets | | | |
| 1517 | Financial assets at fair value | 6(2) | | |
| | through other comprehensive | | | |
| | income - non-current | | 107,180 | 96,284 |
| 1535 | Financial assets at amortised cost - | 6(3) | | |
| | non-current | | - | 43,359 |
| 1600 | Property, plant and equipment | 6(6) | 1,577,308 | 1,352,538 |
| 1755 | Right-of-use assets | 6(7) | 235,073 | 241,650 |
| 1760 | Investment property, net | 6(8) | 20,250 | 19,361 |
| 1780 | Intangible assets | | 1,916 | 1,863 |
| 1840 | Deferred tax assets | 6(24) | 14,195 | 17,570 |
| 1915 | Prepayments for business facilities | | 22,618 | 16,560 |
| 1920 | Guarantee deposits paid | | 5,471 | 3,220 |
| 15XX | Total non-current assets | | <u>1,984,011</u> | <u>1,792,405</u> |
| 1XXX | Total assets | | <u>\$ 3,524,339</u> | <u>\$ 3,119,268</u> |

(Continued)

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Liabilities and Equity | Notes | December 31, 2024 | December 31, 2023 |
|------|--|-------|---------------------|---------------------|
| | Current liabilities | | | |
| 2100 | Short-term borrowings | 6(9) | \$ 380,071 | \$ 416,078 |
| 2130 | Contract liabilities - current | 6(18) | 2,374 | 2,181 |
| 2170 | Accounts payable | | 138,016 | 101,647 |
| 2180 | Accounts payable to related parties | 7 | 58 | 29 |
| 2200 | Other payables | 6(12) | 436,415 | 334,422 |
| 2220 | Other payables to related parties | 7 | 559 | 275 |
| 2230 | Current income tax liabilities | | 5,364 | 682 |
| 2280 | Lease liabilities - current | 6(7) | - | 12,701 |
| 2320 | Long-term liabilities, current portion | 6(10) | 72,896 | 4,057 |
| 2399 | Other current liabilities | | 656 | 616 |
| 21XX | Total current liabilities | | <u>1,036,409</u> | <u>872,688</u> |
| | Non-current liabilities | | | |
| 2540 | Long-term borrowings | 6(11) | 167,455 | 31,013 |
| 2570 | Deferred income tax liabilities | 6(24) | 185,675 | 174,773 |
| 2630 | Long-term deferred revenue | 6(13) | 114,222 | 115,370 |
| 2645 | Guarantee deposits received | | 93 | 303 |
| 25XX | Total non-current liabilities | | <u>467,445</u> | <u>321,459</u> |
| 2XXX | Total liabilities | | <u>1,503,854</u> | <u>1,194,147</u> |
| | Equity | | | |
| | Share capital | 6(15) | | |
| 3110 | Ordinary share | | 445,498 | 445,498 |
| | Capital surplus | 6(16) | | |
| 3200 | Capital surplus | | 561,556 | 561,556 |
| | Retained earnings | 6(17) | | |
| 3310 | Legal reserve | | 172,311 | 172,311 |
| 3320 | Special reserve | | 128,156 | 98,005 |
| 3350 | Unappropriated retained earnings | | 721,704 | 775,907 |
| | Other equity | | | |
| 3400 | Other equity interest | | (8,740) | (128,156) |
| 3XXX | Total equity | | <u>2,020,485</u> | <u>1,925,121</u> |
| | Significant contingent liabilities and unrecorded contract commitments | 9 | | |
| 3X2X | Total liabilities and equity | | <u>\$ 3,524,339</u> | <u>\$ 3,119,268</u> |

The accompanying notes are an integral part of these consolidated financial statements.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

| | Items | Notes | Year ended December 31 | |
|------|---|--------------|------------------------|---------------------|
| | | | 2024 | 2023 |
| 4000 | Operating revenue | 6(18) and 7 | \$ 1,660,076 | \$ 1,525,203 |
| 5000 | Operating costs | 6(5)(22)(23) | (1,358,676) | (1,212,049) |
| 5900 | Gross profit from operations | | 301,400 | 313,154 |
| | Operating expenses | 6(22)(23) | | |
| 6100 | Selling expenses | | (68,832) | (66,216) |
| 6200 | Administrative expenses | | (176,964) | (182,004) |
| 6300 | Research and development expenses | | (61,963) | (71,836) |
| 6450 | Impairment (loss) gain determined in accordance with IFRS 9 | 12(2) | (2,194) | 34 |
| 6000 | Total operating expenses | | (309,953) | (320,022) |
| 6900 | Operating loss | | (8,553) | (6,868) |
| | Non-operating income and expenses | | | |
| 7100 | Interest income | 6(19) | 5,872 | 10,209 |
| 7010 | Other income | | 13,729 | 16,667 |
| 7020 | Other gains and losses | 6(20) | (821) | (2,619) |
| 7050 | Finance costs | 6(21) | (17,485) | (15,570) |
| 7000 | Total non-operating income and expenses | | 1,295 | 8,687 |
| 7900 | (Loss) profit before income tax | | (7,258) | 1,819 |
| 7950 | Income tax expense | 6(24) | (16,794) | (5,519) |
| 8200 | Loss for the year | | <u>(\$ 24,052)</u> | <u>(\$ 3,700)</u> |
| | Other comprehensive income | | | |
| | Components of other comprehensive income that will not be reclassified to profit or loss | | | |
| 8316 | Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income | 6(2) | \$ 10,896 | \$ 6,081 |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | |
| 8361 | Exchange differences on translation | | 108,520 | (41,216) |
| 8300 | Other comprehensive income (loss) for the year | | <u>\$ 119,416</u> | <u>(\$ 35,135)</u> |
| 8500 | Total comprehensive income (loss) for the year | | <u>\$ 95,364</u> | <u>(\$ 38,835)</u> |
| | Loss per share (in dollars) | 6(25) | | |
| 9750 | Basic loss per share | | (\$ 0.54) | (\$ 0.08) |
| 9850 | Diluted loss per share | | (\$ 0.54) | (\$ 0.08) |

The accompanying notes are an integral part of these consolidated financial statements.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

| | Notes | Equity attributable to owners of the parent | | | | | | | Interest | Total equity |
|--|----------------|---|-------------------------|------------------|-------------------|----------------------------------|---|---|------------------|-------------------|
| | | Capital Reserves | | | Retained Earnings | | | Other Equity | | |
| | Ordinary share | Capital surplus, additional paid-in capital | Capital surplus, others | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | | |
| <u>Year ended December 31, 2023</u> | | | | | | | | | | |
| Balance at January 1, 2023 | | \$ 445,498 | \$ 542,176 | \$ 19,380 | \$ 152,714 | \$ 118,697 | \$ 867,612 | (\$ 95,513) | \$ 2,492 | \$2,053,051 |
| Loss for the year | | - | - | - | - | - | (3,700) | - | - | (3,700) |
| Other comprehensive (loss) income for the year | | - | - | - | - | - | (41,216) | 6,081 | (35,135) | |
| Total comprehensive (loss) income | | - | - | - | - | - | (3,700) | (41,216) | 6,081 | (38,835) |
| Appropriations of 2022 earnings | | | | | | | | | | |
| Legal reserve | 6(17) | - | - | - | 19,597 | - | (19,597) | - | - | - |
| Special reserve | 6(17) | - | - | - | - | (20,692) | 20,692 | - | - | - |
| Cash dividends | 6(17) | - | - | - | - | - | (89,100) | - | - | (89,100) |
| Balance at December 31, 2023 | | <u>\$ 445,498</u> | <u>\$ 542,176</u> | <u>\$ 19,380</u> | <u>\$ 172,311</u> | <u>\$ 98,005</u> | <u>\$ 775,907</u> | <u>(\$ 136,729)</u> | <u>\$ 8,573</u> | <u>\$1,925,12</u> |
| <u>Year ended December 31, 2024</u> | | | | | | | | | | |
| Balance at January 1, 2024 | | \$ 445,498 | \$ 542,176 | \$ 19,380 | \$ 172,311 | \$ 98,005 | \$ 775,907 | (\$ 136,729) | \$ 8,573 | \$1,925,12 |
| Loss for the year | | - | - | - | - | - | (24,052) | - | - | (24,052) |
| Other comprehensive income for the year | | - | - | - | - | - | 108,520 | 10,896 | 119,416 | |
| Total comprehensive (loss) income | | - | - | - | - | - | (24,052) | 108,520 | 10,896 | 95,364 |
| Appropriation of 2023 earnings | | | | | | | | | | |
| Special reserve | 6(17) | - | - | - | - | 30,151 | (30,151) | - | - | - |
| Balance at December 31, 2024 | | <u>\$ 445,498</u> | <u>\$ 542,176</u> | <u>\$ 19,380</u> | <u>\$ 172,311</u> | <u>\$ 128,156</u> | <u>\$ 721,704</u> | <u>(\$ 28,209)</u> | <u>\$ 19,469</u> | <u>\$2,020,48</u> |

The accompanying notes are an integral part of these consolidated financial statements.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|---|-------|------------------------|---------|
| | | 2024 | 2023 |
| <u>CASH FLOWS FROM OPERATING</u> | | | |
| <u>ACTIVITIES</u> | | | |
| (Loss) profit before tax | | 7,258 | 1,819 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Impairment loss (gain) determined in accordance with IFRS 9 | 12(2) | 2,194 | 34 |
| Loss on disposals of property, plant and equipment | 6(20) | 4,543 | 1,292 |
| Depreciation | 6(22) | 135,522 | 111,965 |
| Amortization | 6(22) | 1,757 | 1,656 |
| Gain on financial assets at fair value through profit or loss | 6(20) | 434 | 1,484 |
| Recognition of long-term deferred revenue | 6(13) | 2,843 | 2,788 |
| Interest income | 6(19) | 5,872 | 10,209 |
| Dividend income | | - | 2,165 |
| Finance costs | 6(21) | 17,485 | 15,570 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | 19,342 | 24,982 |
| Accounts receivable | | 163,500 | 58,347 |
| Accounts receivable due from related parties | | 275 | 1,023 |
| Other receivables | | 4,493 | 1,067 |
| Inventory | | 23,981 | 15,888 |
| Prepayments | | 27,080 | 31,428 |
| Changes in operating liabilities | | | |
| Contract liabilities | | 193 | 1,671 |
| Accounts payable | | 36,369 | 40,232 |
| Accounts payable to related parties | | 29 | 182 |
| Other payables | | 40,180 | 49,119 |
| Other payables to related parties | | 284 | 275 |
| Other current liabilities | | 40 | 96 |
| Cash inflow generated from operations | | 31,188 | 45,720 |
| Receipt of interest | | 3,636 | 12,515 |
| Payment of interest | | 16,828 | 13,230 |
| Receipt of dividends | | - | 2,165 |
| Payment of income tax | | 1,308 | 23,192 |
| Net cash flows from operating activities | | 16,688 | 23,978 |

(Continued)

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 2024 | 2023 |
|--|----------------|--------------------------------|----------------|
| <u>CASH FLOWS FROM INVESTING</u> | | | |
| <u>ACTIVITIES</u> | | | |
| Decrease in financial assets at amortised cost | | 4,046 | 238,908 |
| Proceeds from disposals of financial assets at fair value through profit or loss | | 434 | - |
| Acquisition of financial assets at fair value through other comprehensive income - non-current | 6(2) and 12(3) | - | 45,000 |
| Acquisition of property, plant and equipment | 6(26) | 229,516 | 307,012 |
| Proceeds from disposals of property, plant and equipment | | 3,265 | 1,169 |
| Acquisition of investment property | | - | 19,458 |
| Acquisition of intangible assets | | 1,337 | 176 |
| (Increase) decrease in guarantee deposits paid | | 2,062 | 48 |
| Net cash flows used in investing activities | | <u>225,170</u> | <u>131,521</u> |
| <u>CASH FLOWS FROM FINANCING</u> | | | |
| <u>ACTIVITIES</u> | | | |
| Increase in short-term loans | 6(27) | 591,243 | 769,826 |
| Decrease in short-term loans | 6(27) | 637,441 | 705,479 |
| Increase (decrease) in long-term borrowings | 6(27) | 205,224 | 3,959 |
| Lease principal repayment | 6(27) | 13,215 | 13,495 |
| Decrease in guarantee deposits received | 6(27) | 226 | 354 |
| Redemption of convertible bonds | 6(27) | - | 301,300 |
| Cash dividends paid | 6(17) | - | 89,100 |
| Net cash flows from (used in) financing activities | | <u>145,585</u> | <u>343,861</u> |
| Effects of exchange rate changes on cash | | <u>37,802</u> | <u>8,759</u> |
| Net decrease in cash and cash equivalents | | 25,095 | 460,163 |
| Cash and cash equivalents at beginning of year | | <u>336,504</u> | <u>796,667</u> |
| Cash and cash equivalents at end of year | | <u>311,409</u> | <u>336,504</u> |

The accompanying notes are an integral part of these consolidated financial statements.

ANLI INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Anli International Co., Ltd. (the “Company”) was incorporated in the Cayman Islands on June 23, 2010. The Company acquired a 100% equity interest in Anli International Holdings Limited and Kuanghe Co., Limited by using the Company’s shares totaling 26 million shares. The Company became the holding company of these two companies when the reorganisation was completed. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the stamping of various precision metals, manufacture and sales of die casting components, computers, communication equipment, vehicle components, precision metalworking products and new electronic components such as inductance, and metal finishing. The Company’s shares of stock were listed on the Taipei Exchange on July 2, 2018.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 10, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|--|---|
| Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’ | January 1, 2024 |
| Amendments to IAS 1, ‘Classification of liabilities as current or non-current’ | January 1, 2024 |
| Amendments to IAS 1, ‘Non-current liabilities with covenants’ | January 1, 2024 |
| Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’ | January 1, 2024 |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2025 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Amendments to IAS 21, 'Lack of exchangeability' | January 1, 2025 |

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|--|
| Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments' | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity' | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by International Accounting Standards Board |
| IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendments to IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information' | January 1, 2023 |
| IFRS 18, 'Presentation and disclosure in financial statements' | January 1, 2027 |
| IFRS 19, 'Subsidiaries without public accountability: disclosures' | January 1, 2027 |
| Annual Improvements to IFRS Accounting Standards—Volume 11 | January 1, 2026 |

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

- (a) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events

(for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.

- (b) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) | | Description |
|---|---|---|-------------------|-------------------|-------------|
| | | | December 31, 2024 | December 31, 2023 | |
| The Company | Anli International Holdings Limited | Investment company and stamping of various precision metal and sales of die casting components | 100.00 | 100.00 | |
| " | Kuanghe Co., Limited | Investment company and sales of new electronic | 100.00 | 100.00 | |
| Anli International Holdings Limited | Kunshan Anli Precise Metal Co., Ltd. | Stamping of various precision metal and manufacturing and sales of die casting components | 100.00 | 100.00 | |
| " | HuZhou Anli Technology Co., Ltd. | Design, research and development of electronic components, vehicle components, new metal material, machine parts, communication equipment and computer software; and manufacture of fine blanking die | 48.56 | 48.56 | Note |
| Kuanghe Co., Limited | Kunshan Kuanghe Electronic Technology | Manufacture and sales of new electronic components such as inductance | 85.00 | 85.00 | |
| " | HuZhou Anli Technology Co., Ltd. | Design, research and development of electronic components, vehicle components, new metal material, machine parts, communication equipment and computer software; and manufacture of fine blanking die | 51.44 | 51.44 | Note |
| Kunshan Anli Precise Metal Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | Manufacture and sales of new electronic components such as inductance | 15.00 | 15.00 | |
| " | Gtek Technology Co., Ltd. | Manufacture and sales of new electronic components such as inductance; and metal finishing | 50.00 | 50.00 | |
| Kunshan Kuanghe Electronic Technology Co., Ltd. | Gtek Technology Co., Ltd. | Manufacture and sales of new electronic components such as inductance; and metal finishing | 50.00 | 50.00 | |

Note : On August 9, 2023, the Board of Directors of Anli International Holdings Limited resolved to participate in the capital increase of the Group's subsidiary, Anli Huzhou Technology Co., Ltd. Anli International Holdings Limited contributed its receivables from Anli Huzhou Technology Co., Ltd. as capital, and the shareholding ratios of Anli International Holdings Limited and Kuanghe Co., Limited were 48.56% and 51.44%, respectively, after the capital infusion was completed.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the consolidated statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the

estimated costs necessary to make the sale.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures

| | | |
|--------------------------|---------|-------|
| Main building | 20 ~ 50 | years |
| Auxiliary building | 10~20 | years |
| Machinery and equipment | 3 ~ 20 | years |
| Transportation equipment | 2 ~ 10 | years |
| Office equipment | 3 ~ 10 | years |
| Leasehold improvements | 10 ~ 20 | years |
| Other equipment | 3 ~ 10 | years |

(14) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(15) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(16) Intangible assets

Intangible assets, mainly computer software and patents, are amortised on a straight-line basis over their estimated useful lives of 2 ~ 10 years.

(17) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services are those resulting from operating and non-operating activities.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(21) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(22) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the

tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(23) Share capital

Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(25) Revenue recognition

Sales of goods

A. The Group manufactures and sells steelwork and electronic components in the market. Sales are recognised 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 wholesaler'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, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from sales of goods is recognised based on the price specified in the contract, net of the estimated customer returns, sales discounts and other similar allowances. Accumulated experience is used to estimate and provide for the customer returns, sales discounts and other similar allowances and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made with a credit term ranging from 30 days after monthly billings to 180 days after the end of the month of sales. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(26) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to right-of-use asset, property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates.

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of inventories was \$153,760.

6. Details of Significant Accounts

(1) Cash and cash equivalents

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash on hand and revolving funds | \$ 951 | \$ 677 |
| Checking accounts and demand deposits | 292,218 | 218,399 |
| Time deposits | 18,240 | 117,428 |
| | <u>\$ 311,409</u> | <u>\$ 336,504</u> |

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

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

| <u>Items</u> | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------|--------------------------|--------------------------|
| Non-current items: | | |
| Equity instruments | | |
| Listed stocks | \$ 45,000 | \$ - |
| Emerging stocks | - | 45,000 |
| Unlisted stocks | 42,711 | 42,711 |
| Valuation adjustment | 19,469 | 8,573 |
| | <u>\$ 107,180</u> | <u>\$ 96,284</u> |

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$107,180 and \$96,284 as at December 31, 2024 and 2023, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|-----------------|
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | <u>\$ 10,896</u> | <u>\$ 6,081</u> |

C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were \$107,180 and \$96,284, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(3) Financial assets at amortised cost

| Items | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Current items: | | |
| Time deposits with original maturity of more than three months | \$ 68,402 | \$ 26,016 |
| Non-current items: | | |
| Time deposits with original maturity of more than one year | - | 43,359 |
| | <u>\$ 68,402</u> | <u>\$ 69,375</u> |

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

| | 2024 | 2023 |
|-----------------|-----------------|-----------------|
| Interest income | <u>\$ 2,636</u> | <u>\$ 2,810</u> |

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$68,402 and \$69,375, respectively.

C. The Group has no financial assets at amortised cost pledged to others.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--|--------------------------|--------------------------|
| Notes receivable | \$ 11,053 | \$ 29,502 |
| Accounts receivable | \$ 877,660 | \$ 714,159 |
| Less: Allowance for uncollectible accounts | (2,420) | (214) |
| | <u>\$ 875,240</u> | <u>\$ 713,945</u> |

A. The ageing analysis of accounts receivable and notes receivable is as follows:

| | <u>December 31, 2024</u> | | <u>December 31, 2023</u> | |
|-----------------|--------------------------|---------------------|--------------------------|---------------------|
| | Accounts receivable | Notes receivable | Accounts receivable | Notes receivable |
| Not past due | \$ 830,290 | \$ 11,053 | \$ 682,835 | \$ 29,502 |
| Up to 30 days | 36,477 | - | 21,753 | - |
| 31 to 60 days | 4,349 | - | 5,270 | - |
| 61 to 120 days | 2,879 | - | 2,765 | - |
| 121 to 180 days | 1,509 | - | 308 | - |
| 181 to 300 days | - | - | 1,228 | - |
| Over 300 days | 2,156 | - | - | - |
| | <u>\$ 877,660</u> | <u>\$ 11,053</u> | <u>\$ 714,159</u> | <u>\$ 29,502</u> |

The above ageing analysis was based on past due date.

B. The Group has no accounts and notes receivable pledged to others.

C. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers.

As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$786,256. As of the end of the reporting period, without taking into account any collateral held or other credit enhancements, the Group's maximum exposure to credit risk in respect of the financial loss arising from unfulfilled obligation of the counterparties is the carrying amount of the financial assets.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

| December 31, 2024 | | | |
|-------------------|-------------------|---------------------------------|-------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 24,011 | \$ 2,562 | \$ 26,573 |
| Work in progress | 56,908 | 6,944 | 63,852 |
| Finished goods | 105,256 | 22,909 | 128,165 |
| | <u>\$ 186,175</u> | <u>\$ 32,415</u> | <u>\$ 218,590</u> |

| December 31, 2023 | | | |
|-------------------|-------------------|---------------------------------|-------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 19,873 | (\$ 4,268) | \$ 15,605 |
| Work in progress | 46,844 | (8,559) | 38,285 |
| Finished goods | 96,847 | (20,958) | 75,889 |
| | <u>\$ 163,564</u> | <u>(\$ 33,785)</u> | <u>\$ 129,779</u> |

The Group recognised as expense or loss:

| | Years ended December 31, | |
|---|--------------------------|---------------------|
| | 2024 | 2023 |
| Cost of goods sold | \$ 1,361,759 | \$ 1,214,257 |
| Gain on reversal of loss on decline in market value | (3,083) | (2,208) |
| | <u>\$ 1,358,676</u> | <u>\$ 1,212,049</u> |

The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold as certain inventories which were previously provided with allowance were subsequently sold during the years ended December 31, 2024 and 2023.

(6) Property, plant and equipment

2024

| | Land | Buildings and structures | Machinery | Transportation equipment | Office equipment | Leasehold improvements | Others | Unfinished construction and equipment under acceptance | Total |
|--|------------------|-----------------------------|-------------------|-----------------------------|---------------------|---------------------------|------------------|---|---------------------|
| <u>At January 1</u> | | | | | | | | | |
| Cost | \$ 42,672 | \$ 383,466 | \$ 971,668 | \$ 42,667 | \$ 9,256 | \$ 8,464 | \$ 60,175 | \$ 655,211 | \$ 2,173,579 |
| Accumulated depreciation | - | (133,797) | (594,128) | (32,136) | (7,954) | (8,464) | (44,562) | - | (821,041) |
| | <u>\$ 42,672</u> | <u>\$ 249,669</u> | <u>\$ 377,540</u> | <u>\$ 10,531</u> | <u>\$ 1,302</u> | <u>\$ -</u> | <u>\$ 15,613</u> | <u>\$ 655,211</u> | <u>\$ 1,352,538</u> |
| Opening net book amount as at January 1 | \$ 42,672 | \$ 249,669 | \$ 377,540 | \$ 10,531 | \$ 1,302 | \$ - | \$ 15,613 | \$ 655,211 | \$ 1,352,538 |
| Additions | - | 119,261 | 112,273 | 7,207 | 4,612 | - | 11,693 | 30,134 | 285,180 |
| Disposals | - | - | (5,865) | (847) | (175) | - | (921) | - | (7,808) |
| Transfers | - | 646,483 | 19,645 | 584 | 816 | - | 5,953 | (677,698) | (4,217) |
| Depreciation charge | - | (30,230) | (69,657) | (9,262) | (679) | - | (6,419) | - | (116,247) |
| Net exchange differences | - | 21,800 | 17,728 | 449 | 117 | - | 919 | 26,849 | 67,862 |
| Closing net book amount as at December 31 | <u>\$ 42,672</u> | <u>\$ 1,006,983</u> | <u>\$ 451,664</u> | <u>\$ 8,662</u> | <u>\$ 5,993</u> | <u>\$ -</u> | <u>\$ 26,838</u> | <u>\$ 34,496</u> | <u>\$ 1,577,308</u> |
| <u>At December 31</u> | | | | | | | | | |
| Cost | \$ 42,672 | \$ 1,175,594 | \$ 1,126,817 | \$ 48,498 | \$ 13,408 | \$ - | \$ 78,250 | \$ 34,496 | \$ 2,519,735 |
| Accumulated depreciation | - | (168,611) | (675,153) | (39,836) | (7,415) | - | (51,412) | - | (942,427) |
| | <u>\$ 42,672</u> | <u>\$ 1,006,983</u> | <u>\$ 451,664</u> | <u>\$ 8,662</u> | <u>\$ 5,993</u> | <u>\$ -</u> | <u>\$ 26,838</u> | <u>\$ 34,496</u> | <u>\$ 1,577,308</u> |

2023

| | Land | Buildings and structures | Machinery | Transportation equipment | Office equipment | Leasehold improvements | Others | Unfinished construction and equipment under acceptance | Total |
|--|------------------|-----------------------------|-------------------|-----------------------------|---------------------|---------------------------|------------------|---|---------------------|
| <u>At January 1</u> | | | | | | | | | |
| Cost | \$ 42,672 | \$ 303,188 | \$ 971,711 | \$ 41,180 | \$ 10,602 | \$ 8,464 | \$ 60,620 | \$ 469,664 | \$ 1,908,101 |
| Accumulated depreciation | - | (121,826) | (546,106) | (31,240) | (8,666) | (8,464) | (39,727) | - | (756,029) |
| | <u>\$ 42,672</u> | <u>\$ 181,362</u> | <u>\$ 425,605</u> | <u>\$ 9,940</u> | <u>\$ 1,936</u> | <u>\$ -</u> | <u>\$ 20,893</u> | <u>\$ 469,664</u> | <u>\$ 1,152,072</u> |
| Opening net book amount as at January 1 | \$ 42,672 | \$ 181,362 | \$ 425,605 | \$ 9,940 | \$ 1,936 | \$ - | \$ 20,893 | \$ 469,664 | \$ 1,152,072 |
| Additions | - | 47,939 | 28,138 | 4,597 | 82 | - | 840 | 237,405 | 319,001 |
| Disposals | - | - | (2,125) | (213) | (82) | - | (41) | - | (2,461) |
| Transfers | - | 38,598 | 1,414 | - | - | - | - | (40,012) | - |
| Depreciation charge | - | (14,223) | (69,161) | (3,636) | (613) | - | (5,828) | - | (93,461) |
| Net exchange differences | - | (4,007) | (6,331) | (157) | (21) | - | (251) | (11,846) | (22,613) |
| Closing net book amount as at December 31 | <u>\$ 42,672</u> | <u>\$ 249,669</u> | <u>\$ 377,540</u> | <u>\$ 10,531</u> | <u>\$ 1,302</u> | <u>\$ -</u> | <u>\$ 15,613</u> | <u>\$ 655,211</u> | <u>\$ 1,352,538</u> |
| <u>At December 31</u> | | | | | | | | | |
| Cost | \$ 42,672 | \$ 383,466 | \$ 971,668 | \$ 42,667 | \$ 9,256 | \$ 8,464 | \$ 60,175 | \$ 655,211 | \$ 2,173,579 |
| Accumulated depreciation | - | (133,797) | (594,128) | (32,136) | (7,954) | (8,464) | (44,562) | - | (821,041) |
| | <u>\$ 42,672</u> | <u>\$ 249,669</u> | <u>\$ 377,540</u> | <u>\$ 10,531</u> | <u>\$ 1,302</u> | <u>\$ -</u> | <u>\$ 15,613</u> | <u>\$ 655,211</u> | <u>\$ 1,352,538</u> |

A. Property, plant and equipment were acquired for self-use.

B. Information about the property, plant and equipment pledged to others as collateral is provided in Note 8.

(7) Leasing arrangements – lessee

A. The Group leases various assets including land use right, plant and buildings. Rental contracts are made for periods of 50 years and 1 year, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>Carrying amount</u> | <u>Carrying amount</u> |
|---------------------|---------------------------------|--------------------------|
| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
| Land use right | \$ 235,073 | \$ 228,948 |
| Plant and buildings | - | 12,702 |
| | <u>\$ 235,073</u> | <u>\$ 241,650</u> |
| | <u>Depreciation charge</u> | |
| | <u>Years ended December 31,</u> | |
| | <u>2024</u> | <u>2023</u> |
| Land use right | (\$ 5,653) | (\$ 5,544) |
| Plant and buildings | (13,215) | (12,861) |
| | <u>(\$ 18,868)</u> | <u>(\$ 18,405)</u> |

C. As of December 31, 2024 and 2023, the balance of lease liabilities (including current and non-current) were \$0 and \$12,701, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

| | <u>Years ended December 31,</u> | |
|---------------------------------------|---------------------------------|-------------|
| <u>Items affecting profit or loss</u> | <u>2024</u> | <u>2023</u> |
| Interest expense on lease liabilities | \$ 210 | \$ 254 |
| Expense on short-term lease contracts | \$ 1,487 | \$ 629 |
| Expense on leases of low-value assets | \$ 587 | \$ 230 |

E. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were \$15,499 and \$14,608, respectively.

(8) Investment property

| | Buildings and structures | |
|---|--------------------------|------------------|
| | 2024 | 2023 |
| At January 1 | | |
| Cost | \$ 19,460 | \$ - |
| Accumulated depreciation and impairment | (99) | - |
| | <u>\$ 19,361</u> | <u>\$ -</u> |
| Opening net book amount as at January 1 | \$ 19,361 | \$ - |
| Additions | - | 19,458 |
| Depreciation charge | (407) | (99) |
| Net exchange differences | 1,296 | 2 |
| Closing net book amount as at December 31 | <u>\$ 20,250</u> | <u>\$ 19,361</u> |
| At December 31 | | |
| Cost | \$ 20,769 | \$ 19,460 |
| Accumulated depreciation and impairment | (519) | (99) |
| | <u>\$ 20,250</u> | <u>\$ 19,361</u> |

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

| | Years ended December 31, | |
|---|--------------------------|---------------|
| | 2024 | 2023 |
| Rental income from investment property | <u>\$ 543</u> | <u>\$ 131</u> |
| Direct operating expenses arising from the investment property that generated rental income during the year | <u>\$ 92</u> | <u>\$ 133</u> |

B. The fair value of the investment property held by the Group as at December 31, 2024 and 2023 were \$20,571 and \$21,145, respectively. Valuation was based on the recent market value of similar investment properties in the same location and condition, which is categorised within Level 3 in the fair value hierarchy.

(9) Short-term borrowings

| Type of borrowings | December 31, 2024 | Interest rate range | Collateral |
|-----------------------------|-------------------|---------------------|------------|
| Bank borrowings | | | |
| Unsecured borrowings | \$ 269,910 | 2,30%~6.02% | None |
| Secured borrowings | 50,161 | 2.90% | Note |
| Other short-term borrowings | 60,000 | 2.50% | None |
| | <u>\$ 380,071</u> | | |

| Type of borrowings | December 31, 2023 | Interest rate range | Collateral |
|----------------------|-------------------|---------------------|------------|
| Bank borrowings | | | |
| Unsecured borrowings | \$ 391,510 | 2.42%~6.59% | None |
| Secured borrowings | 24,568 | 5.43% | Note |
| | <u>\$ 416,078</u> | | |

Details of assets pledged as collateral for short-term borrowings are provided in Note 8.

A. Interest expense recognised in profit or loss amounted to \$17,275 and \$11,426 for the years ended December 31, 2024 and 2023, respectively.

B. Endorsements and guarantees of short-term borrowings were provided by the management of the Group. Details of the guarantees provided for short-term borrowings are provided in Note 7.

(10) Long-term liabilities, current portion

| | December 31, 2024 | December 31, 2023 |
|--------------------------------------|-------------------|-------------------|
| Long-term borrowings-current portion | <u>\$ 72,896</u> | <u>\$ 4,057</u> |

(11) Long-term borrowings

| Type of borrowings | Borrowing period and repayment term | Interest rate | Collateral | December 31, 2024 |
|----------------------|--|-------------------|------------|-------------------|
| Secured borrowings | Borrowing period is from November 11, 2024 to November 1, 2031; the equal amounts of principal and interest are repayable monthly. The purpose of the borrowing is to repay the real estate borrowings obtained from First Commercial Bank. | 2.43% (Note 1) | Note 3 | \$ 30,996 |
| Unsecured borrowings | Borrowing period is from November 1, 2024 to November 1, 2027; interest is repayable monthly, and the principal amounting to \$68,000 is repayable on the 13th month, the 25th month and the 36th month from the month following the drawdown. | 2.63% | None | 204,000 |

| Type of borrowings | Borrowing period and repayment term | Interest rate | Collateral | December 31, 2024 |
|-----------------------|--|---------------|------------|-------------------|
| Unsecured borrowings | Borrowing period is from October 29, 2024 to October 9, 2027; interest is repayable monthly in 36 installments, and 10% of the principal is repayable annually for the first two years. The remaining amount of principal will be repayable at the maturity date. The purpose of the borrowing is for the acquisition of machinery and equipment. | 2.80% | None | 4,473 |
| Unsecured borrowings | Borrowing period is from December 10, 2024 to October 9, 2027; interest is repayable monthly in 34 installments, and 10% of the principal is repayable annually for the first two years. The remaining amount of principal will be repayable at the maturity date. The purpose of the borrowing is for the acquisition of machinery and equipment. | 2.80% | None | 882 |
| Less: Current portion | | | | (72,896) |
| | | | | <u>\$ 167,455</u> |

| Type of borrowings | Borrowing period and repayment term | Interest rate | Collateral | December 31, 2023 |
|-----------------------|---|-------------------|------------|-------------------|
| Secured borrowings | Borrowing period is from November 17, 2016 to November 17, 2031; interest is repayable monthly in 180 installments; principal is repayable starting from the 25th installment | 2.50% (Note 2) | Note 3 | \$ 35,070 |
| Less: Current portion | | | | (4,057) |
| | | | | <u>\$ 31,013</u> |

Note 1: It is calculated in accordance with the 3-month Taipei Interbank Offered Rate (TAIBOR) as posted by the CTBC Bank plus floating interest rate of 0.76%.

Note 2: In accordance with the floating interest rate on a 2-year time deposit as posted by the First Commercial Bank plus 0.73% points or more.

Note 3: Details of assets pledged as collateral for long-term borrowings are provided in Note 8.

(12) Other payables

| | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| Processing fees payable | \$ 146,118 | \$ 85,996 |
| Machinery and equipment payable | 92,111 | 30,389 |
| Pension payable | 28,720 | 40,434 |
| Salary and bonus payable | 51,610 | 46,429 |
| Benefits payable | 23,829 | 48,035 |
| Insurance payable | 21,207 | 24,909 |
| Others | 72,820 | 58,230 |
| | <u>\$ 436,415</u> | <u>\$ 334,422</u> |

(13) Long-term deferred revenue

The Group received government grant for acquiring land use right (shown as right-of-use asset in 2024 and 2023), which were recognised as deferred revenue and are transferred to profit or loss over the estimated useful lives of the related assets. Income recognised for the years ended December 31, 2024 and 2023 were \$2,843 and \$2,788, respectively.

(14) Pensions

- A. Effective July 1, 2005, the Group's Taiwan branch has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group's Taiwan branch contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. Defined contribution plan is as follows:

| Management | Beneficiary | Contribution percentage |
|--|-------------------------------------|-------------------------|
| City government of each province in Mainland China | Employees of all China subsidiaries | 16% |

- C. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were \$14,626 and \$18,169, respectively.

(15) Share capital

As of December 31, 2024, the Company's authorised capital was \$1,000,000, consisting of 100 million shares of ordinary stock, and the paid-in capital was \$445,498 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousands of shares) are as follows:

| | 2024 | 2023 |
|--------------------------------|--------|--------|
| At January 1 as at December 31 | 44,550 | 44,550 |

(16) Capital surplus

Under the R.O.C. Company Act, all or a portion of capital surplus arising from paid-in capital on issuance of common stocks and donations can be used to issue new stocks or cash to shareholders in proportion to their share ownership. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.
- B. The Company's dividend policy is summarized below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 5% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends, and cash dividends shall account for at least 20% and not be higher than 100% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. (a) The appropriations of earnings for the year ended December 31, 2022 has been resolved at the shareholders' meeting on June 15, 2023. Details are summarized below:

| | Year ended December 31, | |
|-----------------|-------------------------|--|
| | 2022 | |
| | Amount | Dividends per share (in dollars) |
| Legal reserve | \$ 19,597 | |
| Special reserve | (20,692) | |
| Cash dividends | 89,100 | \$ 2.00 |
| | <u>\$ 88,005</u> | |

Note: Information about the appropriations of earnings resolved at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(b) The appropriations of loss for the year ended December 31, 2023 has been resolved at the shareholders' meeting on May 31, 2024. Details are summarized below:

| | Year ended December 31, | |
|-----------------|-------------------------|--------|
| | 2023 | |
| Special reserve | \$ | 30,151 |

(c) Due to loss incurred for the year ended December 31, 2024, the Board of Directors proposed to retain the earnings on March 10, 2025.

F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(23) "Employee benefit expense".

(18) Operating revenue

| | Years ended December 31, | |
|---------------------------------------|--------------------------|--------------|
| | 2024 | 2023 |
| Revenue from contracts with customers | \$ 1,660,076 | \$ 1,525,203 |

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:

| | Years ended December 31, | |
|---------------------------------------|--------------------------|---------------------|
| | 2024 | 2023 |
| Revenue from contracts with customers | | |
| Goods sales revenue | \$ 1,645,763 | \$ 1,484,746 |
| Molding revenue | 14,313 | 40,457 |
| | <u>\$ 1,660,076</u> | <u>\$ 1,525,203</u> |

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------|--------------------------|--------------------------|
| Contract liabilities: | | |
| Advance receipts from customers | <u>\$ 2,374</u> | <u>\$ 2,181</u> |
| | | <u>January 1, 2023</u> |
| Contract liabilities: | | |
| Advance receipts from customers | | <u>\$ 510</u> |

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year.

| | <u>Years ended December 31,</u> | |
|---------------------------------|---------------------------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| Advance receipts from customers | <u>\$ 1,091</u> | <u>\$ 295</u> |

(19) Interest income

| | <u>Years ended December 31,</u> | |
|---|---------------------------------|------------------|
| | <u>2024</u> | <u>2023</u> |
| Interest income from bank deposits | \$ 3,236 | \$ 7,399 |
| Interest income from financial assets measured at amortised cost | <u>2,636</u> | <u>2,810</u> |
| | <u>\$ 5,872</u> | <u>\$ 10,209</u> |

(20) Other gains and losses

| | <u>Years ended December 31,</u> | |
|---|---------------------------------|-------------------|
| | <u>2024</u> | <u>2023</u> |
| Net currency exchange gains (losses) | \$ 5,546 | (\$ 2,036) |
| Losses on disposals of property, plant and equipment | (4,543) | (1,292) |
| Gains on financial assets at fair value through profit or loss | 434 | 1,484 |
| Other losses | (2,258) | (775) |
| | <u>(\$ 821)</u> | <u>(\$ 2,619)</u> |

(21) Finance costs

| | Years ended December 31, | |
|---------------------------------------|--------------------------|------------------|
| | 2024 | 2023 |
| Interest expense on bank borrowings | \$ 17,275 | \$ 11,426 |
| Interest expense on lease liabilities | 210 | 254 |
| Interest expense on bonds payable | - | 3,890 |
| | <u>\$ 17,485</u> | <u>\$ 15,570</u> |

(22) Expenses by nature

| | Years ended December 31, | |
|---|--------------------------|-------------------|
| | 2024 | 2023 |
| Employee benefit expense | \$ 319,141 | \$ 292,978 |
| Depreciation charges on property, plant and equipment | 116,247 | 93,461 |
| Depreciation charges on right-of-use assets | 18,868 | 18,405 |
| Depreciation charges on investment property | 407 | 99 |
| Amortisation charges on intangible assets | 1,757 | 1,656 |
| | <u>\$ 456,420</u> | <u>\$ 406,599</u> |

(23) Employee benefit expense

| | Years ended December 31, | |
|--------------------------|--------------------------|-------------------|
| | 2024 | 2023 |
| Wages and salaries | \$ 267,746 | \$ 247,289 |
| Pension costs | 14,626 | 18,169 |
| Other personnel expenses | 36,769 | 27,520 |
| | <u>\$ 319,141</u> | <u>\$ 292,978</u> |

A. In accordance with the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to offset prior years' operating losses. For the remainder, if any, at least 2% shall be distributed as employees' compensation and the distribution of directors' remuneration shall not be higher than 3%.

B. Due to the loss incurred for the years ended December 31, 2024 and 2023, employees' compensation and directors' remuneration were not accrued.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

Components of income tax expense:

| | | Years ended December 31, | |
|---|----|--------------------------|-----------|
| | | 2024 | 2023 |
| Current tax: | | | |
| Current tax on profits for the year | \$ | 11,705 | \$ 22,471 |
| Prior year income tax under (over) estimation | | 1,582 | (3,601) |
| Total current tax | | 13,287 | 18,870 |
| Deferred tax: | | | |
| Origination and reversal of temporary differences | | 3,507 | (13,351) |
| Income tax expense | \$ | 16,794 | \$ 5,519 |

B. Reconciliation between income tax expense and accounting profit

| | | Years ended December 31, | |
|---|-----|--------------------------|-----------|
| | | 2024 | 2023 |
| Tax calculated based on profit before tax and statutory tax rate (note) | (\$ | 8,345) | \$ 15,998 |
| Expenses disallowed by tax regulation | | 2,118 | 1,731 |
| Tax exempt income by tax regulation | | 4,477 | (6,104) |
| Tax losses not recognised as deferred tax assets | | 26,555 | 6,357 |
| Effect from investment tax credits | (| 11,253) | (7,648) |
| Change in assessment of realisation of deferred tax assets | | - | - |
| Prior year income tax under (over) estimation | | 1,582 | (3,601) |
| Acquisition of cash dividends distributed by investee company accounted for using the equity method | | 2,417 | 14,443 |
| Deferred tax effects of subsidiaries' profit | (| 757) | (15,657) |
| Income tax expense | \$ | 16,794 | \$ 5,519 |

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

| 2024 | | | | |
|----------------------------------|---------------------|---------------------------------|------------------------|---------------------|
| | At January 1 | Recognised in profit or loss | Exchange difference | At December 31 |
| Deferred tax assets: | | | | |
| - Temporary differences | | | | |
| Loss on inventory | \$ 5,067 | (\$ 64) | \$ 262 | \$ 5,265 |
| Employee benefit expense payable | 12,478 | (4,496) | 597 | 8,579 |
| Others | 24 | 322 | 5 | 351 |
| | <u>17,569</u> | <u>(4,238)</u> | <u>864</u> | <u>14,195</u> |
| Deferred tax liabilities: | | | | |
| - Temporary differences | | | | |
| Retained earnings of subsidiary | (166,335) | 757 | (11,196) | (176,774) |
| Depreciation expenses | (8,438) | (26) | (437) | (8,901) |
| | <u>(174,773)</u> | <u>731</u> | <u>(11,633)</u> | <u>(185,675)</u> |
| | <u>(\$ 157,204)</u> | <u>(\$ 3,507)</u> | <u>(\$ 10,769)</u> | <u>(\$ 171,480)</u> |
| 2023 | | | | |
| | At January 1 | Recognised in profit or loss | Exchange difference | At December 31 |
| Deferred tax assets: | | | | |
| - Temporary differences | | | | |
| Loss on inventory | \$ 5,484 | (\$ 331) | (\$ 86) | \$ 5,067 |
| Employee benefit expense payable | 15,220 | (2,536) | (206) | 12,478 |
| Others | 31 | (6) | - | 25 |
| | <u>20,735</u> | <u>(2,873)</u> | <u>(292)</u> | <u>17,570</u> |
| Deferred tax liabilities: | | | | |
| - Temporary differences | | | | |
| Retained earnings of subsidiary | (181,787) | 15,657 | (205) | (166,335) |
| Depreciation expenses | (9,148) | 567 | 143 | (8,438) |
| | <u>(190,935)</u> | <u>16,224</u> | <u>(62)</u> | <u>(174,773)</u> |
| | <u>(\$ 170,200)</u> | <u>\$ 13,351</u> | <u>(\$ 354)</u> | <u>(\$ 157,203)</u> |

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets pertaining to the subsidiaries of the Group are as follows:

| December 31, 2024 | | | | |
|-------------------|---------------------------|---------------|----------------------------------|-------------|
| Year incurred | Assessed | Unused amount | Unrecognised deferred tax assets | Expiry year |
| 2023-2024 | \$ 225,623 | \$ 225,623 | \$ 225,623 | 2029-2034 |
| 2019-2024 | \$ 39,690 | \$ 37,855 | \$ 37,855 | None |
| December 31, 2023 | | | | |
| Year incurred | Amount filed/ assessed | Unused amount | Unrecognised deferred tax assets | Expiry year |
| 2023 | \$ 115,572 | \$ 115,572 | \$ 115,572 | 2028-2033 |
| 2019-2023 | \$ 32,650 | \$ 30,815 | \$ 30,815 | None |

E. The income tax returns of the Group's Taiwan branch through 2022 have been assessed and approved by the Tax Authority.

F. Kunshan Kuanghe Electronic Technology Co., Ltd., Kunshan Anli Precise Metal Co., Ltd. and Gtek Technology Co., Ltd. are productive foreign investment businesses which were incorporated in the People's Republic of China (PRC), with the applicable income tax rate of 25%. As these subsidiaries obtained high-tech enterprise certification, they are entitled to a 10% income tax deduction from December 2022 to November 2025, November 2023 to October 2026 and November 2021 to October 2024, respectively, and the applicable income tax rate is 15%.

(25) Earnings per share

| Year ended December 31, 2024 | | | |
|--|------------------|--|-----------------------------|
| | Amount after tax | Weighted average number of ordinary shares outstanding (shares in thousands) | Loss per share (in dollars) |
| <u>Basic (diluted) loss per share</u> | | | |
| Loss attributable to ordinary shareholders of the parent | (\$ 24,052) | 44,550 | (\$ 0.54) |
| Year ended December 31, 2023 | | | |
| | Amount after tax | Weighted average number of ordinary shares outstanding (shares in thousands) | Loss per share (in dollars) |
| <u>Basic (diluted) loss per share</u> | | | |
| Loss attributable to ordinary shareholders of the parent | (\$ 3,700) | 44,550 | (\$ 0.08) |

(26) Supplemental cash flow information

Investing activities with partial cash payments:

| | Years ended December 31 | |
|--|-------------------------|-------------------|
| | 2024 | 2023 |
| Purchase of property, plant and equipment | \$ 285,180 | \$ 319,001 |
| Add: Opening balance of payable on equipment | 30,389 | 5,519 |
| Ending balance of prepayments for business facilities | 22,618 | 16,560 |
| Less: Ending balance of payable on equipment | (92,111) | (30,389) |
| Opening balance of prepayments for business facilities | (16,560) | (3,679) |
| Cash paid during the year | <u>\$ 229,516</u> | <u>\$ 307,012</u> |

(27) Changes in liabilities from financing activities

| | 2024 | | | | | | |
|--|-----------------------|--|----------------------|-----------------------------|-----------------|---------------|---|
| | Short-term borrowings | Long-term borrowings - current portion | Long-term borrowings | Guarantee deposits received | Lease liability | Bonds payable | Liabilities from financing activities-gross |
| At January 1 | \$ 416,078 | \$ 4,057 | \$ 31,013 | \$ 303 | \$ 12,701 | \$ - | \$ 464,152 |
| Changes in cash flow from financing activities | (46,198) | (7,849) | 213,073 | (226) | (13,215) | - | 145,585 |
| Long-term borrowings, current portion | - | 76,682 | (76,682) | - | - | - | - |
| Interest paid for lease liabilities | - | - | - | - | 210 | - | 210 |
| Remeasurement of lease liabilities | - | - | - | - | (210) | - | (210) |
| Changes in other non-cash items | - | - | - | - | - | - | - |
| Impact of changes in foreign exchange rate | 10,191 | 6 | 51 | 16 | 514 | - | 10,778 |
| At December 31 | <u>\$ 380,071</u> | <u>\$ 72,896</u> | <u>\$ 167,455</u> | <u>\$ 93</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 620,515</u> |

| | 2023 | | | | | | |
|--|-----------------------|--|----------------------|-----------------------------|------------------|---------------|---|
| | Short-term borrowings | Long-term borrowings - current portion | Long-term borrowings | Guarantee deposits received | Lease liability | Bonds payable | Liabilities from financing activities-gross |
| At January 1 | \$ 348,046 | \$ 3,951 | \$ 35,078 | \$ 662 | \$ 13,452 | \$ 297,410 | \$ 698,599 |
| Changes in cash flow from financing activities | 64,347 | (3,959) | - | (354) | (13,495) | (301,300) | (254,761) |
| Long-term borrowings, current portion | - | 4,057 | (4,057) | - | - | - | - |
| Interest paid for lease liabilities | - | - | - | - | 254 | - | 254 |
| Remeasurement of lease liabilities | - | - | - | - | (254) | - | (254) |
| Changes in other non-cash items | - | 8 | (8) | - | 12,960 | 3,890 | 16,850 |
| Impact of changes in foreign exchange rate | 3,685 | - | - | (5) | (216) | - | 3,464 |
| At December 31 | <u>\$ 416,078</u> | <u>\$ 4,057</u> | <u>\$ 31,013</u> | <u>\$ 303</u> | <u>\$ 12,701</u> | <u>\$ -</u> | <u>\$ 464,152</u> |

7. Related Party Transactions

(1) Names of related parties and relationship

| <u>Names of related parties</u> | <u>Relationship with the Group</u> |
|---|---------------------------------------|
| Kunshan Guanghui Precision Metal. Co., Ltd. | Other related party |
| Kunshan Guanghui Precise Hardware Co., Ltd. | Other related party |
| Certain Micro Application Technology Inc. | Other related party |
| HSU, CHENG-KUN | Key management personnel of the Group |
| WU, CHING-SONG | Key management personnel of the Group |

(2) Significant related party transactions

A. Sales of goods and services:

| | <u>Years ended December 31</u> | |
|---------------------|--------------------------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| Sales of goods: | | |
| Other related party | \$ <u>1,537</u> | \$ <u>376</u> |

The sales prices to related parties and third parties are negotiated. Credit terms of related parties are 60 days after monthly billings and 150 days after the end of the month of sales, and of third parties are between 30 days after monthly billings and 180 days after the end of the month of sales.

B. Purchases of goods and services:

| | <u>Years ended December 31</u> | |
|---------------------|--------------------------------|-----------------|
| | <u>2024</u> | <u>2023</u> |
| Purchases of goods: | | |
| Other related party | \$ <u>2,083</u> | \$ <u>1,130</u> |

The purchase prices of related parties and third parties are negotiated. Payment terms of related parties are between 90 days after monthly billings and 150 days after the end of the month of purchase, and of third parties are between 30 days after monthly billings and 160 days after the end of the month of purchase.

C. Receivables from related parties

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------|--------------------------|--------------------------|
| Accounts receivable: | | |
| Other related party | \$ 275 | \$ - |
| Other receivables: | | |
| Other related party | 9 | 2 |
| | <u>\$ 284</u> | <u>\$ 2</u> |

The receivables from related parties mainly arise from sale transactions. The receivables are collectible within three months after the date of sale. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties:

| | December 31, 2024 | December 31, 2023 |
|---------------------|-------------------|-------------------|
| Accounts payable: | | |
| Other related party | \$ 58 | \$ 29 |
| Other payables: | | |
| Other related party | 559 | 275 |
| | <u>\$ 617</u> | <u>\$ 304</u> |

The outstanding trade payables from related parties are unsecured.

E. The key management of the Group has provided financial guarantee on the Group's short-term borrowings. As of December 31, 2024 and 2023, the guarantee amounted to \$323,004 and \$320,877, respectively.

(3) Key management compensation

| | Years ended December 31 | |
|------------------------------|-------------------------|------------------|
| | 2024 | 2023 |
| Short-term employee benefits | \$ 42,272 | \$ 43,869 |
| Post-employment benefits | 246 | 266 |
| | <u>\$ 42,518</u> | <u>\$ 44,135</u> |

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

| | Book value | Book value | |
|--------------------------|-------------------|-------------------|-------------------------------------|
| Pledged asset | December 31, 2024 | December 31, 2023 | Purpose |
| Land | \$ 42,672 | \$ 42,672 | Long-term borrowings |
| Buildings and structures | 71,551 | 75,185 | Short-term and long-term borrowings |
| Right-of-use assets | - | 7,849 | Short-term borrowings |
| | <u>\$ 114,223</u> | <u>\$ 125,706</u> | |

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. Anli Huzhou Technology Co., Ltd., a subsidiary of the Group, signed the Construction Project Construction Contract with Jiangsu Didu Construction Engineering Co., Ltd. on September 1, 2020. As Jiangsu Didu Construction Engineering Co., Ltd. deliberately delayed the construction progress, Anli Huzhou Technology Co., Ltd. appointed a lawyer to apply with the Huzhou Arbitration Commission for arbitration to request the termination of the contract, which was confirmed by the arbitration award of Huzhou Arbitration Commission on December 15, 2021. The termination of the contract involves claims for delay and breach of contract. The Group has applied for compensation in a separate case on September 28, 2022. The arbitration case is currently in progress.

B.Jiangsu Didu Construction Engineering Co., Ltd. applied to the court to apply for property preservation for the real estate which under the name of Anli Huzhou Technology Co., Ltd., during the Arbitration procedure. The period of seizure is from May 10, 2023 to May 9, 2026. According to the local court's question and answer statement, the property preservation did not have a major impact on the company's finances, business and factory construction plan. Anli Huzhou Technology Co., Ltd. has appointed a lawyer to claim that the seizure is unreasonable in relation to property preservation and to request that the seizure be lifted in order to protect legal rights.

(2) Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|--------------------------------------|--------------------------|--------------------------|
| Equipment | \$ 22,233 | \$ 6,470 |
| Plant construction under consignment | 54,806 | 127,522 |
| | <u>\$ 77,039</u> | <u>\$ 133,992</u> |

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

| | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---|--------------------------|--------------------------|
| <u>Financial assets</u> | | |
| Financial assets at fair value through other comprehensive income | | |
| Designation of equity instrument | \$ 107,180 | \$ 96,284 |
| Financial assets at amortised cost | | |
| Cash and cash equivalents | \$ 311,409 | \$ 336,504 |
| Financial assets at amortised cost | 68,402 | 69,375 |
| Notes receivable | 11,053 | 29,502 |
| Accounts receivable (including related parties) | 875,515 | 713,945 |
| Other receivables (including related parties) | 12,385 | 14,642 |
| Guarantee deposits paid | 5,471 | 3,220 |
| | <u>\$ 1,284,235</u> | <u>\$ 1,167,188</u> |
| <u>Financial liabilities</u> | | |
| Financial liabilities at amortised cost | | |
| Short-term borrowings | \$ 380,071 | \$ 416,078 |
| Accounts payable (including related parties) | 138,074 | 101,676 |
| Other payables (including related parties) | 436,974 | 334,697 |
| Long-term borrowings (including current portion) | 240,351 | 35,070 |
| Guarantee deposits received | 93 | 303 |
| | <u>\$ 1,195,563</u> | <u>\$ 887,824</u> |
| Lease liability | <u>\$ -</u> | <u>\$ 12,701</u> |

B. Financial risk management policies

The primary financial instruments of the Group include accounts receivable, accounts payable and borrowings. Group treasury provides services to each operating unit, by coordinating the operations of domestic and foreign financial markets, analysing the internal risk report on exposure by risk degree and supervising and managing the financial risk of the consolidated company. Such risk includes market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

Group treasury periodically reports to the Board of Directors which monitors risk and the execution of policy to reduce the Group's exposure to identified risks.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB and NTD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Natural hedge is adopted to minimise the volatility of the exchange rate affecting assets and liabilities in foreign currency.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| December 31, 2024 | | | | |
|--|------------------|---------------|-----------------|---------|
| | Foreign currency | | Carrying amount | |
| | amount | Exchange rate | | (NTD) |
| (In thousands) | | | | |
| (Foreign currency: Functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:RMB | \$ 6,403 | 7.1884 | \$ | 209,890 |
| USD:NTD | 1,885 | 32.7800 | | 61,790 |
| RMB:NTD | 4,780 | 4.5601 | | 21,797 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:RMB | \$ 2,875 | 32.7800 | \$ | 94,243 |
| USD:NTD | 7,250 | 4.5601 | | 33,061 |

| December 31, 2023 | | | | |
|--|----|-------|--------------------------|------------|
| Foreign currency amount (In thousands) | | | Carrying amount (NTD) | |
| (Foreign currency: Functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:RMB | \$ | 7,288 | 7.0827 | \$ 223,814 |
| USD:NTD | | 118 | 30.7100 | 3,624 |
| RMB:NTD | | 3,252 | 4.3359 | 14,100 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:RMB | \$ | 3,700 | 7.0827 | \$ 113,627 |
| USD:NTD | | 1,086 | 30.7100 | 33,351 |

iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to \$5,546 and (\$2,036), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| | Year ended December 31, 2024 | | | |
|--|------------------------------|--------------------------|--------------------------------------|---|
| | Sensitivity analysis | | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income | |
| (Foreign currency: Functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:RMB | 1% | \$ 2,099 | \$ | - |
| USD:NTD | 1% | 618 | | - |
| RMB:NTD | 1% | 218 | | - |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:RMB | 1% | \$ 942 | \$ | - |
| USD:NTD | 1% | 331 | | - |

| Year ended December 31, 2023 | | | |
|--|---------------------|--------------------------|--------------------------------------|
| Sensitivity analysis | | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: Functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:RMB | 1% | \$ 2,238 | \$ - |
| USD:NTD | 1% | 36 | - |
| RMB:NTD | 1% | 141 | |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:RMB | 1% | 1,136 | \$ - |
| USD:NTD | 1% | 334 | - |

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2024 and 2023 would have increased/decreased by \$1,072 and \$963, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and financial assets at amortised cost based on the agreed terms, and the contract cash flows which were settled in accordance with trading conditions.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a certain grade are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
- If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customer's accounts receivable, contract assets and rents receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix to estimate expected credit loss.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Group had no written-off financial assets that are still under recourse procedures.
- vii. The Group used the forecastability of the global economic information to adjust historical and timely information to assess the default possibility of notes receivable and accounts receivable of general credit customers. On December 31, 2024 and 2023, the provision matrix is as follows:

| | Not past due | Up to 30 days past due | 31~60 days past due | 61~120 days past due | 121~180 days past due | 181~300 days past due | Over 300 days | Total |
|--------------------------|--------------|------------------------|---------------------|----------------------|-----------------------|-----------------------|---------------|------------|
| <u>December 31, 2024</u> | | | | | | | | |
| Expected loss rate | 0.03% | 0.03% | 0.03% | 0.03%-0.04% | 0.05%-0.06% | 0.03%-12.53% | 100.00% | |
| Total book value | \$ 830,290 | \$ 36,477 | \$ 4,349 | \$ 2,879 | \$ 1,509 | \$ - | \$ 2,156 | \$ 877,660 |
| Loss allowance | \$ 250 | \$ 11 | \$ 1 | \$ 1 | \$ 1 | \$ - | \$ 2,156 | \$ 2,420 |
| <u>December 31, 2023</u> | | | | | | | | |
| Expected loss rate | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 100.00% | |
| Total book value | \$ 682,835 | \$ 21,753 | \$ 5,270 | \$ 2,765 | \$ 308 | \$ 1,228 | \$ - | \$ 714,159 |
| Loss allowance | \$ 204 | \$ 7 | \$ 2 | \$ 1 | \$ - | \$ - | \$ - | \$ 214 |

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

| | 2024 | 2023 |
|---------------------------------|-----------------|---------------|
| Balance at January 1 | \$ 214 | \$ 251 |
| Reversal of impairment loss | 2,194 (| 34) |
| Write-off during the year | (25) | - |
| Effect of exchange rate changes | 37 (| 3) |
| Balance at December 31 | <u>\$ 2,420</u> | <u>\$ 214</u> |

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in short-term interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

| | December 31, 2024 | December 31, 2023 |
|--------------------------|-------------------|-------------------|
| Floating rate: | | |
| Expiring within one year | \$ 236,064 | \$ 444,516 |
| Expiring beyond one year | 247,746 | 230,167 |
| | <u>\$ 483,810</u> | <u>\$ 674,683</u> |

iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | | Less than | Between | Between 1 | Over |
|---|----|-----------|------------|-------------|---------|
| | | 3 months | 3 months | and 5 years | 5 years |
| December 31, 2024 | | | and 1 year | | |
| <u>Non-derivative financial liabilities</u> | | | | | |
| Accounts payable (including related parties) | \$ | 120,963 | \$ | 17,111 | \$ - |
| Other payables (including related parties) | | 319,171 | | 117,803 | - |
| Long-term borrowings (including current portion) | | 2,599 | | 76,254 | 166,128 |
| Short-term borrowings | | 3,356 | | 385,612 | - |
| | | | | | |
| | | Less than | Between | Between 1 | Over |
| | | 3 months | 3 months | and 5 years | 5 years |
| December 31, 2023 | | | and 1 year | | |
| <u>Non-derivative financial liabilities</u> | | | | | |
| Accounts payable (including related parties) | \$ | 88,305 | \$ | 13,371 | \$ - |
| Other payables (including related parties) | | 304,667 | | 30,030 | - |
| Lease liability | | 3,226 | | 9,677 | - |
| Long-term borrowings (including current portion) | | 1,191 | | 3,573 | 19,057 |
| Short-term borrowings | | 24,905 | | 401,231 | - |

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's emerging stock investment is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2024 and 2023 are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

| <u>December 31, 2024</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|----------------|----------------|----------------|--------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | \$ 35,350 | \$ - | \$ 71,830 | \$ 107,180 |
| <u>December 31, 2023</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | \$ - | \$ 45,000 | \$ 51,284 | \$ 96,284 |

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

| | <u>Listed shares</u> |
|---------------------|----------------------|
| Market quoted price | 70.70 |

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange).

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the

valuation of financial instruments is provided in Note 12(3)H.

v. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

C. As Mercuries & Associates Holding has been listed on the Taipei Exchange from November 26, 2024, the Group transferred the fair value from Level 2 to Level 1 at the end of the month when the event occurred.

D. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

| | 2024 | 2023 |
|---|--------------------|--------------------|
| | Equity instruments | Equity instruments |
| At January 1 | \$ 51,284 | \$ 45,203 |
| Gain recognised in other comprehensive income | 20,546 | 6,081 |
| Acquired during the year | - | 45,000 |
| Transfers out from level 3 | - | (45,000) |
| At December 31 | <u>\$ 71,830</u> | <u>\$ 51,284</u> |

E. For the year ended December 31, 2024, there was no transfer into or out from Level 3. Transfers out from level 3 for the year ended December 31, 2023 were due to the investment target being listed on the emerging stock market in December 2023. Considering the relatively low turnover rate, the fair value was assessed using the market method, which is included in Level 2. The Group has transferred the fair value from Level 3 into Level 2 when the event occurred.

F. Investment department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

| | Fair value at December 31, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|-----------------|---------------------------------------|-----------------------------------|---|--------------------------------|--|
| Unlisted shares | \$ 59,037 | Market comparable companies | Price to earnings ratio multiple | Not Applicable | The higher the multiple, the higher the fair value |
| | | | Enterprise value multiple | Not Applicable | The higher the multiple, the higher the fair value |
| | | | Discount for lack of marketability | 42.70% | The higher the discount for lack of marketability, the lower the fair value |
| | 12,793 | Discounted cash flow | Long-term revenue growth rate | Not Applicable | The higher the long-term revenue growth rate, the higher the fair value |
| | Fair value at December 31, 2023 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
| Unlisted shares | \$ 38,351 | Market comparable companies | Industrial average price to book ratio | Not Applicable | The higher the book value per share, the higher the fair value |
| | | | Price to sales ratio | Not Applicable | The higher the sales per share, the higher the fair value |
| | | | Discount for lack of marketability | 20.50% | The higher the discount for lack of marketability, the lower the fair value |
| | 12,933 | Discounted cash flow | Long-term revenue growth rate | Not Applicable | The higher the long-term revenue growth rate, the higher the fair value |

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

| | | | December 31, 2024 | |
|-------------------|---|--------|--|---------------------|
| | | | Recognised in other comprehensive income | |
| | | | Favourable change | Unfavourable change |
| | Input | Change | | |
| Financial assets | | | | |
| Equity instrument | Price to earnings ratio multiple | ± 1% | \$ 291 | (\$ 291) |
| | Enterprise value multiple | ± 1% | 277 | (277) |
| | Discount for lack of marketability | ± 1% | 1,034 | (1,034) |
| | Long-term revenue growth rate | ± 1% | 555 | (555) |
| Total | | | <u>\$ 2,157</u> | <u>(\$ 2,157)</u> |
| | | | December 31, 2023 | |
| | | | Recognised in other comprehensive income | |
| | | | Favourable change | Unfavourable change |
| | Input | Change | | |
| Financial assets | | | | |
| Equity instrument | Industrial average book value per share | ± 1% | \$ 233 | (\$ 233) |
| | Sales per share | ± 1% | 160 | (160) |
| | Discount for lack of marketability | ± 1% | 481 | (481) |
| | Long-term revenue growth rate | ± 1% | 827 | (827) |
| Total | | | <u>\$ 1,701</u> | <u>(\$ 1,701)</u> |

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker, the Board of Directors, that are used to make strategic decisions.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

| Year ended December 31, 2024 | A segment | B segment | C segment | All other segments | Total |
|---------------------------------|-------------------|-------------------|--------------------|--------------------|---------------------|
| Revenue from external customers | \$ 530,540 | \$ 778,862 | \$ 350,674 | \$ - | \$ 1,660,076 |
| Inter-segment revenue | - | 10,014 | - | - | 10,014 |
| Total segment revenue | <u>\$ 530,540</u> | <u>\$ 788,876</u> | <u>\$ 350,674</u> | <u>\$ -</u> | <u>1,670,090</u> |
| Internal write-offs | | | | | (10,014) |
| Consolidated revenue | | | | | <u>\$ 1,660,076</u> |
| Segment (loss) income | <u>\$ 55,565</u> | <u>\$ 103,636</u> | <u>(\$ 10,674)</u> | <u>(\$ 20,208)</u> | <u>\$ 128,319</u> |
| Depreciation | <u>\$ 84,436</u> | <u>\$ 22,871</u> | <u>\$ 28,215</u> | <u>\$ -</u> | <u>\$ 135,522</u> |
| Amortisation | <u>\$ 469</u> | <u>\$ 378</u> | <u>\$ 910</u> | <u>\$ -</u> | <u>\$ 1,757</u> |

| Year ended December 31, 2023 | A segment | B segment | C segment | All other segments | Total |
|---------------------------------|-------------------|-------------------|-------------------|--------------------|---------------------|
| Revenue from external customers | \$ 420,245 | \$ 670,093 | \$ 434,865 | \$ - | \$ 1,525,203 |
| Inter-segment revenue | - | 25,654 | - | - | 25,654 |
| Total segment revenue | <u>\$ 420,245</u> | <u>\$ 695,747</u> | <u>\$ 434,865</u> | <u>\$ -</u> | <u>1,550,857</u> |
| Internal write-offs | | | | | (25,654) |
| Consolidated revenue | | | | | <u>\$ 1,525,203</u> |
| Segment (loss) income | <u>(\$ 8,027)</u> | <u>\$ 78,523</u> | <u>\$ 45,611</u> | <u>(\$ 9,453)</u> | <u>\$ 106,654</u> |
| Depreciation | <u>\$ 67,034</u> | <u>\$ 22,032</u> | <u>\$ 22,899</u> | <u>\$ -</u> | <u>\$ 111,965</u> |
| Amortisation | <u>\$ 430</u> | <u>\$ 379</u> | <u>\$ 847</u> | <u>\$ -</u> | <u>\$ 1,656</u> |

Note: Inter-segment revenue has been eliminated to \$0.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2024 and 2023 is provided as follows:

| | Years ended December 31, | |
|--|--------------------------|------------|
| | 2024 | 2023 |
| Reportable segments income | \$ 148,527 | \$ 116,107 |
| Other segments income/(loss) | (20,208) | (9,453) |
| Total segments | 128,319 | 106,654 |
| Depreciation | (135,522) | (111,965) |
| Amortisation | (1,757) | (1,656) |
| Interest income | 5,872 | 10,209 |
| Other income | 13,729 | 16,667 |
| Other gains and losses | (414) | (2,520) |
| Finance costs | (17,485) | (15,570) |
| Income before tax from continuing operations | (\$ 7,258) | \$ 1,819 |

(4) Information on products and services

Revenue from external customers is mainly from computer peripherals. Details of revenue are as follows:

| | Years ended December 31, | |
|---------------------------------|--------------------------|---------------------|
| | 2024 | 2023 |
| Computer components | \$ 1,326,588 | \$ 1,089,631 |
| Consumer electronics components | 127,787 | 203,748 |
| Automotive components | 72,764 | 118,392 |
| Handheld device components | 20,075 | 16,455 |
| Others | 112,862 | 96,977 |
| | <u>\$ 1,660,076</u> | <u>\$ 1,525,203</u> |

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

| | Years ended December 31, | | | |
|-------------|--------------------------|---------------------|---------------------|---------------------|
| | 2024 | | 2023 | |
| | Revenue | Non-current assets | Revenue | Non-current assets |
| China | \$ 1,274,682 | \$ 1,892,477 | \$ 1,243,559 | \$ 1,698,172 |
| Philippines | 240,746 | - | 154,328 | - |
| Thailand | 107,736 | - | 60,079 | - |
| Taiwan | 24,751 | 71,768 | 46,257 | 73,443 |
| Others | 12,161 | - | 20,980 | - |
| | <u>\$ 1,660,076</u> | <u>\$ 1,964,245</u> | <u>\$ 1,525,203</u> | <u>\$ 1,771,615</u> |

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

| | Years ended December 31, | |
|---|--------------------------|------------|
| | 2024 | 2023 |
| A | \$ 267,144 | \$ 212,144 |
| B | 240,746 | 154,105 |
| C | 166,715 | 164,634 |
| D | 136,619 | 41,598 |

Anli International Co., Ltd. and Subsidiaries

Loans to others

Year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No. (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the year ended December 31, 2024 | Balance at December 31, 2024 | Actual amount drawn down | Interest rate | Nature of loan (Note 2) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 3) | Ceiling on total loans granted (Note 3) | Footnote |
|-----------------|---|-------------------------------------|---------------------------|--------------------------|---|------------------------------------|-----------------------------|------------------|-------------------------------|---|---------------------------------------|---------------------------------------|------------|-------|--|---|----------|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | Kunshan Kuanghe Electronic Technology Co., Ltd. | Kuanghe Co., Limited | Other receivables | Y | \$ 65,560 | \$ 65,560 | \$ 65,560 | 5.00% | 2 | \$ - | Operations | \$ - | None | \$ - | \$ 781,278 | \$ 781,278 | None |
| 1 | Kunshan Kuanghe Electronic Technology Co., Ltd. | HuZhou Anli Technology Co., Ltd. | Other receivables | Y | 136,803 | 136,803 | 118,563 | 4.00% | 2 | - | Operation | - | None | - | 781,278 | 781,278 | None |
| 1 | Kunshan Kuanghe Electronic Technology Co., Ltd. | Anli International Co., Ltd | Other receivables | Y | 25,081 | 25,081 | 25,081 | 3.50% | 2 | - | Operation | - | None | - | 781,278 | 781,278 | None |
| 2 | Kunshan Anli Precise Metal Co., Ltd. | HuZhou Anli Technology Co., Ltd. | Other receivables | Y | 91,202 | - | - | 4.25% | 2 | - | Operation | - | None | - | 966,808 | 966,808 | None |
| 2 | Kunshan Anli Precise Metal Co., Ltd. | HuZhou Anli Technology Co., Ltd. | Other receivables | Y | 68,402 | - | - | 4.90% | 2 | - | Operation | - | None | - | 966,808 | 966,808 | None |
| 2 | Kunshan Anli Precise Metal Co., Ltd. | HuZhou Anli Technology Co., Ltd. | Other receivables | Y | 159,604 | 159,604 | 159,604 | 3.50% | 2 | - | Operation | - | None | - | 966,808 | 966,808 | None |
| 2 | Kunshan Anli Precise Metal Co., Ltd. | Anli International Co., Ltd | Other receivables | Y | 25,081 | 25,081 | 25,081 | 3.50% | 2 | - | Operation | - | None | - | 966,808 | 966,808 | None |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1', and the same company shall be numbered at the same code.

Note 2: The column of 'Nature of loan' shall fill in 1. 'Business transaction or 2. 'Short-term financing'.

Note 3: (1) Limit on total loans shall not exceed 40% of creditor's net assets. However, loans to direct or indirect wholly-owned foreign subsidiaries of the Company shall not exceed 100% of creditor's net assets.

(2) For the companies having business relationship with the Company, limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower.

Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing.

For companies having short-term loans, ceiling on loans granted to a single party is 20% of the Company's net assets. However, loans to direct or indirect wholly-owned foreign subsidiaries of the Company shall not exceed 100% of creditor's net assets.

Note 4: Maximum balance and ending balance listed in the table are expressed in New Taiwan dollars. The balances denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate prevailing at the balance sheet date.

The exchange rate used was USD 1: NTD 32.7800 and RMB 1: NTD 4.5601.

Note 5: Actual parent-subsidiary company transactions included in ending balance were all eliminated.

Anli International Co., Ltd. and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Endorser/ guarantor | Party being endorsed/guaranteed | | | Maximum outstanding endorsement/ guarantee amount as of December 31, 2024 (Note 4) | Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 4) | Actual amount drawn down (Note 4) | Amount of endorsements/ guarantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements/ guarantees by parent company to subsidiary | Provision of endorsements/ guarantees by subsidiary to parent company | Provision of endorsements/ guarantees to the party in Mainland China | Footnote |
|--------------------|-------------------------------------|-------------------------------------|--|---|---|---|--|--|---|--|---|--|--|----------|
| | | Company name | Relationship with the endorser/ guarantor (Note 2) | Limit on endorsements/ guarantees provided for a single party (Note 3) | | | | | | | | | | |
| 0 | Anli International Co., Ltd | Kuanghe Co., Limited | 2 | \$ 808,194 | \$ 49,170 | \$ - | \$ - | \$ - | 0.00% | \$ 909,218 | Y | N | N | None |
| 0 | Anli International Co., Ltd | Anli International Co., Ltd Taiwan | 2 | 808,194 | 98,340 | - | - | - | 0.00% | 909,218 | Y | N | N | None |
| 0 | Anli International Co., Ltd | Anli International Co., Ltd Taiwan | 2 | 808,194 | 65,560 | - | - | - | 0.00% | 909,218 | Y | N | N | None |
| 0 | Anli International Co., Ltd | Anli International Co., Ltd Taiwan | 2 | 808,194 | 98,340 | 98,340 | - | 32,780 | 4.87% | 909,218 | Y | N | N | None |
| 0 | Anli International Co., Ltd | HuZhou Anli Technology Co., Ltd. | 2 | 808,194 | 159,604 | - | - | - | 0.00% | 909,218 | Y | N | Y | None |
| 0 | Anli International Co., Ltd | Anli International Holdings Limited | 2 | 808,194 | 17,000 | 17,000 | 17,000 | - | 0.84% | 909,218 | Y | N | N | None |
| 0 | Anli International Co., Ltd | Kuanghe Co., Limited Taiwan | 2 | 808,194 | 17,000 | 17,000 | 17,000 | - | 0.84% | 909,218 | Y | N | N | None |
| 1 | Anli International Holdings Limited | Anli International Co., Ltd | 2 | 529,384 | 204,000 | 204,000 | 204,000 | - | 15.41% | 595,557 | N | Y | N | None |
| 2 | Kuanghe Co., Limited | Anli International Co., Ltd | 2 | 366,087 | 204,000 | 204,000 | 204,000 | - | 22.29% | 411,848 | N | Y | N | None |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: According to the Company's "Procedures for Provision of Endorsements and Guarantees":

- (1) The total guarantee amount shall not exceed 45% of the Company's net assets based on the latest financial statements, and the guarantee to a single party shall not exceed 40% of the Company's net assets based on the latest financial statements.
The total guarantee amount shall not exceed 45% of the subsidiary's net assets based on the latest financial statements, and the guarantee to a single party shall not exceed 40% of the subsidiary's net assets based on the latest financial statements.
Limit on the total endorsement/guarantee of the Company is 50% of the Company's net assets. Limit on the total endorsement/guarantee to a single party is 45% of the Company's net assets.
Limit on the total endorsement/guarantee of the subsidiary is 50% of the subsidiary's net assets. Limit on the total endorsement/guarantee to a single party is 45% of the subsidiary's net assets.
- (2) For the companies having business relationship and thus being provided endorsements/guarantees, aside from the abovementioned limits, limit on endorsements to a single party is the total value of business transactions within past 12 months. (the value of business transactions is the higher of purchase or sales)

Note 4: Maximum balance, ending balance and actual drawn amount listed in the table are expressed in New Taiwan dollars. The balances denominated in foreign currencies are translated into New Taiwan dollars at spot exchange rates prevailing at the balance sheet date, and the exchange rate used was USD 1: NTD 32.7800.

Note 5: Anli International Co., Ltd and Kuanghe Co., Limited jointly endorsed the Company in the amount of NTD\$204,000 thousand.

Note 6: The actual balance of the Company's and its subsidiaries as a whole was \$336,340 thousand (\$540,340 thousand less \$204,000 thousand).

Anli International Co., Ltd. and Subsidiaries
Holding of marketable securities at the end of the period
Year ended December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Securities held by | Marketable securities (Note 1) | Relationship with the securities issuer | General ledger account | As of December 31, 2024 | | | | Footnote |
|------------------------------|--------------------------------------|---|---|---------------------------------|------------|---------------|------------|----------|
| | | | | Number of shares (in thousands) | Book value | Ownership (%) | Fair value | |
| Anli International Co., Ltd. | Certain Micro Application Technology | None | Financial assets at fair value through other comprehensive income-non-current | 1,457 | \$ 59,037 | 7.87% | \$ 59,037 | None |
| Anli International Co., Ltd. | Therlect Co., Ltd. | None | Financial assets at fair value through other comprehensive income-non-current | 2,024 | \$ 12,793 | 12.01% | \$ 12,793 | None |
| Anli International Co., Ltd. | Mercuries & Associates Holding, Ltd. | None | Financial assets at fair value through other comprehensive income-non-current | 500 | \$ 35,350 | 0.83% | \$ 35,350 | None |

Anli International Co., Ltd. and Subsidiaries
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
Year ended December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| | | | | | | | If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: | | | | | | |
|-------------------------------------|-------------------------|----------------------|-----------------------|----------------------|---|---------------------------------------|---|--|--|-------------------|---|---|----------------------|
| Real estate acquired by | Real estate acquired | Date of the event | Transaction amount | Status of payment | Counterparty | Relationship with the counterparty | Original owner who sold the real estate to the counterparty | Relationship between the original owner and the acquirer | Date of the original transaction | Amount | Basis or reference used in setting the price | Reason for acquisition of real estate and status of the real estate | Other commitments |
| HuZhou Anli Technology Co., Ltd. | Plant | 2021/12/28 | \$ 579,588 | \$ 547,308 | Zhejiang Qiaoxing Construction Group Co., Ltd. | None | Not applicable | Not applicable | Not applicable | Not applicable | Price comparison and negotiation | Production | None |

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company.

In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 4: The accounts of the Company are expressed in New Taiwan dollars. The balances denominated in foreign currencies are translated into New Taiwan dollars at spot exchange rates prevailing at the balance sheet date, and the exchange rate used was RMB 1:NTD 4.5601. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates (period from January to December), and the exchange rate used was RMB 1:NTD 4.5111.

Anli International Co., Ltd. and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms compared to third party transactions | | Notes/accounts receivable (payable) | | Footnote |
|--------------------------------------|---|------------------------------------|-------------------|------------|---------------------------------------|---------------------------------|---|-------------|-------------------------------------|---|----------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| Kunshan Anli Precise Metal Co., Ltd. | Anli International Holdings Limited | Parent-subsidiary company | Sales | \$ 127,793 | 26% | 150 days after monthly billings | Note 1 | Note 1 | \$ 97,173 | 30% | None |
| HuZhou Anli Technology Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | Sibling company | Sales | 100,223 | 57% | 150 days after monthly billings | Note 1 | Note 1 | 7,239 | 6% | None |

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 4: The accounts of the Company are expressed in New Taiwan dollars. The balances denominated in foreign currencies are translated into New Taiwan dollars at spot exchange rates prevailing at the balance sheet date, and the exchange rate used was USD 1:NTD 32.7800. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates (period from January to December), and the exchange rate used was USD 1:NTD 32.1270.

Anli International Co., Ltd. and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at December 31, 2024 (Note 1) | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts |
|------------------------------------|-------------------------------------|---------------------------------------|---|---------------|---------------------|--------------|---|------------------------------------|
| | | | | | Amount | Action taken | | |
| Kunshan Anli Precise Metal Co.,Ltd | Anli Internaitonal Holdings Limited | Parent-subsidiary company | \$ 97,173 | 1.38 | \$ - | \$ - | \$ 14,777 | \$ - |

Note 1: The accounts of the Company are expressed in New Taiwan dollars. The balances denominated in foreign currencies are translated into New Taiwan dollars at spot exchange rates prevailing at the balance sheet date,
and the exchange rate used was USD 1:NTD 32.7800; RMB 1:NTD 4.5601.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

Anli International Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|---|---|--------------------------|------------------------|-----------|---------------------------------|--|
| | | | | General ledger account | Amount | Transaction terms | |
| 1 | Kuanghe Co., Limited | Kunshan Kuanghe Electronic Technology Co., Ltd. | 1 | Other receivables | \$ 16,731 | Note 6 | 0% |
| 2 | Anli International Co., Ltd, Taiwan Branch | Kuanghe Co., Limited | 1 | Other income | 5,790 | Mutual agreement | 0% |
| 2 | Anli International Co., Ltd, Taiwan Branch | ANLI INTERNATIONAL HOLDINGS LIMITED | 1 | Other income | 5,790 | Mutual agreement | 0% |
| 3 | Kunshan Anli Precise Metal Co., Ltd. | Anli International Co., Ltd | 2 | Other receivables | 26,341 | Loans | 1% |
| 3 | Kunshan Anli Precise Metal Co., Ltd. | Anli Internaitonal Holdings Limited | 2 | Sales revenue | 127,793 | 150 days after monthly billings | 8% |
| 3 | Kunshan Anli Precise Metal Co., Ltd. | Anli Internaitonal Holdings Limited | 2 | Accounts receivable | 97,173 | 150 days after monthly billings | 3% |
| 3 | Kunshan Anli Precise Metal Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | 3 | Other receivables | 16,758 | Note 6 | 0% |
| 3 | Kunshan Anli Precise Metal Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | 3 | Sales revenue | 8,065 | 120 days after monthly billings | 0% |
| 3 | Kunshan Anli Precise Metal Co., Ltd. | HuZhou Anli Technology Co., Ltd. | 3 | Other receivables | 160,031 | Loans | 5% |
| 3 | Kunshan Kuanghe Electronic Technology Co., Ltd. | Anli International Co., Ltd | 2 | Other receivables | 26,341 | Loans | 1% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | Kuanghe Co., Limited | 2 | Sales revenue | 73,398 | 120 days after monthly billings | 4% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | Kuanghe Co., Limited | 2 | Accounts receivable | 56,141 | 120 days after monthly billings | 2% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | Kuanghe Co., Limited | 2 | Other receivables | 70,320 | Loans | 2% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | HuZhou Anli Technology Co., Ltd. | 3 | Sales revenue | 29,005 | 60 days after monthly billings | 2% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | HuZhou Anli Technology Co., Ltd. | 3 | Accounts receivable | 40,549 | 60 days after monthly billings | 1% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | HuZhou Anli Technology Co., Ltd. | 3 | Other receivables | 132,418 | Loans | 4% |
| 4 | Kunshan Kuanghe Electronic Technology Co., Ltd. | HuZhou Anli Technology Co., Ltd. | 3 | Other income | 16,806 | Mutual agreement | 1% |
| 5 | HuZhou Anli Technology Co., Ltd. | Kuanghe Co., Limited | 2 | Accounts receivable | 56,795 | 120 days after monthly billings | 2% |
| 5 | HuZhou Anli Technology Co., Ltd. | Kuanghe Co., Limited | 2 | Sales revenue | 62,403 | 120 days after monthly billings | 4% |
| 5 | HuZhou Anli Technology Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | 3 | Note receivable | 45,601 | 180 days after monthly billings | 1% |
| 5 | HuZhou Anli Technology Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | 3 | Accounts receivable | 7,239 | 150 days after monthly billings | 0% |
| 5 | HuZhou Anli Technology Co., Ltd. | Kunshan Kuanghe Electronic Technology Co., Ltd. | 3 | Sales revenue | 100,223 | 150 days after monthly billings | 6% |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

Note 4: Individual transactions not exceeding \$5,000 and their corresponding transactions are not disclosed.

Those transactions shown in other assets and revenue are not disclosed from the opposite side.

Note 5: The related transactions were eliminated when preparing the consolidated financial statements.

Note 6: Dividend Receivable.

Anli International Co., Ltd. and Subsidiaries

Information on investees

Year ended December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at December 31, 2024 | | | Net profit (loss) of the investee for the year ended December 31, 2024 (Note 1) | Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 1) | Footnote |
|------------------------------|-------------------------------------|-----------|--------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|------------|--|--|----------|
| | | | | Balance as at December 31, 2024 | Balance as at December 31, 2023 | Number of shares | Ownership (%) | Book value | | | |
| Anli International Co., Ltd. | Kuanghe Co., Limited | Hong Kong | Investment company | \$ 390,241 | \$ 390,241 | 13,166 | 100 | \$ 914,369 | (\$ 29,379) | (\$ 29,379) | None |
| Anli International Co., Ltd. | Anli Internaitonal Holdings Limited | Hong Kong | Investment company | 497,221 | 497,221 | 92,190 | 100 | 1,323,841 | 32,870 | 32,870 | None |

Note 1: Profit or loss of investees and investment income (loss) recognised by the Company for the year ended December 31, 2024 is based on financial statements audited and attested by R.O.C. parent company's CPA.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

Note 3: The accounts of the Company are expressed in New Taiwan dollars. The balances denominated in foreign currencies are translated into New Taiwan dollars at spot exchange rates prevailing at the balance sheet date, and the exchange rate used was USD 1:NTD 32.7800. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates (period from January to December), and the exchange rate used was USD 1:NTD 32.1270.

Anli International Co., Ltd. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2024

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 | Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2024 | | Accumulated amount of remittance from Mainland China as of December 31, 2024 | Net income of investee for the year ended December 31, 2024 (Note 2) | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2) | Book value of investments in Mainland China as of December 31, 2024 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024 | Footnote |
|---|--|---|---|---|---|-------------------------------|---|--|--|---|---|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Kunshan Anli Precise Metal Co., Ltd. | Stamping of various precision metal and manufacturing and sales of die casting components. | \$ 112,927 | (2)A | \$ - | \$ - | \$ - | \$ - | \$ 51,416 | 100 | \$ 51,416 | \$ 966,808 | \$ - | None |
| Kunshan Kuanghe Electronic Technology Co., Ltd. | Manufacturing and sales of new electronic component such as inductance. | 145,525 | (2)B | - | - | - | - | 431 | 100 | 431 | 781,278 | - | None |
| Gtek Technology Co., Ltd. | Manufacturing and sales of new electronic component such as inductance and metal finishing. | 283,456 | (2)C | - | - | - | (34,094) | 100 | (34,094) | 419,200 | - | None | |
| HuZhou Anli Technology Co., Ltd. | Research and development, manufacturing and sales of electronic components, vehicle components and new metal material. | 735,366 | (2)D | - | - | - | (47,981) | 100 | (47,981) | 663,511 | - | None | |
| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China Imposed by the Investment Commission of MOEA | | | | | | | | | | |
| Note 4 | \$ - | \$ - | | Note 4 | | | | | | | | | |

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
 - A. Kunshan Anli Precise Metal Co., Ltd. was reinvested through Anli International Holdings Limited.
 - B. Kunshan Kuanghe Electronic Technology Co., Ltd. was reinvested through Kuanghe Co., Limited and Kunshan Anli Precise Metal Co., Ltd.
 - C. Gtek Technology Co., Ltd. was reinvested through Kunshan Kuanghe Electronic Technology Co., Ltd. and Kunshan Anli Precise Metal Co., Ltd.
 - D. HuZhou Anli Technology Co., Ltd. was reinvested through Kuanghe Co., Limited and Anli International Holdings Limited.
- (3) Others

Note 2: The amount recognised was based on the financial statements that were audited by R.O.C. parent company's CPA firm.

Note 3: The transactions were eliminated when preparing the consolidated financial statements.

Note 4: Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA is not applicable for the Company due to the Company was a foreign issuer and has primary listing in Taiwan.

Anli International Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2024

Table 10

Expressed in thousands of shares

(Except as otherwise indicated)

| Name of major shareholders | Shares | |
|-----------------------------------|-----------------------|---------------|
| | Number of shares held | Ownership (%) |
| Anli International Limited(Samoa) | 12,579 | 28.23% |
| Kuanghe Co., Limited (Samoa) | 3,963 | 8.89% |

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in calculation basis.

Note 2: If the aforementioned data contains shares which were held in the trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

Anli International Co., Ltd

Chairman: Hsu Cheng-Kun