

# JARLLYTEC CO., LTD.

## 2025 Annual Shareholders' Meeting Minutes

Time: June 19, 2025, (Tuesday), at 9:00 a.m.

Place: No. 13, Wu-gong 5th Rd., Xinzhuang Dist., New Taipei City

Total outstanding shares of Wistron Corporation: 66,091,878 shares. (Excluding shares without voting rights).

Total shares represented by shareholders present in person or by proxy: 42,630,469 shares  
percentage of outstanding shares held by shareholders present in person or by proxy: 64.50%

Directors present: Chang, Tai Yuan, Chairman Representative of Dellson Investment Co., Ltd.

Liu, Kuang Hua, Director Representative of Young Win Assets Management

Liu, Bo-Liang, Director Representative of Sunrise Investment Co., Ltd.  
Co., Ltd.

Wu, Sou-Shan, Independent Director

Yang, Shang-Hsien, Independent Director

Accountants present: CFO Chen, Ying-Syuan, Hsu, Ming-Fang, Accountant of KPMG

Chairman: Chang, Tai Yuan

Recorder: Wang, Yi Wen

I. Meeting Commencement Announced: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Chairman's Address: (Omitted)

III. Reported Matters

1. 2024 Business Report of the Company (Attachment 1)
2. 2024 Annual final accounting ledgers and statements reviewed by audit committee (Attachment 2)
3. 2024 Employees' and directors' remuneration allocation report (Please refer to handbook)
4. 2024 Cash dividend distribution report (Please refer to handbook)
5. Report on the Company's indirect investment in China (Please refer to handbook)
6. Report issue of 3rd domestic unsecured convertible corporate bonds (Please refer to handbook)

IV. Acknowledged Matters:

ONE

Proposed by board of directors

Proposal: 2024 Business report and annual final accounting books and statements, for your approval.

Explanation:

1. 2024 Annual financial statements and consolidated financial statements were made, and audited by the accountants Hsu, Ming-Fang and Chuang, Chun-Wei of KPMG, and to issue an auditors' report that includes opinions, together with the business report and earnings distribution statements, were audited by the Company's audit committee, and approved by a resolution of board of directors, for your examination.
2. 2024 Business report, CPA's audit report and financial statements, please refer to attachment 1 and attachment 3. For your approval.

Resolution:

Voting results: Shares present at the time of voting: 42,630,469

Voting Results		% of the represented share present
Votes in favor	42,251,290 votes (including votes casted electronically 3,895,357 votes)	99.11%
Votes against	10,603 votes (including votes casted electronically 10,603 votes)	0.02%
Votes invalid	0 votes	0.00%
Votes abstained	368,576 權 (including votes casted electronically 368,576 votes)	0.86%

RESOLVED, that the above proposal be and hereby was approved as proposed.

TWO

Proposed by board of directors

Proposal: 2024 Earnings distribution proposal, for your approval

Explanation:

1. 2024 Earnings distribution proposal was approved by a resolution of board of directors, and submitted to the audit committee for approval.
2. Offering 2024 earnings distribution statement please refer to attachment 4. For your approval.

Resolution:

Voting results: Shares present at the time of voting:42,630,469

Voting Results		% of the represented share present
Votes in favor	42,282,292 votes (including votes casted electronically 3,926,359 votes)	99.18%
Votes against	10,600 votes (including votes casted electronically 10,600 votes)	0.02%
Votes invalid	0 votes	0.00%
Votes abstained	337,577 權 (including votes casted electronically 337,577 votes)	0.79%

RESOLVED, that the above proposal be and hereby was approved as proposed.

## V. Matters for Discussion

### ONE

Proposed by board of directors

Proposal: Discussion of amendments to the Company's partial Articles of Incorporation, for your approval

Explanation: In accordance with the Financial Supervisory Commission's Letter Jin-Guan-Zheng-Fa-Zi No. 11303854422 dated November 8, 2024 and Paragraph 6, Article 14 of the Securities and Exchange Act, which requires listed companies to stipulate in their Articles of Incorporation a specific percentage of annual earnings to be allocated for salary adjustments or remuneration for non-executive employees, revising partial articles of Articles of Incorporation, and comparison of amended articles, please refer to attachment 5, for your approval.

Resolution:

Voting results: Shares present at the time of voting: 42,630,469

Voting Results		% of the represented share present
Votes in favor	42,276,469 votes (including votes casted electronically 3,920,536 votes)	99.16%
Votes against	13,403 votes (including votes casted electronically 13,403 votes)	0.03%
Votes invalid	0 votes	0.00%
Votes abstained	340,597 權 (including votes casted electronically 340,597 votes)	0.79%

RESOLVED, that the above proposal be and hereby was approved as proposed.

### TWO

Proposed by board of directors

Proposal: Discussion 2024 earnings capitalization for New Shares issue, for your approval

Explanation:

1. Considering the needs of future business development, the Company intends to allocate NT\$16,522,970 of shareholders' stock dividends from the distributable earnings for 2024 to issue 1,652,297 new common shares for capital increase at a face value of NT\$10 per share.
2. The capital increase for this issuance will be based on the shareholding percentages for all shareholders as shown through the register of shareholders as of the ex-right base date for share distribution for capital increase, a number of 25 shares shall be allocated for each one thousand shares as gratuitous share allotment. The fractions less than one share, i.e., the odd lots in the allotment process may be pieced together by the shareholders themselves with the Company's shareholder services institution within five days starting from the book closure period. The final fraction shares after the piece-together efforts shall be converted into and paid in cash (rounded to the nearest dollar, insufficient amounts shall be rounded off) for which the Chairman is authorized with plenipotentiary power to solicit specific people to purchase at the par value. For all shareholders who participate in the allocation of shares by means of book-entry transfer, the fractions less than one share shall be converted into the fee required for book-entry transfer process.

3. The rights and obligations associated with the newly issued shares are identical to those of the original common shares.
4. It is proposed to seek authorization from the General Shareholders' Meeting for the Board of Directors to adjust the allotment ratio in the event of subsequent changes caused by variations in the number of outstanding shares due to alterations in the Company's share capital.
5. Regarding the specifics concerning the capital increase and the issuance of new shares, the intention is to seek authorization from the General Shareholders' Meeting for the Board of Directors to wield its complete authority should adjustments be necessary as mandated by the competent authorities or dictated by the prevailing circumstances.
6. Once the capital increase has been approved by the General Shareholders' Meeting and reported to the relevant authorities for approval, the intention is to seek authorization from the ordinary shareholders' meeting for the Board of Directors to establish the base date for the capital increase and the allocation of shares.

Resolution:

Voting results: Shares present at the time of voting: 42,630,469

Voting Results		% of the represented share present
Votes in favor	42,277,165 votes (including votes casted electronically 3,921,232 votes)	99.17%
Votes against	12,951 votes (including votes casted electronically 12,951 votes)	0.03%
Votes invalid	0 votes	0.00%
Votes abstained	340,353 權 (including votes casted electronically 340,353 votes)	0.79%

RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Extemporary Motions: None

VII. Adjournment: 9:21 a.m. June 19, 2025

No question was raised by shareholder.

## Attachment 1 Business Report

### 2024 Business Report

#### **I. Annual Summary and Future Outlook**

In 2024, the global economy faced challenges such as geopolitical tensions, the U.S. presidential election, fluctuating Federal Reserve interest rates, and escalating U.S.-China technology conflicts, creating an environment of uncertainty for industries. Nevertheless, Jarllytec, leveraging its robust manufacturing management, exceptional R&D capabilities, and flexible market strategies, achieved strong growth. In 2024, our full-year revenue reached a historic high of NT\$9.578 billion, reflecting a year-on-year increase of 16.51%, successfully meeting the annual operational targets for all shareholders.

This year, Jarllytec saw growth across its three major product lines: 3C (consumer electronics), NB (notebooks), and LCD (liquid crystal displays). In the 3C segment, foldable smartphones benefited from continuous advancements in thinness, battery life, imaging, and crease reduction, driving increased market penetration. According to IDC, a research firm, shipments of foldable smartphones in China reached 9.17 million units in 2024, up 30.8% year-on-year. As one of the global leaders in supplying hinges for foldable smartphones, Jarllytec made breakthroughs in hinge durability, opening/closing feel, and crease control, deepening collaborations with major global smartphone brands. This propelled the 3C product line to a record-high revenue in 2024.

In the NB and LCD segments, growth was driven by a recovery in demand from both enterprise and consumer markets, the replacement cycle spurred by AI PCs, and accelerated orders from brand manufacturers due to shifting U.S.-China relations. Jarllytec capitalized on these trends, achieving steady growth in both product lines. According to TrendForce, global notebook shipments reached 176 million units in 2024, up approximately 5.5% year-on-year, while global LCD monitor shipments totaled 135 million units, up about 2.6%.

Looking ahead to 2025, foldable products will remain a cornerstone of Jarllytec's business strategy. The company will closely align with its clients' aggressive expansion in the global foldable market, capitalizing on the growing consumer trend of foldable product adoption. In the notebook and monitor segments, Jarllytec will leverage decades of deep R&D expertise to develop advanced hinge technologies for high-end notebooks and monitors, aiming to enhance product competitiveness, ride the AI PC replacement wave, and expand its customer base. Additionally, Jarllytec is committed to exploring emerging applications, including but not limited to foldable tablets, foldable notebooks, automotive hinges, and AR/VR devices, utilizing its precision hinge technology and manufacturing experience to provide optimal solutions and tap into diverse market opportunities.

While driving business growth, Jarllytec continues to actively address ESG (Environmental, Social, and Governance) issues and standards. In 2024, we conducted a comprehensive carbon footprint assessment across the group, significantly enhanced our sustainability report, and introduced green energy and energy-saving equipment to substantially reduce carbon emissions. In 2025, we will implement smart meters and additional energy-saving measures across the group to further advance sustainable supply chain management. Furthermore, Jarllytec has long been recognized for its excellence in corporate governance and actively fulfills its social responsibilities, reflecting our unwavering commitment to sustainable operations.

Jarllytec sincerely thanks all shareholders, customers, and partners for their support and trust. In the coming year, we will relentlessly strive to create a brighter future together.

#### **II. Business Results**

##### **(1) Financial Performance**

The consolidated revenue for 2024 reached NT\$9.578 billion, a 16.51% increase from the previous year. Net profit for the period rose to NT\$577 million, up 7.75% year-on-year, driven by an optimized product mix and other factors. Basic earnings per share were NT\$8.73.

## (2) Budget Execution

Jarlllytec did not publicly disclose financial forecasts for 2024, so there is no budget achievement status to report.

## (3) Financial Income/Expense and Profitability Analysis

Unit : NT\$ Thousand

Item		2024	2023
Financial Income/Expense	Operating Revenue	9,578,170	8,220,663
	Gross Profit	1,586,125	1,483,249
	Operating Expenses	1,035,899	892,987
	Profit before Tax	812,697	737,971
	Net Profit	576,762	535,278
Profitability	Return on Assets (%)	5.52	5.75
	Return on Equity (%)	10.34	10.87
	Pre-Tax Profit to Paid-in Capital Ratio (%)	122.96	111.65
	Net Profit Margin (%)	6.02	6.51
	Earnings Per Share (NT\$)	8.73	8.69

Note : The data in this table is based on Jarlllytec's consolidated financial statements.

## (4) Research and Development (R&D) Status

R&D expenses in 2024 amounted to NT\$268.055 million, accounting for approximately 2.80% of revenue, an increase of NT\$44.26 million from NT\$223.795 million in 2023.

Jarlllytec currently focuses on developing hinges for notebooks, all-in-one (AIO) PCs, stands for LCD monitors, webcams, and flexible foldable screens. Beyond existing applications in foldable smartphones, we are collaborating with clients to develop flexible screens for other devices, expanding hinge technology into more diverse products. Additionally, Jarlllytec has innovated a dual-rigid-screen hinge structure, enabling two rigid screens to seamlessly connect when fully opened, resembling a single large screen. This unique hinge design has been well-received by clients and is expected to pass validation within the next year. The R&D team has also recruited motor engineering talent to develop motorized hinges, integrating software/hardware control and mechanical design to enable automated opening/closing and screen elevation functions.

Jarlllytec's R&D team maintains close collaboration with clients, holding regular product discussions to stay ahead of market trends and drive continuous innovation, guiding internal R&D direction. Internally, the R&D unit hosts regular seminars on new technologies, encouraging innovative research and product development while promptly filing patents to build a robust intellectual property protection network, enhancing product competitiveness. Equally important, in response to global emphasis on environmental protection, Jarlllytec is adopting materials with higher recycling rates to increase the use of recycled materials in products, reducing carbon emissions and fulfilling corporate social responsibility.

## III. Business Plan

### **(1) Key Operating Policies**

1. Provide high-quality service, meticulous management, continuous improvement, and pursue sustainable operations.
2. Deepen the development of high-precision, high-value-added key components and technologies in Taiwan.
3. Flexibly adjust and diversify production and supply to ensure uninterrupted operational capacity.
4. Implement budget management, control expenditures, and effectively utilize corporate resources.
5. Continue investing in R&D to create differentiated, premium products, improve operational efficiency, and advance toward strategic value addition.
6. Leverage big data analytics for decision-making to achieve smart production processes.
7. Fulfill sustainable operation goals.

### **(2) Expected Sales Volume and Basis**

Jarlllytec did not publicly disclose financial forecasts for 2024, so expected sales volume and its basis are not provided.

## **IV. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment**

### **(1) Regulatory Environment**

Jarlllytec conducts all operations in compliance with relevant laws and regulations, and thus, the regulatory environment has not significantly impacted the company.

### **(2) Competitive Environment**

With a sound financial position, ample capital, and strong credit, Jarlllytec maintains smooth supply chains and enjoys a tradition of priority supply from vendors. Inventory safety levels remain favorable, enabling the company to handle urgent orders and unexpected situations while reducing preparation costs and lead times. Building on its existing customer base, new technologies, and patents, Jarlllytec continues to expand into diverse markets. Beyond steady notebook and monitor businesses, the company is innovating in emerging tech fields such as foldable smartphones, foldable notebooks, foldable tablets, smart keyboards, and AR/VR.

### **(3) Overall Business Environment**

Jarlllytec assesses the current notebook market inventory levels as healthy. In 2025, the emergence of edge AI trends and Microsoft's end of support for Windows 10 in October are expected to drive demand for AI PC replacements, maintaining stable notebook shipments throughout the year. According to TechInsights, Jarlllytec's key clients demonstrated strong competitiveness in the global foldable smartphone market in 2024, securing a leading position. In 2025, Jarlllytec is expected to continue benefiting significantly from its major clients' growth momentum while achieving success in new foldable product categories.

We sincerely thank all shareholders for their support and trust in Jarlllytec. We will continue to uphold corporate governance, pursue sustainable operations, and create value for customers, shareholders, employees, and society.

Chairman: Chang, Tai-Yuan  
Managerial officer: Chang, Tai-Yuan  
Accountant in charge: Chen, Ying-Syuan

**JARLLYTEC CO., LTD.**  
**Audit Committee's Audit Report**

The board of directors prepared the Company's consolidated financial statements (including individual financial statements), business report and earnings distribution proposal of the year 2024, the consolidated financial statements (included individual financial statements) among them were audited by KPMG, and the audit report has been offered. The consolidated financial statements (including individual financial statements), business report and earnings distribution proposal mentioned above were reviewed and determined to be correct and accurate by the audit committee. The report was made in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, for your examination.

Faithfully  
2025 Annual Shareholders' Meeting of the Company

JARLLYTEC CO., LTD.  
Convener of the audit committee: Yang, Shang-Hsien

May 9, 2025

## **Independent Auditors' Report**

To the Board of Directors of Jarllytec Co., Ltd.:

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters we judge that shall be communicated in the audit report are as follows:

## 1. Revenue recognition

Please refer to Note 4(m) “Revenue recognition”

Description of key audit matter:

The major business of the Group is the development and manufacturing of various hinges which applied in computer, communication and consumer electronics, etc. The Operating Revenue is the main indicator for the investor to evaluate the financial and business performance of the Group. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- (1) Understanding the design and implementation of internal controls over revenue recognition and verifying the compliance of accounting policy.
- (2) Testing the manual control of sales and collection cycle.
- (3) Analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant exceptions or irregular transactions exist.
- (4) Examining the vouchers to determine the appropriate cut offs for revenue recognition within selected periods before and after the balance sheet date to evaluate whether the revenue was recorded in the appropriate period.

## 2. Impairment evaluation of accounts receivable

Please refer to Note 4(g)(i)(1) “Financial assets measured at amortized cost”; Note 5(a) Significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(c) Notes and accounts receivables.

Description of key audit matter:

The Group measured its accounts receivable by the recoverable amounts due to the provision of bad debt allowance that is subject to the management’s judgement. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- (1) Assessing the rationality of the provision policy and verifying the compliance of provision policy for accounts receivable allowance.
- (2) Examining the aging analysis table and checking the amount of receivables received after the balance date, as well as discussing with the management to assess the whether or not the provision is reasonable.
- (3) Evaluating the adequacy of the Group’s disclosure for bad debt allowance.

### 3. Inventory valuation

Please refer to Note 4(h) “Inventories”; Note 5(b) “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(e) “Inventories”.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, with the rapid development of the consumer market and the volatility of sales, that may result in the cost of inventory and may exceed its net realizable value. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- (1) Examining the inventory aging report and analyzing the trends of inventory aging.
- (2) Evaluating the rationality of the provision policy and verifying the compliance of provision policy for inventory valuation.
- (3) Assessing the adequacy of the Group’s disclosure for inventories.

### **Other Matter**

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

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

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

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

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

### **Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsu, Ming-Fang and Zhuang, Jun-Wei.

KPMG

Taipei, Taiwan (Republic of China)

March 7, 2025

#### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
JARLLYTEC CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(a))	\$ 3,275,344	29	2,967,196	29	2100	Short-term borrowings (Note 6(j) and 8)	\$ 522,390	5	629,810	6
1110	Current financial assets at fair value through profit or loss (Note 6(b))	91,752	1	15,386	-	2170	Notes and accounts payables	2,631,231	23	2,431,380	18
1170	Notes and accounts receivables, net (Note 6(c)(t))	3,622,782	31	3,018,798	30	2200	Other payables (Note 6(k))	1,194,454	11	1,157,079	12
1200	Other receivables, net (Note 6(d))	54,764	-	37,930	-	2230	Current tax liabilities	53,841	-	74,508	1
1220	Current income tax assets	1,960	-	6,120	-	2280	Current lease liabilities (Note 6(n))	41,773	-	29,273	-
130X	Inventories (Note 6(e))	894,239	8	866,940	9	2322	Long-term borrowings, current portion (Note 6(l) and 8)	13,995	-	186,111	3
1410	Prepayments and other current assets (Note 6(6))	129,074	1	106,371	1	2399	Other current liabilities	47,475	-	29,480	-
	<b>Total current assets</b>	<u>8,069,915</u>	<u>70</u>	<u>7,018,741</u>	<u>69</u>		<b>Total current liabilities</b>	<u>4,505,159</u>	<u>39</u>	<u>4,537,641</u>	<u>44</u>
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	1,200	-	254	-	2530	Bonds payable (Note 6(m))	765,936	7	-	-
1517	Non current financial assets at fair value through other comprehensive income (Note 6(b))	101,036	1	122,164	1	2540	Long-term borrowings (Note 6(l) and 8)	54,815	-	68,810	1
1600	Property, plant and equipment (Note 6(g) and 8)	2,795,061	24	2,540,155	25	2570	Deferred income tax liabilities (Note 6(q))	181,762	2	181,442	2
1755	Right-of-use assets (Note 6(h))	288,093	3	234,285	3	2580	Non-current lease liabilities (Note 6(n))	93,548	1	65,232	1
1780	Intangible assets (Note 6(i))	24,553	-	21,646	-	2640	Net defined benefit liability, non-current (Note 6(p))	37,541	-	37,267	-
1840	Deferred income tax assets (Note 6(q))	60,553	-	44,729	-	2670	Other non-current liabilities, others	3,278	-	2,992	-
1915	Prepayments for equipment	144,061	1	55,352	1		<b>Total non-current liabilities</b>	<u>1,136,880</u>	<u>10</u>	<u>355,743</u>	<u>4</u>
1990	Other non-current assets, others (Note 6(f))	42,226	1	118,953	1		<b>Total liabilities</b>	<u>5,642,039</u>	<u>49</u>	<u>4,893,384</u>	<u>48</u>
	<b>Total non-current assets</b>	<u>3,456,783</u>	<u>30</u>	<u>3,137,538</u>	<u>31</u>	<b>Equity attributable to owners of the parent (Note 6(r)):</b>					
	<b>Total assets</b>	<u>\$ 11,526,698</u>	<u>100</u>	<u>10,156,279</u>	<u>100</u>	<b>Share capital</b>					
						3110	Ordinary share	660,914	6	648,153	7
						3140	Advance receipts for share capital	-	-	12,761	-
							Total share capital	<u>660,914</u>	<u>6</u>	<u>660,914</u>	<u>7</u>
						3200	Capital surplus	1,866,597	16	1,715,423	17
							Retained earnings:				
						3310	Legal reserve	506,588	4	453,672	4
						3320	Special reserve	101,311	1	47,179	-
						3350	Unappropriated retained earnings	2,666,744	23	2,487,018	25
							Total retained earnings	<u>3,274,643</u>	<u>28</u>	<u>2,987,869</u>	<u>29</u>
							Other equity:				
						3410	Exchange differences on translation of foreign financial statements	61,442	1	(128,105)	(1)
						3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income	21,063	-	26,794	-
							Total other equity	<u>82,505</u>	<u>1</u>	<u>(101,311)</u>	<u>(1)</u>
							<b>Total equity</b>	<u>5,884,659</u>	<u>51</u>	<u>5,262,895</u>	<u>50</u>
							<b>Total liabilities and equity</b>	<u>\$ 11,526,698</u>	<u>100</u>	<u>10,156,279</u>	<u>100</u>

See accompanying notes to financial statements.

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

**JARLLYTEC CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

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

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

		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenue (Note 6(t))</b>	\$ 9,578,170	100	8,220,663	100
5000	<b>Operating costs (Note 6(e)(p))</b>	7,992,045	84	6,737,414	82
	<b>Net gross profit</b>	<u>1,586,125</u>	<u>16</u>	<u>1,483,249</u>	<u>18</u>
	<b>Operating expenses (Note 6(c)(n)(p)(r)(u)):</b>				
6100	Selling expenses	247,867	3	222,061	3
6200	Administrative expenses	523,455	5	452,632	6
6300	Research and development expenses	268,055	3	223,795	3
6450	Expected credit loss (gain)	(3,478)	-	(5,501)	-
	<b>Total operating expenses</b>	<u>1,035,899</u>	<u>11</u>	<u>892,987</u>	<u>12</u>
	<b>Net operating income</b>	<u>550,226</u>	<u>5</u>	<u>590,262</u>	<u>7</u>
	<b>Non-operating income and expenses (Note 6(b)(m)(n)(v)):</b>				
7010	Other income	130,063	1	112,872	1
7020	Other gains and losses, net	85,074	1	1,307	-
7050	Finance cost	(28,382)	-	(21,476)	-
7100	Interest income	75,716	1	55,006	1
	<b>Total non-operating income and expenses</b>	<u>262,471</u>	<u>3</u>	<u>147,709</u>	<u>2</u>
	<b>Profit from continuing operations before tax</b>	<u>812,697</u>	<u>8</u>	<u>737,971</u>	<u>8</u>
7950	Less: Income tax expenses (Note 6(q))	<u>235,935</u>	<u>2</u>	<u>202,693</u>	<u>2</u>
	<b>Profit</b>	<u>576,762</u>	<u>6</u>	<u>535,278</u>	<u>6</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Remeasurements of defined benefit plans (Note 6(p))	(941)	-	(6,116)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	2,633	-	15,645	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>1,692</u>	<u>-</u>	<u>9,529</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	189,547	2	(69,777)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>189,547</u>	<u>2</u>	<u>(69,777)</u>	<u>(1)</u>
8300	<b>Other comprehensive income, net of tax</b>	<u>191,239</u>	<u>2</u>	<u>(60,248)</u>	<u>(1)</u>
8500	<b>Total comprehensive income</b>	<u>\$ 768,001</u>	<u>8</u>	<u>475,030</u>	<u>5</u>
	<b>Profit attributable to:</b>				
8610	Shareholders of parent	<u>\$ 576,762</u>	<u>6</u>	<u>535,278</u>	<u>6</u>
	<b>Other comprehensive income attributable to:</b>				
8710	Shareholders of parent	<u>\$ 768,001</u>	<u>8</u>	<u>475,030</u>	<u>5</u>
	<b>Earnings per share (NT dollars) (Note 6(t))</b>				
9750	Basic earnings per share	<u>\$ 8.73</u>		<u>8.69</u>	
9850	Diluted earnings per share	<u>\$ 8.37</u>		<u>8.10</u>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**JARLLYTEC CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity		Total equity
	Retained earnings						Unrealized gains		
	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	(losses) from financial assets measured at fair value through other comprehensive income	
<b>Balance at December 31, 2023</b>	\$ 601,214	-	1,385,445	404,763	76,485	2,157,823	(58,328)	11,149	4,578,551
Profit	-	-	-	-	-	535,278	-	-	535,278
Other comprehensive income	-	-	-	-	-	(6,116)	(69,777)	15,645	(60,248)
Total comprehensive income	-	-	-	-	-	529,162	(69,777)	15,645	475,030
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	-	48,909	-	(48,909)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(180,364)	-	-	(180,364)
Reversal of special reserve	-	-	-	-	(29,306)	29,306	-	-	-
Conversion of convertible bonds	46,939	12,761	329,978	-	-	-	-	-	389,678
<b>Balance at December 31, 2023</b>	<b>648,153</b>	<b>12,761</b>	<b>1,715,423</b>	<b>453,672</b>	<b>47,179</b>	<b>2,487,018</b>	<b>(128,105)</b>	<b>26,794</b>	<b>5,262,895</b>
Profit	-	-	-	-	-	576,762	-	-	576,762
Other comprehensive income	-	-	-	-	-	(941)	189,547	2,633	191,239
Total comprehensive income	-	-	-	-	-	575,821	189,547	2,633	768,001
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	-	52,916	-	(52,916)	-	-	-
Special reserve	-	-	-	-	54,132	(54,132)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(297,411)	-	-	(297,411)
Changes in other capital surplus:									
Due to recognition of equity component of convertible bonds issued	-	-	151,174	-	-	-	-	-	151,174
Conversion of convertible bonds	12,761	(12,761)	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	8,364	-	(8,364)	-
<b>Balance at December 31, 2024</b>	<b>\$ 660,914</b>	<b>-</b>	<b>1,866,597</b>	<b>506,588</b>	<b>101,311</b>	<b>2,666,744</b>	<b>61,442</b>	<b>21,063</b>	<b>5,884,659</b>

See accompanying notes to financial statements.

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

**JARLLYTEC CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

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

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 812,697	737,971
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	360,301	318,487
Amortization expense	32,972	29,384
Expected credit loss (gain)	(3,478)	(5,501)
Net loss (gain) on financial assets at fair value through profit or loss	(12,382)	(4,474)
Interest expense	28,382	21,476
Interest revenue	(75,716)	(55,006)
Dividend revenue	(20,059)	(7,211)
Loss from disposal of property, plant and equipment	8,001	5,629
Gain (loss) on disposal of intangible assets	-	10
<b>Total adjustments to reconcile profit (loss)</b>	<u>318,021</u>	<u>302,794</u>
<b>Changes in operating assets and liabilities:</b>		
Current financial assets at fair value through profit or loss	(66,090)	18,057
Non-current financial assets at fair value through profit or loss	3,000	-
Notes receivables	(1,101)	783
Accounts receivables	(599,556)	(618,899)
Other receivables	(15,341)	8,259
Inventories	(27,299)	(187,936)
Prepayments	(20,735)	(28,522)
Other current assets	(3,298)	(979)
Notes payables	-	(2,134)
Accounts payables	199,851	859,699
Other payables	37,631	43,863
Other current liabilities	17,995	5,473
Net defined benefit liability	(667)	(121)
<b>Total changes in operating assets and liabilities</b>	<u>(475,610)</u>	<u>97,543</u>
<b>Total adjustments</b>	<u>(157,589)</u>	<u>400,337</u>
Cash inflow generated from operations	655,108	1,138,308
Interest received	74,343	54,926
Interest paid	(12,605)	(15,941)
Income taxes paid	(267,946)	(204,101)
<b>Net cash flows from operating activities</b>	<u>448,900</u>	<u>973,192</u>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(34,111)
Disposal of financial assets at fair value through other comprehensive income	15,171	-
Proceeds from refund of paid-up capital of financial assets at fair value through other comprehensive income	9,616	10,150
Acquisition of financial assets at fair value through profit or loss	(2,685,233)	(1,586,711)
Disposal of financial assets at fair value through profit or loss	2,685,233	1,586,711
Acquisition of property, plant and equipment	(315,374)	(202,556)
Disposal of property, plant and equipment	15,107	1,300
Acquisition of intangible assets	(12,928)	(9,427)
Increase in other non-current assets - others	39,936	(78,716)
Increase in prepayments for equipment	(277,783)	(155,075)
Dividends received	20,059	7,211
<b>Net cash flows used in investing activities</b>	<u>(506,196)</u>	<u>(461,224)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	(111,950)	121,287
Issuance of bonds	899,237	-
Repayments of long-term borrowings	(186,111)	(217,361)
Payment of principal of lease liabilities	(50,015)	(45,304)
Increase in other non-current liabilities - others	286	77
Cash dividends paid	(297,411)	(180,364)
<b>Net cash flows used in financing activities</b>	<u>254,036</u>	<u>(321,665)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	111,408	(64,155)
<b>Net increase in cash and cash equivalents</b>	308,148	126,148
<b>Cash and cash equivalents at beginning of period</b>	<u>2,967,196</u>	<u>2,841,048</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 3,275,344</u>	<u>2,967,196</u>

See accompanying notes to financial statements.

## Independent Auditors' Report

To the Board of Directors of Jarllytec Co., Ltd.:

### Opinion

We have audited the financial statements of Jarllytec Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only 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 judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judge that shall be communicated in the audit report are as follows:

#### 1. Revenue recognition

Please refer to Note 4(m) “Revenue recognition”

Description of key audit matter:

The major business of the Group is the development and manufacturing of various hinges which are applied in computer, communication and consumer electronics, etc. The Operating Revenue is the main indicator for the investor to evaluate the financial and business performance of the Group. Therefore, it has been identified as a key audit matter.

See accompanying notes to financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- (1) Understanding the design and implementation of internal controls over revenue recognition and verifying the compliance of accounting policy.
- (2) Testing the manual control of sales and collection cycle.
- (3) Analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant exceptions or irregular transactions exist.
- (4) Examining the vouchers to determine the appropriate cut offs for revenue recognition within selected periods before and after the balance sheet date to evaluate whether the revenue was recorded in the appropriate period.

## 2. Impairment evaluation of accounts receivable

Please refer to Note 4(f)(i)(1) “Financial assets measured at amortized cost”; Note 5(a) “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(c) “Notes and accounts receivables”.

Description of key audit matter:

The Company measured its accounts receivable by the recoverable amounts due to the provision of bad debt allowance that is subject to the management’s judgement. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- (1) Assessing the rationality of the provision policy and verifying the compliance of provision policy for accounts receivable allowance.
- (2) Examining the aging analysis table and checking the amount of receivables received after the balance date, as well as discussing with the management to assess the whether or not the provision is reasonable.
- (3) Evaluating the adequacy of the Company’s disclosure for bad debt allowance.

## 3. Inventory valuation

Please refer to Note 4(g) “Inventories”; Note 5(b) “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and Note 6(e) “Inventories”.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, with the rapid development of the consumer market and the volatility of sales, that may result in the cost of inventory may exceed its net realizable value. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- (1) Examining the inventory aging report and analyzing the trends of inventory aging.

- (2) Evaluating the rationality of the provision policy and verifying the compliance of provision policy for inventory valuation.
- (3) Assessing the adequacy of the Company's disclosure for inventories.

### **Responsibilities of Management and Those Charged with Governance for the parent company only Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsu, Ming-Fang and Zhuang, Jun-Wei.

KPMG

Taipei, Taiwan (Republic of China)  
March 7, 2025

#### **Notes to Readers**

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

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



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
JARLLYTEC CO., LTD.

**Statements of Comprehensive Income**

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenue (Note 6(s) and 7)</b>	\$ 2,499,881	100	2,276,307	100
5000	<b>Operating costs (Note 6(e)(o) and 7)</b>	2,343,889	94	2,148,643	94
	<b>Gross profit</b>	155,992	6	127,664	6
5910	Unrealized loss (profit) from sales	76	-	(439)	-
	<b>Net gross profit</b>	156,068	6	127,225	6
	<b>Operating expenses (Note 6(c)(m)(o)(t)):</b>				
6100	Selling expenses	81,302	3	73,317	3
6200	Administrative expenses	230,896	9	188,924	8
6300	Research and development expenses	131,923	6	123,051	5
6450	Expect credit loss (gain)	(2,171)	-	(3,968)	-
	<b>Total operating expenses</b>	441,950	18	381,324	16
	<b>Net operating income (loss)</b>	(285,882)	(12)	(254,099)	(10)
	<b>Non-operating income and expenses:</b>				
7010	Other income (Note 6(u) and 7)	150,137	6	186,852	8
7020	Other gains and losses, net (Note 6(b)(v) and 7)	54,410	2	(16,777)	(1)
7050	Finance costs (Note 6(l)(m)(u))	(21,451)	(1)	(11,513)	(1)
7070	Share of profit of associates accounted for using equity method	649,164	26	589,416	26
7100	Interest income (Note 6(u))	41,014	2	36,693	2
	<b>Total non-operating income and expenses</b>	873,274	35	784,671	34
7900	<b>Profit from continuing operations before tax</b>	587,392	23	530,572	24
7950	Less: Income tax expenses (benefits) (Note 6(p))	10,630	-	(4,706)	-
	<b>Profit</b>	576,762	23	535,278	24
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Remeasurements of defined benefit plans (Note 6(o))	(941)	-	(6,116)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	(4,829)	-	15,722	1
8330	Share of other comprehensive income of subsidiaries accounted for using equity method – items that will not be reclassified to profit or loss	7,462	-	(77)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	1,692	-	9,529	1
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	189,547	8	(69,777)	(3)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	189,547	8	(69,777)	(3)
8300	<b>Other comprehensive income, net of tax</b>	191,239	8	(60,248)	(2)
8500	<b>Total comprehensive income</b>	\$ 768,001	31	475,030	22
	<b>Earnings per share (NT dollars) (Note 6(r))</b>				
9750	Basic earnings per share	\$ 8.73		8.69	
9850	Diluted earnings per share	\$ 8.37		8.10	

See accompanying notes to financial statements.

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

JARLLYTEC CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		Total equity	
	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
<b>Balance at December 31, 2023</b>	\$ 601,214	-	1,385,445	404,763	76,485	2,157,823	(58,328)	11,149	4,578,551
Profit	-	-	-	-	-	535,278	-	-	535,278
Other comprehensive income	-	-	-	-	-	(6,116)	(69,777)	15,645	(60,248)
Total comprehensive income	-	-	-	-	-	529,162	(69,777)	15,645	475,030
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	-	48,909	-	(48,909)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(180,364)	-	-	(180,364)
Reversal of special reserve	-	-	-	-	(29,306)	29,306	-	-	-
Conversion of convertible bonds	46,939	12,761	329,978	-	-	-	-	-	389,678
<b>Balance at December 31, 2023</b>	<b>648,153</b>	<b>12,761</b>	<b>1,715,423</b>	<b>453,672</b>	<b>47,179</b>	<b>2,487,018</b>	<b>(128,105)</b>	<b>26,794</b>	<b>5,262,895</b>
Profit	-	-	-	-	-	576,762	-	-	576,762
Other comprehensive income	-	-	-	-	-	(941)	189,547	2,633	191,239
Total comprehensive income	-	-	-	-	-	575,821	189,547	2,633	768,001
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	-	52,916	-	(52,916)	-	-	-
Special reserve	-	-	-	-	54,132	(54,132)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(297,411)	-	-	(297,411)
Changes in other capital surplus:									
Due to recognition of equity component of convertible bonds issued	-	-	151,174	-	-	-	-	-	151,174
Conversion of convertible bonds	12,761	(12,761)	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	8,364	-	(8,364)	-
<b>Balance at December 31, 2024</b>	<b>\$ 660,914</b>	<b>-</b>	<b>1,866,597</b>	<b>506,588</b>	<b>101,311</b>	<b>2,666,744</b>	<b>61,442</b>	<b>21,063</b>	<b>5,884,659</b>

See accompanying notes to financial statements.

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

**JARLLYTEC CO., LTD.**

**Statements of Cash Flows**

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

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 587,392	573,702
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	138,418	121,542
Amortization expense	11,768	8,965
Expected credit loss (gain)	(2,171)	(3,968)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	558	(389)
Interest expense	21,451	11,513
Interest revenue	(41,014)	(36,693)
Dividend revenue	(14,792)	(2,503)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	(649,543)	(589,416)
Gain from disposal of property, plant and equipment	(203)	(4)
Unrealized loss (gain) from sales	(76)	439
Total adjustments to reconcile profit (loss)	<u>(535,604)</u>	<u>(490,514)</u>
<b>Changes in operating assets and liabilities:</b>		
Current financial assets at fair value through profit or loss	(60,000)	-
Notes receivables	(1,102)	370
Accounts receivables	(212,777)	288,235
Accounts receivables-related parties	(1,363)	2,234
Other receivables	(14,166)	(4,027)
Other receivable-related parties	48,805	(49,140)
Inventories	(74,920)	98,112
Prepayments	(6,058)	(4,775)
Other current assets	(4,628)	533
Notes payables	-	(2,135)
Accounts payables	42,030	(72,108)
Accounts payables-related parties	29,960	(251,294)
Other payables	(14,730)	(8,843)
Other payables-related parties	(8,708)	8,413
Other current liabilities	19,705	5,352
Net defined benefit liability	(667)	(121)
Total changes in operating assets and liabilities	<u>(258,619)</u>	<u>10,806</u>
Total adjustments	<u>(794,223)</u>	<u>(479,708)</u>
Cash inflow generated from operations	(206,831)	50,864
Interest received	41,321	37,024
Interest paid	(5,576)	(7,475)
Income taxes paid	<u>(22,294)</u>	<u>(13,894)</u>
<b>Net cash flows from operating activities</b>	<u>(193,380)</u>	<u>66,519</u>
<b>Cash flows used in investing activities:</b>		
Proceeds from refund of paid-up capital of financial assets at fair value through other comprehensive income	7,198	10,150
Acquisition of investments accounted for using equity method	(415,865)	(247,903)
Acquisition of property, plant and equipment	(45,004)	(32,001)
Disposal of property, plant and equipment	1,029	5
Acquisition of intangible assets	(5,518)	(1,571)
Net cash receipts from acquisitions of subsidiaries and other business units	38,669	-
Increase in prepayments for equipment	(40,131)	(29,607)
Increase in other non-current assets - others	(6,722)	(8,065)
Dividends received	16,690	2,503
<b>Net cash flows used in investing activities</b>	<u>(449,654)</u>	<u>(306,489)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	-	400,000
Issuance of corporate bonds	899,237	-
Repayments of long-term borrowings	(186,111)	(217,361)
Payment of principal of lease liabilities	(303)	(259)
Cash dividends paid	<u>(297,411)</u>	<u>(180,364)</u>
<b>Net cash flows from financing activities</b>	<u>415,412</u>	<u>2,016</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(227,622)</u>	<u>(237,954)</u>
<b>Cash and cash equivalents at beginning of period</b>	952,451	1,190,405
<b>Cash and cash equivalents at end of period</b>	<u>\$ 724,829</u>	<u>952,451</u>

See accompanying notes to financial statements.

**Attachment 4**

JARLLYTEC CO., LTD.  
Earnings distribution statement  
2024

Unit: NTD

	Subtotal	Sum
Beginning of period undistributed earnings		2,082,559,383
Add: 2024 Net profit after tax	576,762,292	
Add: Changes in ownership interests in subsidiaries	8,363,844	
Minus: 2024 Measure on defined benefit plans	(941,000)	
Minus: Designated legal reserve	(58,418,514)	
Add: Reversal of special reserve	101,310,056	
Distributable earnings		2,709,636,061
Distributed items:		
Stock dividend to shareholders(per share NT\$ 0.25)	(16,522,970)	
Cash dividend to shareholders (per share NT\$ 2)	(132,183,756)	
Accumulated undistributed earnings		2,560,929,335

Chairman: Chang, Tai-Yuan    Managerial officer: Chang, Tai-Yuan    Accountant in charge: Chen, Ying-Syuan

## Attachment 5 Comparison of Amendment of Articles of Incorporation

Amended articles	Current articles	Revised explanation
<p>Article 22            If there is profit at the end of each fiscal year, a ratio of no less than 2% of profit of the current year distributable as employees' compensation <u>(The allocated compensation for non-executive employees shall not be less than 20% of the total allocated employee compensation)</u>. and no higher than 2% as directors' compensation shall be appropriated. However, the Company's accumulated losses shall have been covered first.            The employees <u>non-executive employees</u> mentioned above are paid to the stock or cash, including the eligible employees.</p>	<p>Article 22            If there is profit at the end of each fiscal year, a ratio of no less than 2% of profit of the current year distributable as employees' compensation and no higher than 2% as directors' compensation shall be appropriated. However, the Company's accumulated losses shall have been covered first.            The employees mentioned above are paid to the stock or cash, including the eligible employees.</p>	<p>In order to comply with the regulations update on Article 14 (6) of the Securities and Exchange Act</p>
<p>Article 30            The Articles of Incorporation was drawn up on June 25, 2004.            The 1st amendment ~ The 18<sup>th</sup> amendment: Omitted  <u>The 19th amendment was made on June 19, 2025.</u></p>	<p>Article 30            The Articles of Incorporation was drawn up on June 25, 2004.            The 1st amendment ~ The 18<sup>th</sup> amendment: Omitted</p>	<p>Added amended date.</p>