

Cryomax Cooling System Corp.
Parent Company Only Financial Statements and Independent
Auditors' Report
2024 and 2023
(Stock code: 1587)

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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.

Cryomax Cooling System Corp.
2024 and 2023 Parent Company Only Financial Statements and
Independent Auditors' Report
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Independent Auditors' Report

(114)Cai-Shen-Bao-Zi No.24004820

To Cryomax Cooling System Corp.:

Audit opinion

We have audited the parent company only balance sheet of Cryomax Cooling System Corp. as of December 31, 2024 and 2023, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flow for the period from January 1 to December 31, 2024 and 2023, and the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, based on our audit and the audit reports of other auditors (refer to the Other Matters section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Cryomax Cooling System Corp. as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of audit opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the parent company only financial statements" section in this report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of Cryomax Cooling System Corp. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and with other responsibilities of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China performed. Based on the results of the audit and the reports of other CPAs, 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 refer to, based on our professional judgment, the most important matters for auditing Cryomax Cooling System Corp.'s parent company only financial statements for 2024. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The key audit matters for Cryomax Cooling System Corp.'s separate financial statements in 2024 are described as follows:

Accuracy of the ending of sales revenue

Description of matters

For the accounting policy of the revenue from sales, please refer to note 4(25) to the parent company only financial statements; for the description of the accounting titles of the revenue from sales, please refer to note 6(17) to the parent company only financial statements. The operating revenue of the parent company only financial statements from January 1 to December 31, 2024 was NTD 1,599,497 thousand.

The Company's operating revenue comes from the manufacturing and sales of metal water storage related products for various vehicles. The sales to customers involve different types of transaction conditions. The sales to customers are recognized as sales revenue based on the individual customer's agreed transaction conditions and the control of the product is confirmed after shipment. The control of the shipped goods before the end of the reporting period will affect the financial statements period to which the sales revenue belongs. The aforementioned matters also exist in the subsidiary of Cryomax Cooling System Corp. held by the Company, which is accounted for using the equity method. Therefore, we believe that the accuracy of the sales revenue is one of the most important matters in the annual audit.

The corresponding audit procedures

The main audit procedures that we have implemented are as follows:

1. The Company has conducted an internal control assessment and test on the effectiveness of the timing of the recognition of sales revenue of Cryomax Cooling System Corp.
2. We also performed cut-off testing on sales transactions occurring around the end of the reporting period to assess the accuracy of the timing of revenue recognition.

Evaluation of the provision for valuation loss on inventory

Description of matters

For the accounting policies of inventory, please refer to note 4(11) to the parent company only financial statements; for the important accounting estimates and assumptions of inventory evaluation, please refer to note 5(2) to the parent company only financial statements; for the description of the accounting titles of inventory, please refer to note 6 (4) to the parent company only financial statements; the balance of the inventory cost and allowance for valuation loss on December 31, 2024 were NTD 340,597 thousand and NTD 13,343 thousand, respectively.

The main business of Cryomax Cooling System Corp. is to manufacture and sell metal water storage tanks for various vehicles. Considering the life span of the vehicles and the product market has the characteristics of small quantities and diversified products, in order to obtain market share, the Company needs to prepare sufficient inventory items, resulting in the risk of inventory devaluation or obsolescence is higher. The inventories are measured at the lower of cost or net realizable value. The inventory valuation takes into account the normal consumption, outdatedness, or change in selling price, and the inventory valuation loss is recognized accordingly. The above matters are also held by the subsidiary of Cryomax Cooling System Corp. and are recognized as investment under equity method. As the consideration of the net realizable value of inventory and the adjustment of obsolete inventory of more than specific period involves the subjective

judgment of the management, the amount of provision for valuation loss of inventory has significant impact on the financial statements, the accountant listed the provision for valuation loss of inventory as one of the most important matters in the audit of the current year.

The corresponding audit procedures

The main audit procedures that we have implemented are as follows:

1. Understanding and evaluating the reasonableness of the Company's inventory evaluation policy.
2. Review the annual inventory plan of Cryomax Cooling System Corp. and participate in the annual inventory to assess the effectiveness of the management's division and control of obsolete inventory.
3. The Company's acquisition of the statements for assessing the net realizable value of inventories, the completeness of the verification statements, and the accuracy of the net realizable value and related calculations, in order to assess the reasonableness of the Company's decision to recognize the allowance for inventory valuation losses.
4. Obtained the inventory aging report and verified supporting documents for inventory movement dates to ensure the aging classifications were accurate and consistent with the Group's policies.

Other matters - Audits by other CPAs

For some of the investees accounted for using the equity method included in the parent company only financial statements of Cryomax Cooling System Corp., their financial statements have not been audited by us but by other independent auditors. Therefore, in our opinion on the aforementioned parent company only financial statements, the amounts listed in the financial statements of these companies are based on the audit reports of other independent auditors. The balance of the investment under equity method of the aforementioned companies as of December 31, 2024 and 2023 were NTD 398,665 thousand and NTD 344,927 thousand, accounted for 12.57% and 11.47% of the total

assets. The comprehensive income recognized for the aforementioned companies from January 1 to December 31, 2024 and 2023 were (losses) profits of NTD (119,825) thousand and NTD 6,466 thousand, accounted for 385.00% and 15.22% of the total comprehensive income.

Responsibility of the management and governance unit for the separate financial statements

The management was responsible for preparation of the separate financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining the necessary internal control related to the preparation of the separate financial statements to ensure that the separate financial statements were free of material misstatements due to fraud or errors.

In preparing the parent company only financial statements, the management's responsibilities include assessing Cryomax Cooling System Corp.'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.

The governance unit of Cryomax Cooling System Corp. (including the Audit Committee) is responsible for supervising the financial reporting process.

CPA responsibility for the audit of the Parent Company Only Financial Statements

We audited the separate financial statements for the purpose of obtaining reasonable assurance about whether the separate financial statements were free of material misstatements due to fraud or errors and issuing an audit report. 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 in the parent company only financial statements. Misstatements can arise from fraud or error. If an individual or total amount misstated was reasonably expected to have a impact on the economic decision-making of users of the parent company only financial statements, the misstatements were deemed as material.

As part of an audit in accordance with ROC Audit Standard, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the parent company only financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. 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. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of Cryomax Cooling System Corp.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.
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 Cryomax Cooling System Corp.'s ability to continue as a going concern. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the parent company only financial statements for the users to pay attention to relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or conditions may cause Cryomax Cooling System Corp. to cease to continue as a going concern.
5. We evaluated the overall presentation, structure and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising Cryomax Cooling System Corp. to provide

opinions towards the separate financial statements. We are responsible for the direction, supervision and performance of the parent company only financial statement's audit. We remain solely responsible for our audit opinion.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the R.O.C. Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Cryomax Cooling System Corp.'s parent company only financial statements for 2024 based on the matters communicated with the governance unit. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Lai, Chih-Wei

Certified Public Accountant:

Wang, Yu-Chuan

Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1120348565

Jin-Guan-Zheng-Shen-Zi No. 1020028992

March 14, 2025

Cryomax Cooling System Corp.
Parent Company Only Balance Sheet
December 31 of 2024 and 2023

Unit: NTD thousand

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalent	6(1)	\$ 111,355	4	\$ 140,211	5
1110	Financial assets measured at fair value through profit or loss - current	6(2)	14,888	-	10,151	-
1150	Notes receivable, net	6(3)	35,036	1	44,229	2
1170	Accounts receivable, net	6(3)	246,576	8	214,740	7
1180	Accounts receivable – related parties, net	7(2)	177,919	6	81,256	3
1210	Other receivables - related parties	7(2)	981	-	135,910	5
130X	Inventory	6(4)	327,254	10	314,576	10
1470	Other current assets		47,419	1	8,774	-
11XX	Total current assets		<u>961,428</u>	<u>30</u>	<u>949,847</u>	<u>32</u>
Non-current assets						
1550	Investment under Equity Method	6(5)	1,725,272	55	1,573,014	52
1600	Property, plant and equipment	6(6), 7(2) and 8	444,147	14	461,194	15
1780	Intangible assets		409	-	723	-
1840	Deferred income tax assets	6(23)	29,195	1	21,299	1
1900	Other non-current assets	6(12)	11,474	-	1,456	-
15XX	Total non-current assets		<u>2,210,497</u>	<u>70</u>	<u>2,057,686</u>	<u>68</u>
1XXX	Total assets		<u>\$ 3,171,925</u>	<u>100</u>	<u>\$ 3,007,533</u>	<u>100</u>

(continued)

Cryomax Cooling System Corp.
Parent Company Only Balance Sheet
December 31 of 2024 and 2023

Unit: NTD thousand

Liability and equity	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	6(7) and 8	\$ 797,673	25	\$ 828,249	28
2110	Short-term notes payable	6(8)	-	-	59,923	2
2130	Contractual liabilities – current	6(17)	5,803	-	3,406	-
2150	Notes payable		-	-	120	-
2170	Accounts payable		65,976	2	62,584	2
2180	Accounts payable – related parties	7(2)	283,800	9	163,142	5
2200	Other payables	6(9)	51,759	2	59,285	2
2220	Other account payables – related parties	7(2)	745	-	3,246	-
2230	Current income tax liabilities		-	-	3,239	-
2320	Long-term liabilities due within one year or one business cycle	6(11)	94,329	3	47,874	2
2399	Other current liabilities – other	6(10)(17)	29,707	1	12,351	-
21XX	Total of current liabilities		<u>1,329,792</u>	<u>42</u>	<u>1,243,419</u>	<u>41</u>
Non-current liabilities						
2540	Long-term loans	6(11) and 8	219,622	7	324,777	11
2570	Deferred income tax liabilities	6(23)	65,049	2	64,692	2
2600	to other non-current liabilities	6(12)	-	-	2,639	-
25XX	Total non-current liabilities		<u>284,671</u>	<u>9</u>	<u>392,108</u>	<u>13</u>
2XXX	Total liabilities		<u>1,614,463</u>	<u>51</u>	<u>1,635,527</u>	<u>54</u>
Shareholders' equities						
Share capital						
3110	Common Share Capital	6(14)	800,556	25	686,244	23
Capital reserve						
3200	Capital reserve	6(15)	546,969	17	376,078	13
Retained earnings						
3310	Legal Capital Reserve	6(16)	137,984	4	133,847	4
3320	Special reserve		50,470	2	50,296	2
3350	Unappropriated earnings		71,570	2	176,011	6
Other equities						
3400	Other equities		(50,087)	(1)	(50,470)	(2)
3500	Treasury stock	6(14)	-	-	-	-
3XXX	Total equities		<u>1,557,462</u>	<u>49</u>	<u>1,372,006</u>	<u>46</u>
Material events after the reporting period						
3X2X	Total liabilities and equity		<u>\$ 3,171,925</u>	<u>100</u>	<u>\$ 3,007,533</u>	<u>100</u>

The enclosed notes to the parent company only financial statements are an integral part of this parent company only financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp.
Parent Company Only of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand
(except Earnings (loss) Per Share expressed in NTD)

	Item	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	6(17) and 7(2)	\$ 1,599,497	100	\$ 1,493,762	100
5000	Operating cost	6(4)(22) and 7(2)	(1,455,274)	(91)	(1,360,232)	(91)
5900	Gross operating profit		144,223	9	133,530	9
5910	Unrealized sales loss		1,455	-	451	-
5950	Net gross operating profit		145,678	9	133,981	9
	Operating expense	6(22) and 7(2)				
6100	Marketing expense		(90,942)	(6)	(42,939)	(3)
6200	Administrative expense		(71,295)	(4)	(64,907)	(4)
6300	R&D expenses		(9,560)	-	(9,450)	(1)
6000	Total operating expenses		(171,797)	(10)	(117,296)	(8)
6900	Operating income (loss)		(26,119)	(1)	16,685	1
	Non-operating income and expenses					
7100	Interest income	6(18)	2,249	-	3,348	-
7010	Other revenue	6(19)	1,111	-	1,392	-
7020	Other gains (losses)	6(20)	18,979	1	7,615	1
7050	Financial cost	6(21)	(30,581)	(2)	(24,204)	(2)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	6(5)	(6,421)	-	52,655	4
7000	Total non-operating revenues and expenses		(14,663)	(1)	40,806	3
7900	Net profit (loss) before tax		(40,782)	(2)	57,491	4
7950	Income tax gain (expense)	6(23)	6,980	-	(15,430)	(1)
8200	Net income (loss) for the period		(\$ 33,802)	(2)	\$ 42,061	3
	Other comprehensive income (net amount)					
	Titles not reclassified as profit or loss					
8311	Re-measurement of defined benefit plan	6(12)	\$ 2,870	-	\$ 731	-
8349	Income tax related to items not subject to reclassification	6(23)	(574)	-	(146)	-
8310	Total items not reclassified as profit or loss		2,296	-	585	-
	Titles potentially reclassified as profit or loss subsequently					
8361	Exchange differences from translation of foreign financial statements		30,736	2	(16,019)	(1)
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method – items that may be reclassified to profit or loss		(30,257)	(2)	15,801	1
8399	Income tax related to titles potentially being reclassified	6(23)	(96)	-	44	-
8360	Total amount of titles potentially reclassified as profit or loss subsequently		383	-	(174)	-
8300	Other comprehensive income (net amount)		\$ 2,679	-	\$ 411	-
8500	Total comprehensive income for the period		(\$ 31,123)	(2)	\$ 42,472	3
	Earnings (losses) per share	6(24)				
9750	Basic		(\$ 0.47)		\$ 0.58	
9850	Diluted		(\$ 0.47)		\$ 0.58	

The enclosed notes to the parent company only financial statements are an integral part of this parent company only financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Notes	Capital reserve					Retained earnings			Exchange differences from translation of foreign financial statements	Treasury stock	Total
	Common Share Capital	Common shares	Trading of treasury stock	Employee stock options	Others	Legal Capital Reserve	Special reserve	Unappropriated earnings			
<u>2023</u>											
	\$ 686,244	\$ 353,570	\$ 4,790	\$ -	\$ 17,718	\$ 119,582	\$ 89,317	\$ 177,233	(\$ 50,296)	\$ -	\$ 1,398,158
	-	-	-	-	-	-	-	42,061	-	-	42,061
	-	-	-	-	-	-	-	585	(174)	-	411
	-	-	-	-	-	-	-	42,646	(174)	-	42,472
2022 Appropriations and Distribution of Earnings	6(16)										
Legal Capital Reserve	-	-	-	-	-	14,265	-	(14,265)	-	-	-
Special reserve	-	-	-	-	-	-	(39,021)	39,021	-	-	-
Cash dividend	-	-	-	-	-	-	-	(68,624)	-	-	(68,624)
Balance as of December 31, 2023	\$ 686,244	\$ 353,570	\$ 4,790	\$ -	\$ 17,718	\$ 133,847	\$ 50,296	\$ 176,011	(\$ 50,470)	\$ -	\$ 1,372,006
<u>2024</u>											
	\$ 686,244	\$ 353,570	\$ 4,790	\$ -	\$ 17,718	\$ 133,847	\$ 50,296	\$ 176,011	(\$ 50,470)	\$ -	\$ 1,372,006
	-	-	-	-	-	-	-	(33,802)	-	-	(33,802)
	-	-	-	-	-	-	-	2,296	383	-	2,679
	-	-	-	-	-	-	-	(31,506)	383	-	(31,123)
2023 Appropriations and Distribution of Earnings	6(16)										
Legal Capital Reserve	-	-	-	-	-	4,137	-	(4,137)	-	-	-
Special reserve	-	-	-	-	-	-	174	(174)	-	-	-
Cash dividend	-	-	-	-	-	-	-	(34,312)	-	-	(34,312)
Stock dividends	6(14)	34,312	-	-	-	-	-	(34,312)	-	-	-
Share-based payment for remuneration cost	6(13)	-	-	-	12,641	-	-	-	-	-	12,641
Repurchase of treasury stock	6(14)	-	-	-	-	-	-	-	-	(6,179)	(6,179)
Transfer of treasury stock to employees	6(13)(14)(15)	-	-	5,653	(5,653)	-	-	-	-	6,179	6,179
Capital increase in cash	6(14)	80,000	165,238	-	(6,988)	-	-	-	-	-	238,250
Balance as of December 31, 2024	\$ 800,556	\$ 518,808	\$ 10,443	\$ -	\$ 17,718	\$ 137,984	\$ 50,470	\$ 71,570	(\$ 50,087)	\$ -	\$ 1,557,462

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The enclosed notes to the parent company only financial statements are an integral part of this parent company only financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Notes	January 1 to December 31, 2024		January 1 to December 31, 2023
<u>Cash flow from operating activities</u>				
Net income (loss) before tax for the period		(\$ 40,782)	\$	57,491
Adjustments				
Income and expenses				
Depreciation expense	6(6)(22)	24,364		27,737
Amortization expense	6(22)	314		243
Net gain of financial assets measured at fair value through profit or loss	6(2)(20)	(4,737 )	(	( 4,203)
Interest expense	6(21)	30,581		24,204
Interest income	6(18)	(2,249 )	(	( 3,348)
Dividend income	6(19)	(496)		-
Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	6(5)	6,421	(	( 52,655)
Profit from disposal of property, plant, and equipment	6(20)	(623 )	(	( 520)
Unrealized profit on inter-affiliate accounts		(1,455 )	(	( 451)
Unrealized(profit) loss from translation of foreign currencies		(4,288)		2,274
Share-based payment for remuneration cost	6(13)	12,641		-
Changes in operating assets/ liabilities				
Net changes in assets related to operating activities				
Financial assets mandatorily measured at fair value through profit or loss		-		7,977
Notes receivable, net		9,193	(	( 3,118)
Accounts receivable, net		(6,078 )	(	( 56,957)
Accounts receivable – related parties, net		(90,844 )	(	( 14,272)
Other receivables – related parties, net		(1,941)		3,018
Inventory		(12,678)		68,820
Other current assets		(38,610)		2,279
Other non-current assets		(2,010)		-
Net changes in liabilities related to operating activities				
Contractual liabilities		2,397	(	( 4,020)
Notes payable		(120)		120
Accounts payable		2,869		27,754
Accounts payable – related parties		110,675		95,177
Other payables		(6,493 )	(	( 25,192)
Other payables – related parties to other non-current liabilities		(2,660 )	(	( 2,263)
		(1,780 )	(	( 1,629)
Cash inflow (outflow) from operations		(18,389)		148,466
Interest received		2,734		3,313
Dividend received		496		-
Interest paid		(31,880 )	(	( 22,515)
Income tax paid		(4,644 )	(	( 2,730)
Net cash inflow (outflow) from operation activities		(51,683)		126,534

(continued)

Cryomax Cooling System Corp.
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flow from investing activities</u>			
Acquisition of investment accounted for using the equity method		(\$ 156,206)	(\$ 304,569)
Acquisition of property, plant, and equipment	6(25)	(15,712)	(10,191)
Disposal of property, plant, and equipment		1,059	6,172
Increase in guarantee deposits paid		(324)	(205)
Decrease in guarantee deposits paid		239	40
Other receivables - related parties decreases		138,771	61,153
Other receivables - related parties increased		-	(146,656)
Acquisition of intangible assets		-	(270)
Net cash outflow from investing activities		(32,173)	(394,526)
<u>Cash flow from financing activities</u>			
Increase in short-term loans	6(26)	539,854	364,372
Decrease in short-term loans	6(26)	(571,600)	(411,165)
Increase (decrease) in short-term notes payable	6(26)	(60,000)	10,000
Borrowing of long-term loan	6(26)	-	360,000
Repayment of long-term loans	6(26)	(58,700)	(100,778)
Distribution of cash dividends	6(16)	(34,312)	(68,624)
Capital increase in cash	6(14)	238,250	-
Cost of repurchasing treasury stock	6(14)	(6,179)	-
Consideration for transfer of treasury stock to employees	6(14)	6,180	-
Net cash inflow from financing activities		53,493	153,805
Effect of changes in exchange rate on cash and cash equivalents		1,507	1,461
Decrease in cash and cash equivalents in the current period		(28,856)	(112,726)
Opening balance of cash and cash equivalents	6(1)	140,211	252,937
Closing balance of cash and cash equivalents	6(1)	\$ 111,355	\$ 140,211

The enclosed notes to the parent company only financial statements are an integral part of this parent company only financial statement. Please refer to the enclosed notes.

Chairman: LIU, YEN-TI

Manager: LIU, YEN-TI

Accounting Supervisor: HSU, NAI-LUNG

Cryomax Cooling System Corp.
Notes to the Parent Company Only Financial Statements
2024 and 2023

Unit: NTD thousand
(unless otherwise specified)

I. Company history

Cryomax Cooling System Corp. (hereinafter referred to as the "Company") was established in the Republic of China. The Company's main business items are the manufacturing, processing, trading and import/export of metal water storage tanks for various vehicles.

II. Approval date and procedures of the financial statements

The Parent Company Only Financial Statements were disclosed by the Board of Directors meeting dated March 14, 2025.

III. Application of new and revised standards and interpretations

- (I) The impact of the adoption of newly issued or amended International Financial Reporting Standards approved and announced by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of the International Financial Reporting Standards (IFRS) endorsed and issued into effect by the FSC for application in 2024:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date</u> <u>announced by the IASB</u>
Amendments to IFRS No. 16 "Lease Liabilities in a Sale and Leaseback."	January 1, 2024
Amendments to IAS No. 1 "Classification of Liabilities as Current or Non-current."	January 1, 2024
Amendments to IAS No. 1 "Non-current liabilities with contractual clauses."	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Company has assessed that the above standards and interpretations have no significant impact on the Company's financial position and financial performance.

- (II) The impact of not adopting the new and amended IFRSs that have been approved by the FSC has not yet been adopted.

The following table sets forth the standards and interpretations for the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) recognized by the FSC for application in 2025:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date</u> <u>announced by the IASB</u>
Amendments to IFRS 9 and IFRS 7 - "Amendments to the Classification and Measurement of Financial Instruments" regarding the application of the classification of financial assets	January 1, 2026
Amendment to IAS No. 21 "Lack of Convertibility."	January 1, 2025

The Company has assessed that the above standards and interpretations have no significant impact on the Company's financial position and financial performance.

(III) The impact of the IFRSs that have been issued by the IASB but have not yet been approved by the FSC:

The following table sets forth the new issues, amendments, and revisions of International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) but have not yet been approved by the FSC:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date announced by the IASB</u>
Amendments to IFRS 9 and IFRS 7 - "Amendments to the Classification and Measurement of Financial Instruments" regarding the application of the classification of financial assets	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contracts for Renewable Electricity"	January 1, 2026
Amendments to IFRS No. 10 and IAS No. 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture."	To be decided by IASB
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 of Financial Statements"	January 1, 2027
IFRS 19 "Disclosure of Subsidiaries without Public Accountability"	January 1, 2027
"Annual Improvements to IFRS Standards – Cycle 11"	January 1, 2026

Except for the following, the Company has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 "Presentation and Disclosure of Financial Statements" has replaced IAS 1 and updated the structure of the statement of comprehensive income, and added the disclosure of management performance measurement, and strengthened the summary and division of the use in the main financial statements and notes.

IV. Summary of significant accounting policies

The main accounting policies adopted for the preparation of the parent company only financial statements are as follows. Unless otherwise stated, these policies are applicable throughout the reporting period.

(I) Declaration of compliance

The separate financial statements are prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(II) Basis of preparation

1. Except for the following important items, the parent company only financial statements are prepared on the historical cost basis:
 - (1) Financial assets measured at fair value through profit or loss (including derivatives)
 - (2) A defined benefit liability recognized based on the net amount of pension fund assets

- less the present value of defined benefit obligations.
2. The preparation of financial reports in conformity with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC requires the use of some important accounting estimates. In the application of the Company's accounting policies, the management also needs to use its judgment, involving items with high judgment or complexity, or items involving major assumptions and estimates of the parent company only financial statements. Please refer to Note 5 for details.

(III) Conversion of foreign currencies

The items listed in the parent company only financial statements of the Company are measured in the currency (i.e. functional currency) of the primary economic environment where the Company is operating. The parent company only financial statements are presented in the Company's functional currency, NTD.

1. Foreign currency transactions and balances
 - (1) Foreign currency transactions are converted into the functional currency at the spot exchange rate on the transaction date or measurement date. The exchange difference arising from the conversion of such transactions is recognized as current profit or loss.
 - (2) The balance of monetary assets and liabilities in foreign currencies is evaluated and adjusted in accordance with the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as current profit or loss.
 - (3) The balance of non-monetary assets and liabilities in foreign currencies measured at fair value through profit or loss shall be evaluated and adjusted in accordance with the spot exchange rate on the balance sheet date. The exchange difference arising from the adjustment shall be recognized in the current profit or loss; if the balance is measured at fair value through other comprehensive income, it shall be evaluated and adjusted in accordance with the spot exchange rate on the balance sheet date. If the balance is not measured at fair value, it shall be measured in accordance with the historical exchange rate on the initial transaction day.
 - (4) All other exchange gains and losses are reported in the "other gains and losses" of the income statement based on the nature of the transaction.
2. Translation from foreign operations

For all companies and affiliated companies whose functional currency differs from their presentation currency, the operating results and financial status are converted to the presentation currency in the following ways:

- (1) Assets and liabilities expressed on each balance sheet are converted at the closing exchange rate on the balance sheet date;
- (2) the income and expense expressed in the statement of comprehensive income is converted at the average exchange rate for the period; and
- (3) all exchange differences arising from the translation are recognized in other comprehensive income.

(IV) Classification criteria for current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:
 - (1) Assets that are expected to be realized in the normal business cycle, or intended to be sold or consumed.

- (2) Held primarily for trading purposes.
- (3) Expected to be realized within twelve months after the reporting period.
- (4) Cash or cash equivalents, excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

The Company classified all assets that do not meet the above conditions as non-current assets.

2. Liabilities that meet any of the following conditions are classified as current liabilities:
 - (1) Expected to be settled in the normal business cycle of the Company.
 - (2) Held primarily for trading purposes.
 - (3) Due within 12 months after the reporting period.
 - (4) The Company does not have the right to defer the settlement of liabilities for at least 12 months after the reporting period.

The Company classifies all liabilities that do not meet the above conditions as non-current.

(V) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time with little risk of changes in value. Time deposits that meet the definition referred to above and for the purpose of fulfilling short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial assets measured at fair value through profit or loss

1. This refers to financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Company applies trade date accounting for financial assets measured at fair value through profit or loss under regular way transactions.
3. At initial recognition, such financial assets are measured at fair value, with transaction costs recognized immediately in profit or loss. Subsequently, they are remeasured at fair value, with any resulting gains or losses recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to dividends are very likely to flow in, and the amount of dividends can be reliably measured, the Company recognizes the dividend income in profit or loss.

(VII) Accounts and notes receivable

1. These refer to accounts and notes that represent an unconditional right to receive consideration for the transfer of goods or services, as stipulated in the contract.
2. For short-term accounts and notes receivable with unpaid interest, as they have little effect on discount, the Company measures them based on the original invoice amount.

(VIII) Impairment of financial assets

At each balance sheet date, the Company takes into account all reasonable and verifiable information (including forward-looking) on financial assets measured at amortized cost and accounts receivable that comprise significant financial components. If the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at 12 months expected credit loss; if the credit risk has increased significantly since the initial recognition, the loss allowance is measured at lifetime expected credit loss; for accounts receivable that do not include significant financial components, the loss allowance is measured at lifetime expected credit loss.

(IX) Derecognition of financial assets

The Company will derecognize financial assets when any of the following conditions is met:

1. The contractual rights to receive cash flows from financial assets expired.
2. The contractual rights to receive the cash flow of financial assets are transferred, and almost all the risks and rewards of the ownership of financial assets have been transferred.
3. The contractual rights to transfer and receive the cash flow of financial assets are transferred, but the control of financial assets is not retained.

(X) Lessee's lease transaction - operating lease

The income from operating leases, after deducting any incentives given to the lessee, is amortized and recognized as current profit or loss over the lease period in accordance with the straight-line method.

(XI) Inventory

Inventory is measured at the lower of cost or net realizable value, and is recorded in the sustainability account. Cost is determined by the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (amortized according to the normal production capacity, but not including borrowing costs). When comparing the cost and the net realizable value, whichever is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of completion needed to complete the sale.

(XII) Investments using the equity method - subsidiaries

1. A subsidiary is an entity controlled by the Company (including a structured entity). When the Company is exposed to the variable remuneration participated by the entity or is entitled to the right of such return, and is capable to affect the remuneration through its rights over the entity, the Company controls the entity.
2. The unrealized gains and losses arising from the transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to make them consistent with the policies adopted by the Company.
3. The Company recognizes the share of profit or loss of the subsidiary as the current profit or loss after the acquisition, and the share of other comprehensive income after the acquisition as other comprehensive income. If the Company's share of loss recognized in the subsidiary is equal to or exceeds the equity of the subsidiary, the Company will continue to recognize the loss based on the shareholding ratio.
4. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the amortization amount attributed to the owners of the parent company is the same as the profit or loss and other comprehensive income for the period in the parent company only financial statements and the consolidated financial statements prepared on the consolidated basis. The equity attributable to the owners of the parent company in the financial statements is the same.

(XIII) Property, plant and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the relevant interest during the acquisition period is capitalized.

2. The subsequent cost is included in the book value of the asset or recognized as an independent asset only when it is probable that the future economic benefit related to the item will flow into the Company, and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance costs are recognized as current profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment is based on the cost model. Except for land, which is not depreciated, other items are depreciated using the straight-line method based on the estimated useful lives. If the components of property, plant and equipment are significant, they are depreciated separately.
4. At the end of each financial year, the Company reviews the residual value, useful life, and depreciation method of various assets. If the expected value of the residual value and useful life is different from the previous estimate, or the expected consumption pattern of the future economic benefits contained in the asset has changed significantly, then it will be handled in accordance with the provisions of the accounting estimate value change of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The useful lives of various assets are as follows:

House and Building	2–41 years
Machine and equipment	2–15 years
Mold equipment	2–10 years
Transport Equipment	5–10 years
Office equipment	5–10 years
Other equipment	2–15 years

(XIV) Lessee's lease transactions

Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Company. When the lease contract is a short-term lease or a lease of a low-value target asset, the lease payment is recognized as an expense over the lease period by the straight-line method.

(XV) Intangible assets

Computer software

The cost is recognized with computer software, and amortized in accordance with the straight-line method over the estimated useful life of 2 to 5 years.

(XVI) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount falls below the book value, an impairment loss is recognized. The recoverable amount refers to the higher of the fair value of an asset less the disposal cost or its value in use. When the impairment loss of assets recognized previously no longer existed or is reduced, the impairment loss is reversed, but the book value of the assets increased is not more than the book value of the assets without recognizing the impairment loss, net of depreciation or amortization.

(XVII) Loans

Long-term and short-term borrowings from the Bank. The Company measures their fair value less transaction cost at initial recognition, and subsequently, for any difference between the price after deducting transaction cost and the redemption value, the effective interest method is adopted to recognize interest expense in profit or loss during the period in accordance with the amortization procedure.

(XVIII) Accounts and notes payable

1. Refers to debt incurred for the purchase of raw materials, goods or services, and notes payable for business and non-business purposes.
2. For short-term accounts and notes payable with unpaid interest, as they have little effect on discount, the Company measures them based on the original invoice amount.

(XIX) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations are fulfilled, canceled, or expired.

(XX) Employee benefits

1. Short-term employee benefits
Short-term employee benefits are measured by the non-cash amount expected to be paid and recognized as expenses when the related services are provided.
2. Pension
 - (1) Defined contribution plan
For the defined contribution plan, the amount of pension fund appropriated in accordance with the responsibility and occurrence basis is recognized as the current pension cost. The prepaid contribution is recognized as assets insofar as it can be refunded in cash or future payments are reduced.
 - (2) Defined benefit plan
 - A. The net obligation under the defined benefit plan is calculated by the discount of the future benefit earned by the employees in the current period or in the past, and the present value of the defined benefit obligation on the balance sheet date less the fair value of the plan assets. The actuary using the Projected Unit Credit Method estimates the net defined benefit obligation each year. The discount rate is the market yield rate of government bonds (on the balance sheet date) that are consistent with the currency and period of the defined benefit plan.
 - B. The re-measurement generated from the defined benefit plan is recognized in other comprehensive income in the period in which it occurs and expressed in retained earnings.
 - C. The prior service cost-related expenses are recognized immediately in profit or loss.
3. Severance benefits
Severance benefits are the benefits provided in exchange for the termination of employment before a normal retirement date when an employee decides to accept the offer of the Company's benefits in exchange for the termination of employment. The Company recognizes the expenses when it cannot revoke the offer of severance benefits or upon recognition of related reorganization costs, whichever comes first. Benefits not expected to be completely paid off for the 12 months following the balance sheet date should be discounted.
4. Remuneration to employees and directors
The remuneration to employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If the actual amount resolved to be distributed differs from the estimated amount, it will be treated as a change in accounting estimate. If the employee remuneration is paid in the form of stock, the qualification requirements shall be

determined by the Board of Directors.

(XXI) Share-based payment to employees

For the share-based payment arrangement settled on the date of grant, the employee service acquired at the fair value of the equity instrument granted is recognized as the remuneration cost in the vested period, and the equity is adjusted accordingly. The fair value of equity instruments should reflect the market price vested conditions and the impact of non-vested conditions. The remuneration cost recognized is adjusted according to the expected number of rewards that meet the service conditions and the non-market price vested conditions until the amount recognized ultimately is based on the vested amount on the vested date.

(XXII) Income tax

1. Income tax expenses include current and deferred income tax. Except for the income tax related to items that are recognized in other comprehensive income or directly in equity, the income tax is recognized in profit or loss.
2. The Company calculates the current income tax based on the statutory or substantively enacted tax rate in the country where the Company is operating and generating taxable income on the balance sheet date. The management is responsible for the regular evaluation of the status of income tax returns in accordance with the applicable income tax laws and regulations, and for the income tax liabilities estimated in accordance with the expected taxes to be paid to the tax authorities under the applicable circumstances. The income tax on the undistributed earnings shall be levied in accordance with the Income Tax Act. The income tax expense for the undistributed earnings shall be recognized in the year following the year of the earnings generation after the earnings distribution proposal is approved by the shareholders' meeting.
3. Deferred income tax is recognized in accordance with the balance sheet method based on the temporary difference between the tax base of assets and liabilities and their book value on the parent company only balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill shall not be recognized. If the deferred income tax arises from the initial recognition of assets or liabilities in a transaction (excluding business merger), and the accounting profit or taxable income (tax loss) at the time of the transaction is not affected, and no equivalent taxable and deductible temporary difference arises, then it shall not be recognized. If temporary differences arise from investments in subsidiaries, associates, and joint ventures, and the Company is able to control the timing of the reversal of such temporary differences, and it is probable that these differences will not reverse in the foreseeable future, then no deferred tax liabilities shall be recognized. Deferred income tax is based on the tax rate (and tax laws) that have been enacted or substantively enacted by the balance sheet date, and that are expected to apply when the deferred income tax assets realized or deferred income tax liabilities settled.
4. Deferred income tax assets are recognized when the temporary difference is very likely to be used to offset future taxable income, and deferred income tax assets that are not recognized or recognized are re-evaluated on each balance sheet date.
5. When the Company has a legal right to offset the amount of current income tax assets and liabilities and has an intention to settle on a net basis, or to realize the asset and settle the liability at the same time, the current income tax assets and current income tax liabilities can offset against each other; when the Company has a legal right to offset the amount of current income tax assets and liabilities and has an intention to settle on

a net basis, or to realize the asset and settle the liability at the same time, the deferred income tax assets and liabilities can offset against each other.

(XXIII) Share capital

1. Common shares are classified as equity. The incremental cost directly attributable to the issuance of new shares or subscription rights is deducted by the net amount after income tax and listed in the equity as a deduction in payment.
2. When the Company repurchases the issued shares, the consideration paid for the repurchase includes any directly attributable incremental cost, which is recognized as a deduction in shareholders' equity based on the net amount after tax. If the repurchase of shares is followed by a subsequent issuance, the difference between the consideration received and the carrying amount, after deducting any directly attributable incremental cost and income tax effect, is recognized as an adjustment to shareholders' equity.

(XXIV) Dividend distribution

Dividends distributed to shareholders are recognized in the financial statements when the Board of Directors of the Company decides to distribute such dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed at the shareholders' meeting of the Company decides to distribute such dividends, and are transferred to common shares on the base date of issuance of new shares.

(XXV) Revenue recognition

Sale of products

1. The Company manufactures and sells the metal water storage related products for various vehicles. Sales revenue is recognized when the control of the product is transferred to the customer, that is, when the product is delivered to the customer, the customer has discretion over the sales channel and price of the product, and the Company has no unperformed obligation that may affect the customer's acceptance of the product. When the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product according to the sales contract, or if there is objective evidence to prove that all acceptance criteria have been met.
2. The revenue from the sale of metal water storage tanks for various vehicles is recognized by the contract price less the net amount of the estimated sales discount and price concession. The Company estimates the sales discount and price reduction based on the historical experience. The amount of revenue recognized is limited to the portion that is highly likely not to occur in the future and will not result in a significant reversal, and the estimate is updated on each balance sheet date. As of the balance sheet date, the estimated sales discount and price concession payable to customers related to sales were recognized as refund liabilities. The payment terms of sales transactions are usually due 30 to 90 days after the end of the month. Since the time interval between the transfer of the promised goods or services to the customer and the customer's payment does not exceed one year, the Company does not adjust the transaction price to reflect the time value of the currency.
3. Accounts receivable are recognized when the goods are delivered to the customer, and the Company has unconditional rights to the contract price since that time. The consideration can be collected from the customer after a certain period of time.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When the Company prepares the parent company only financial statements, the management has used its judgment to determine the adopted accounting policies, and has made accounting estimates and assumptions based on the reasonable expectations of future events based on the situation on the balance sheet date. The significant accounting estimates and assumptions made may be different from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. These estimates and assumptions may lead to a significant adjustment in the book value of assets and liabilities in the next financial year. Description of significant accounting judgments, estimates, and assumptions with uncertainty:

(I) Key judgments adopted in accounting policy

None.

(II) Key accounting estimates and assumptions

The accounting estimates made by the Company are based on the reasonable expectation of future events based on the situation on the date of the specific day. However, the actual results may be different from the estimates. For the risk of significant adjustment to the book value of assets and liabilities in the next financial year, please refer to the following details:

Valuation of inventories

Since inventory must be priced at the lower of cost or net realizable value, the Company must exercise judgment and estimate to determine the net realizable value of inventory on the balance sheet date. Due to the rapid change of technology, the Company evaluates the amount of inventory on the balance sheet date, which is due to normal consumption, outdatedness, or lack of market sales value, and offset the inventory cost in the net realizable value. The inventory evaluation is mainly based on the product demand in the future specific period, so significant changes may occur.

The book value of the Company's inventories amounted to \$327,254 on December 31, 2024.

VI. Explanation of significant accounts

(I) Cash and cash equivalent

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 395	\$ 533
Check deposits and demand deposits	85,322	118,488
Time deposit	25,638	21,190
Total	<u>\$ 111,355</u>	<u>\$ 140,211</u>

1. The credit quality of the financial institutions with which the Company interacts is good, and the Company interacts with several financial institutions to diversify credit risks. The probability of default is expected to be very low.
2. The Company has not pledged cash and cash equivalents.

(II) Financial assets measured at fair value through profit or loss

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current item: Financial assets mandatorily measured at fair		

value through profit or loss		
Emerging stock market company stock	\$ 9,000	\$ -
Non listed, emerging stock or OTC	-	9,000
	9,000	9,000
Valuation adjustment	5,888	1,151
Total	\$ 14,888	\$ 10,151

1. Details of financial assets measured at fair value through profit or loss recognized in profit or loss:

	<u>2024</u>	<u>2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instrument	\$ 4,737	\$ 4,203

2. For credit risk information related to financial assets at fair value through profit or loss, please refer to Note 12(2).

(III) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 35,036	\$ 44,229
Accounts receivable	\$ 247,343	\$ 215,507
Less: Loss allowance	(767)	(767)
	\$ 246,576	\$ 214,740

1. The aging analysis of accounts receivable and notes receivable is as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 202,037	\$ 35,036	\$ 181,309	\$ 44,229
Within 30 days	31,013	-	22,715	-
31- 90 days	13,038	-	5,872	-
91- 180 days	1,106	-	4,870	-
More than 181 days	149	-	741	-
	<u>\$ 247,343</u>	<u>\$ 35,036</u>	<u>\$ 215,507</u>	<u>\$ 44,229</u>

The above aging analysis is based on the overdue date.

2. The balance of accounts receivable and notes receivable as of December 31, 2024 and 2023 were generated from customer contracts. The balance of accounts receivable from customer contracts on January 1, 2023 was \$211,613.
3. Since July 2013, the Company has been purchasing insurance for its accounts receivable (new contracts are replaced annually). The insurance company determines the amount of the credit line granted to the Company. In case of a downsize, 90% of the credit line will be claimed. As of December 31, 2024 and 2023, the balance of accounts receivable covered by insurance amounted to \$53,961 and \$45,615, respectively. When assessing the accounts receivable covered by insurance, the Company has considered the recoverable amount of the accounts receivable and the recoverable amount of the insurance, and

recognized the loss allowance accordingly.

4. The Company did not provide accounts receivable as collateral.
5. Without considering the collateral or other credit enhancements held, the maximum amount of exposure that best represents the credit risk of the Company's notes receivable as of December 31, 2024 and 2023, was \$35,036 and \$44,229, respectively; the maximum amount of exposure that best represents the credit risk of the Company's accounts receivable as of December 31, 2024 and 2023, was \$246,576 and \$214,740, respectively.
6. For the credit risk information of accounts receivable and notes receivable, please refer to Note 12, (2).

(IV) Inventory

		<u>December 31, 2024</u>		
		<u>Allowance for inventory</u>		
	<u>Cost</u>	<u>valuation losses</u>		<u>Book Value</u>
Raw materials	\$ 84,318	(\$ 2,000)	\$	82,318
Work in process	25,346	(529)		24,817
Semi-finished goods	51,661	(2,374)		49,287
Finished good	176,232	(8,342)		167,890
Inventory of goods	<u>3,040</u>	<u>(98)</u>		<u>2,942</u>
Total	<u>\$ 340,597</u>	<u>(\$ 13,343)</u>	<u>\$</u>	<u>327,254</u>

		<u>December 31, 2023</u>		
		<u>Allowance for inventory</u>		
	<u>Cost</u>	<u>valuation losses</u>		<u>Book Value</u>
Raw materials	\$ 74,132	(\$ 2,366)	\$	71,766
Work in process	28,039	(751)		27,288
Semi-finished goods	38,745	(2,294)		36,451
Finished good	178,130	(6,586)		171,544
Inventory of goods	<u>7,571</u>	<u>(44)</u>		<u>7,527</u>
Total	<u>\$ 326,617</u>	<u>(\$ 12,041)</u>	<u>\$</u>	<u>314,576</u>

Related expenses of inventory recognized in the current period:

	<u>2024</u>	<u>2023</u>
Cost of inventory sold	\$ 1,457,063	\$ 1,359,161
Inventory book value	(3,710)	(2,737)
Revenue from sale of scraps	(4,334)	(3,367)
Inventory obsolescence and falling price losses	1,302	123
Inventory scrap loss	5,161	7,552
Revenue from sale of scrap	(268)	(500)
Others	<u>60</u>	<u>-</u>
	<u>\$ 1,455,274</u>	<u>\$ 1,360,232</u>

(V) Investment under Equity Method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
CRYOMAX INTERNATIONAL LTD.	\$ 941,329	\$ 828,275

CRYOMAX U.S.A. INC.	425,145	434,305
CRYOMAX MEXICO S.A. DE C.V.	358,798	310,434
	<u>\$ 1,725,272</u>	<u>\$ 1,573,014</u>

1. For information on the subsidiaries of the Company, please refer to note 4, (3) of the Company's 2024 consolidated financial statements.
2. The details of the investment gain (loss) recognized under the equity method are as follows:

	<u>2024</u>	<u>2023</u>
CRYOMAX INTERNATIONAL LTD.	\$ 61,248	\$ 59,008
CRYOMAX U.S.A. INC.	(9,974)	2,030
CRYOMAX MEXICO S.A. DE C.V.	(57,695)	(8,383)
	<u>(\$ 6,421)</u>	<u>\$ 52,655</u>

(VI) Property, plant and equipment

	<u>Balance at beginning of period</u>	<u>Increase in the current period</u>	<u>Decrease in Current Period</u>	<u>Current transfer</u>	<u>Balance at ending of period</u>
<u>2024</u>					
Cost					
Land	\$ 321,879	\$ -	\$ -	\$ -	\$ 321,879
House and Building	178,527	2,418	(996)	-	179,949
Machine and equipment	79,460	3,945	(9,646)	-	73,759
Mold equipment	21,346	1,014	(5,112)	137	17,385
Transport Equipment	15,719	125	(6,959)	100	8,985
Office equipment	1,570	300	-	-	1,870
Other equipment	4,098	352	(162)	-	4,288
Unfinished construction and equipment to be inspected	1,540	137	-	(237)	1,440
Total	<u>\$ 624,139</u>	<u>\$ 8,291</u>	<u>(\$ 22,875)</u>	<u>\$ -</u>	<u>\$ 609,555</u>
Accumulated depreciation					
House and Building	(\$ 102,183)	(\$ 9,080)	\$ 996	\$ -	(\$ 110,267)
Machine and equipment	(37,066)	(9,364)	8,898	-	(37,532)
Mold equipment	(10,256)	(3,211)	5,071	-	(8,396)
Transport Equipment	(10,630)	(1,781)	6,774	-	(5,637)
Office equipment	(1,025)	(277)	-	-	(1,302)
Other equipment	(1,785)	(651)	162	-	(2,274)
Total	<u>(\$ 162,945)</u>	<u>(\$ 24,364)</u>	<u>\$ 21,901</u>	<u>\$ -</u>	<u>(\$ 165,408)</u>
Total	<u>\$ 461,194</u>				<u>\$ 444,147</u>

	<u>Balance at beginning of period</u>	<u>Increase in the current period</u>	<u>Decrease in Current Period</u>	<u>Current transfer</u>	<u>Balance at ending of period</u>
<u>2023</u>					
Cost					
Land	\$ 321,879	\$ -	\$ -	\$ -	\$ 321,879
House and Building	179,239	1,090	(1,802)	-	178,529
Machine and equipment	92,568	610	(13,718)	-	79,460
Mold equipment	27,285	2,514	(8,453)	-	21,346
Transport Equipment	15,311	1,154	(746)	-	15,719

Office equipment	1,570	-	-	-	1,570
Other equipment	4,835	-	(737)	-	4,098
Unfinished construction and equipment to be inspected	1,440	100	-	-	1,540
Total	<u>\$ 644,127</u>	<u>\$ 5,468</u>	<u>(\$ 25,456)</u>	<u>\$ -</u>	<u>\$ 624,139</u>
Accumulated depreciation					
House and Building	(\$ 94,973)	(\$ 9,012)	\$ 1,802	\$ -	(\$ 102,183)
Machine and equipment	(38,150)	(10,867)	11,951	-	(37,066)
Mold equipment	(13,335)	(4,230)	7,309	-	(10,256)
Transport Equipment	(8,772)	(2,604)	746	-	(10,630)
Office equipment	(768)	(257)	-	-	(1,025)
Other equipment	(1,755)	(767)	737	-	(1,785)
Total	<u>(\$ 157,753)</u>	<u>(\$ 27,737)</u>	<u>\$ 22,545</u>	<u>\$ -</u>	<u>(\$ 162,945)</u>
Total	<u>\$ 486,374</u>				<u>\$ 461,194</u>

1. There was no capitalization of borrowing costs related to property, plant and equipment.
2. Property, plant and equipment are all assets held for own use.
3. Please refer to Note 8 for information regarding property, plant and equipment provided as collateral.

(VII) Short-term loans

<u>Nature of loan</u>	<u>December 31, 2024</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Bank loan			
Secured loan	\$ 502,936	1.97%~5.66%	Land and buildings
Credit loan	294,737	1.94%~5.30%	-
	<u>\$ 797,673</u>		

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Range of interest rates</u>	<u>Collateral</u>
Bank loan			
Secured loan	\$ 623,249	1.84%~6.94%	Land and buildings
Credit loan	205,000	1.81%~1.97%	-
	<u>\$ 828,249</u>		

(VIII) Short-term notes payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Commercial paper payable	\$ -	\$ 60,000
Less: Discount of commercial paper payables	-	(77)
	<u>\$ -</u>	<u>\$ 59,923</u>
Range of interest rates	<u>-</u>	<u>1.88%</u>

The above-mentioned commercial paper payable is guaranteed and issued by China Bills Finance Corporation

(IX) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary and bonus payable	\$ 19,052	\$ 21,968
Employee remuneration payable	63	1,886
Directors remuneration payable	-	1,835
Equipment payable	637	294
Others	<u>32,007</u>	<u>33,302</u>
	<u>\$ 51,759</u>	<u>\$ 59,285</u>

(X) Other current liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refund liabilities	\$ 28,182	\$ 11,348
Others	<u>1,525</u>	<u>1,003</u>
	<u>\$ 29,707</u>	<u>\$ 12,351</u>

(XI) Long-term loans

<u>Nature of loan</u>	<u>Duration and repayment of loans</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Borrowings repaid in installments				
Credit loan	From November 14, 2023 to September 14, 2030, and the repayment is made on a monthly basis starting in the second year.	2.40%	-	\$ 157,700
Secured loan	From May 3, 2023 to May 3, 2028, and the repayment is made on a monthly basis starting in the second year.	2.11%~2.39%	Land and buildings	110,828
Secured loan	From May 31, 2013 to May 31, 2028, and repaid in one equal installment per month	2.11%	Land and buildings	<u>45,423</u>
				313,951
Less: Long-term borrowings due within one year or one business cycle				<u>(94,329)</u>
				<u>\$ 219,622</u>

<u>Nature of loan</u>	<u>Duration and repayment of loans</u>	<u>Range of interest rates</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Borrowings repaid in installments				
Credit loan	From November 14, 2023 to September 14, 2030, and the repayment is made on a monthly basis starting in the second year.	2.01%	-	\$ 160,000
Secured loan	From May 3, 2023 to May 3, 2028, and the repayment is made on a monthly basis starting in the second year.	1.98%~2.27%	Land and buildings	150,000
Secured loan	From May 31, 2013 to May 31, 2028, and repaid in one equal installment per month	1.98%	Land and buildings	<u>62,651</u>

	372,651
Less: Long-term borrowings due within one year or one business cycle	(47,874)
	<u>\$ 324,777</u>

(XII) Pension

1. (1) The Company has established a defined benefit retirement plan in accordance with the "Labor Standards Act" which is applicable to the seniority of all full-time employees before the "Labor Pension Act" came into effect on July 1, 2005, and the seniority of employees who choose to continue to apply the Labor Standards Act after the "Labor Pension Act" came into effect. For employees who meet the retirement requirements, the pension payment is calculated based on the length of service and the average salary of the six months prior to retirement. Two bases are given for each full year of service within 15 years (inclusive), and one base is given for each full year thereafter, up to a maximum of 45 bases. The Company contributes 2% of the total salary to the pension fund every month and deposits the fund in a special account under the name of the Labor Pension Reserve Supervisory Committee in the Bank of Taiwan. In addition, before the end of each year, the Company estimates the balance of the pension account for the labor retirement reserve fund as mentioned in the preceding paragraph. If the balance is insufficient to pay the pension amount for the estimated number of pension for the labor retirement fund in the following year, the Company will make a provision for the difference before the end of March of the following year.

(2) The amount recognized in the balance sheet is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ 23,401	\$ 25,389
Fair value of plan assets	(25,412)	(22,750)
Net defined benefit liabilities (assets)	<u>(\$ 2,011)</u>	<u>\$ 2,639</u>

(3) Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>2024 Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
January 1	\$ 25,389	(\$ 22,750)	\$ 2,639
Current service cost	-	-	-
Interest expense (income)	305	(273)	32
	<u>25,694</u>	<u>(23,023)</u>	<u>2,671</u>
Remeasurement:			
Impact of changes in demographic assumptions	-	-	-
Impact of changes in financial	(890)	-	(890)

assumptions			
Experience adjustments	150	-	150
Return on planned assets	-	(2,130)	(2,130)
	<u>(740)</u>	<u>(2,130)</u>	<u>(2,870)</u>
Contribution to pension fund	-	(1,812)	(1,812)
Payment of pension	<u>(1,553)</u>	<u>1,553</u>	<u>-</u>
December 31	<u>\$ 23,401</u>	<u>(\$ 25,412)</u>	<u>(\$ 2,011)</u>
		<u>2023</u>	
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
January 1	\$ 28,809	(\$ 23,810)	\$ 4,999
Current service cost	-	-	-
Interest expense (income)	<u>403</u>	<u>(333)</u>	<u>70</u>
	<u>29,212</u>	<u>(24,143)</u>	<u>5,069</u>
Remeasurement:			
Impact of changes in demographic assumptions	-	-	-
Impact of changes in financial assumptions	485	-	485
Experience adjustments	<u>(1,145)</u>	<u>-</u>	<u>(1,145)</u>
Return on planned assets	-	(71)	(71)
	<u>(660)</u>	<u>(71)</u>	<u>(731)</u>
Contribution to pension fund	-	(1,699)	(1,699)
Payment of pension	<u>(3,163)</u>	<u>3,163</u>	<u>-</u>
December 31	<u>\$ 25,389</u>	<u>(\$ 22,750)</u>	<u>\$ 2,639</u>

- (4) The Bank of Taiwan is entrusted to manage the Company's defined benefit pension plan fund in accordance with the Fund's annual investment and utilization plan and Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e. deposit in domestic and foreign financial institutions, investment in domestic and foreign listed, OTC or private placement of equity securities, investment in domestic and foreign real estate securitization products, etc.). The utilization of the fund is supervised by the Labor Pension Fund Supervisory Committee. The minimum income allocated to the annual final accounts of the fund shall not be less than the income calculated based on the two-year fixed deposit interest rate of the local bank. If there is any deficiency, the deficiency shall

be compensated by the competent authority after approval. As the Company has no right to participate in the operation and management of the fund, the Company is unable to disclose the classification of the fair value of the plan assets in accordance with Paragraph 142 of IAS 19. For the fair value of the total assets of the fund as of December 31, 2024 and 2023, please refer to the labor pension fund utilization report published by the government each year.

- (5) The actuarial assumptions about pension are summarized as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	<u>1.60%</u>	<u>1.20%</u>
Future salary increase rate	<u>3.00%</u>	<u>3.00%</u>

The assumptions about the mortality rate in the future in 2024 and 2023 are based on the sixth experience life table of Taiwan's life insurance industry.

- (6) The analysis of the present value of the defined benefit obligation due to the changes in the main actuarial assumptions is as follows:

	<u>Discount rate</u>		<u>Future salary increase rate</u>	
	<u>Increase by</u>	<u>Decrease by</u>	<u>Increase by</u>	<u>Decrease by</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>

December 31, 2024

Impact of present value of defined benefit obligation	<u>(\$ 532)</u>	<u>\$ 551</u>	<u>\$ 484</u>	<u>(\$ 471)</u>
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December 31, 2023

Impact of present value of defined benefit obligation	<u>(\$ 603)</u>	<u>\$ 626</u>	<u>\$ 550</u>	<u>(\$ 534)</u>
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The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net pension liabilities on the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

- (7) The Company is expected to contribute \$1,878 to the pension plan in 2025.
 (8) As of December 31, 2024, the weighted average duration of the pension plan was 10 years. The maturity analysis of pension payment is as follows:

Less than 1 year	\$ 601
1–2 years	644
2–5 years	6,066
Over 5 years	<u>9,062</u>
	<u>\$ 16,373</u>

2. (1) Since July 1, 2005, the Company has established the regulations for defined contribution of pension fund in accordance with the "Labor Pension Act" which is applicable to employees with ROC nationality. For employees who choose to adopt the labor pension system under the "Labor Pension Act", the Company contributes 6% of the monthly salary to their individual pension accounts at the Bureau of Labor Insurance. The payment of the employee pension is based on the employee's individual pension account and the accumulated return, which are paid monthly or in lump sum.

(2) In 2024 and 2023, the Company recognized pension costs of \$3,964 and \$4,030, respectively, in accordance with the above-mentioned pension measures.

(XIII) Share-based payment

1. The share-based payment arrangement of the Company in 2024 is as follows:

<u>Types of agreements</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vested conditions</u>
Transfer of treasury stock to employees	2024.8.9	250 thousand shares	0.09 year	Vested immediately
Capital increase in cash	2024.11.11	800 thousand shares	0.04 year	Vested immediately

The Company's plan to transfer treasury stock to employees is to dispose of the stock immediately after the subscription, and the employees may leave the Company during the vesting period without the need to return the stock and the dividends distributed.

2. The details of the above share-based payment arrangement are as follows:

(1) Transfer of treasury stock to employees

	<u>Number of stock options</u>	<u>2024 Weighted average contract price (NTD)</u>
January 1 beginning of period outstanding stock options	-	\$ -
Stock options granted in the current period	250,000	-
Execution of stock options in the current period	(250,000)	24.72
December 31 end of period outstanding stock options	<u>-</u>	
December 31 end of period option exercisable	<u>-</u>	

(2) Capital increase in cash

	<u>Number of stock options</u>	<u>2024 Weighted average contract price (NTD)</u>
January 1 beginning of period outstanding stock options	-	\$ -
Stock options granted in the current period	800,000	30.00
Execution of stock options in the current period	(584,000)	30.00
Overdue and invalid stock options in the current period	(216,000)	-
December 31 end of period outstanding stock options	<u>-</u>	
December 31 end of period option exercisable	<u>-</u>	

exercisable

3. The fair value of the share-based payment transaction granted on the grant date is estimated using the Black-Scholes option model. The relevant information is as follows:

<u>Types of agreements</u>	<u>Grant date</u>	<u>Stock price</u>	<u>Performance price</u>	<u>Expected volatility</u>	<u>Expected duration</u>	<u>Expected dividends</u>	<u>Risk-free interest rate</u>	<u>Fair value per unit</u>
Transfer of treasury stock to employees	2024.8.9	\$47.30	\$24.72	59.19%	0.09 year	\$ -	1.27%	\$ 22.61
Capital increase in cash	2024.11.11	\$41.95	\$30.00	55.63%	0.04 year	\$ -	1.29%	\$ 11.97

Note: The expected volatility is estimated based on the historical stock price volatility in the most recent period with the duration of the option.

4. The expenses incurred from the share-based payment transactions are as follows:

	<u>2024</u>	<u>2023</u>
Equity settlement	\$ 12,641	\$ -

(XIV) Share capital

1. As of December 31, 2024, the Company's authorized capital was \$1,000,000 thousand, divided into 100,000 thousand shares, with a paid-in capital of \$800,556 thousand, with a par value of \$10 per share.
2. The outstanding shares at the beginning and ending of the period of the common shares of the Company are adjusted as follows (unit: thousand shares):

	<u>2024</u>	<u>2023</u>
January 1	68,624	68,624
Repurchase of treasury stock	(250)	-
Capital increase in cash	8,000	-
Stock dividends	3,431	-
Transfer of treasury stock to employees	250	-
December 31	<u>80,055</u>	<u>68,624</u>

3. Treasury stock

The Company's Board of Directors resolved on January 27, 2024 to repurchase 500 thousand shares of treasury stock, and 250 thousand shares of treasury stock will be repurchased upon expiration of the period. The amount of repurchase is \$6,179. The balance of treasury stock after transfer to employees is \$0.

- a. Reasons for the recovery of shares and changes in the number of shares (thousand shares):

2024

<u>Reasons for recovery</u>	<u>Number of shares at the beginning of period</u>	<u>Increase in the current period</u>	<u>Current transfer</u>	<u>Number of shares at the end of the period</u>
Transfer of shares to employees	-	(250)	250	-

- b. According to the Securities and Exchange Act, the percentage of shares repurchased by the Company shall not exceed 10% of the total number of issued shares, and the total amount of repurchase shall not exceed the sum of the retained earnings plus the premium from the issuance of shares and the realized capital reserve.
- c. The treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer in accordance with the Securities and Exchange Act.
- d. According to the Securities and Exchange Act, the shares repurchased for transfer to employees should be transferred within five years from the date of repurchase. If the shares are not transferred after the expiration date, they should be deemed as unissued shares of the Company and should be canceled for change of registration. The shares repurchased for the protection of the credit and shareholders' equity of the Company shall be canceled within six months from the date of the repurchase.
- e. December 31, 2023: None.
4. On May 30, 2024, the Company's shareholders' meeting resolved to increase capital by issuing 3,431 thousand shares at par value of \$10 per share with the undistributed earnings of \$34,312 thousand. This capital increase was approved by the FSC on July 26, 2024, and the Board of Directors resolved on August 9, 2024 to set the capital increase record date on September 2, 2024.
5. The Company's Board of Directors approved the issuance of 8,000 thousand common shares for cash on August 9, 2024, with a par value of \$10 per share and a price of \$30 per share. This capital increase was approved by the FSC on October 17, 2024, and the Board of Directors authorized the Chairperson to determine the record date of capital increase on October 22, 2024, with November 12, 2024 as the record date.

(XV) Capital reserve

According to the Company Act, the premium from the issuance of shares at a price higher than the par value and the capital reserve from the receipt of gifts may be used to offset a deficit. When the Company has no accumulated deficit, new shares or cash may be issued or paid based on the original shareholding ratio. In accordance with the relevant provisions of the Securities and Exchange Act, the above-mentioned capital reserve is limited to 10% of the paid-in capital annually. The Company shall not make up for the capital loss with the additional paid-in capital unless the additional paid-in capital is insufficient to make up for the capital loss.

	<u>Premium from issuance</u>	<u>Trading of treasury stock</u>	<u>2024 Employee stock options</u>	<u>Others</u>	<u>Total</u>
January 1	\$ 353,570	\$ 4,790	\$ -	\$ 17,718	\$ 376,078
Share-based payment for remuneration cost	-	-	12,641	-	12,641
Transfer of treasury	-	5,653	(5,653)	-	-

stock to employees

Capital increase in cash	<u>165,238</u>	<u>-</u>	<u>(6,988)</u>	<u>-</u>	<u>158,250</u>
December 31	<u>\$ 518,808</u>	<u>\$ 10,443</u>	<u>\$ -</u>	<u>\$ 17,718</u>	<u>\$ 546,969</u>

			<u>2023</u>		
	<u>Premium</u>	<u>Trading of treasury</u>	<u>Employee stock</u>		
	<u>from issuance</u>	<u>stock</u>	<u>options</u>	<u>Others</u>	<u>Total</u>
January 1 and December 31	<u>\$ 353,570</u>	<u>\$ 4,790</u>	<u>\$ -</u>	<u>\$ 17,718</u>	<u>\$ 376,078</u>

(XVI) Retained earnings

1. According to the Articles of Incorporation of the Company, if there is any surplus in the annual final accounts, it shall be distributed in the following order:
 - (1) Paying taxes as required by law.
 - (2) Offsetting accumulated losses
 - (3) After deducting items (1) and (2), 10% of the remaining earnings shall be appropriated as legal reserve.
 - (4) Special reserve is appropriated or reversed in accordance with the law or for operational needs.
 - (5) The amount of the distribution of dividends to shareholders is the accumulated undistributed earnings of the previous years, net of the balance of (1) - (4).
2. The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses in cash in the form of cash dividends, with the attendance of at least two-thirds of the Directors and a resolution of a majority of the Directors present, and report to the shareholders' meeting. The provisions of the preceding paragraph are not applicable.
3. The legal reserve may not be used except to offset a deficit, issue new shares or issue cash in proportion to the original shares held by shareholders, but if the legal reserve exceeds 25% of the paid-in capital, the legal reserve may be used to issue new shares or issue cash.
4. (1) When the Company distributes earnings, it is required by laws and regulations to set aside a special reserve for the balance of other equity items on the balance sheet date of the current year before distribution. When the balance of other equity items is subsequently reversed, the amount of reversal can be included in the distributable earnings.
 - (2) When the IFRSs are first adopted, the special reserve appropriated by the FSC on March 31, 2021 under Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 is reversed when the Company subsequently uses, disposes or reclassifies the relevant assets based on the proportion of the originally appropriated special reserve. If the relevant assets are investment property, the land part is reversed when the disposal or reclassification, and the non-land part is reversed during the period.
5. The Company's Board of Directors approved the 2023 earnings distribution proposal on March 13, 2024, and the 2022 earnings distribution proposal on March 23, 2022, as follows:

		<u>2024</u>		<u>2023</u>
		<u>Dividends per</u>		<u>Dividends per share</u>
	<u>Amount</u>	<u>share (NTD)</u>	<u>Amount</u>	<u>(NTD)</u>
Legal Capital Reserve	\$ 4,137		\$ 14,265	
Special reserve	174		(39,021)	

Cash dividend	34,312	\$	0.50	68,624	\$	1.00
Stock dividends	34,312		0.50	-		-

- (1) The legal reserve, special reserve and cash dividends of the 2022 earnings distribution proposal were approved by the shareholders' meeting on June 2, 2023.
- (2) The legal reserve, special reserve and cash dividends of the 2023 earnings distribution proposal were approved by the shareholders' meeting on May 30, 2024.
6. The Company's Board of Directors resolved to not distribute earnings for the first half of 2024 and 2023 on August 9, 2024 and August 10, 2023, respectively.
7. On March 14, 2025, the Company's Board of Directors resolved to distribute cash dividends of NTD 0.5 per share for 2024 common shares, totaling NTD 40,028 thousand. However, the cash dividends have not yet been reported to the shareholders' meeting.

(XVII) Operating revenue

	<u>2024</u>	<u>2023</u>
Customer contract income	<u>\$ 1,599,497</u>	<u>\$ 1,493,762</u>

1. Customer contract income breakdown

The revenue of the Company comes from the transfer of merchandise at a certain point in time and the revenue can be allocated to the following major geographical areas:

	<u>2024</u>	<u>2023</u>
Americas	\$ 1,155,460	\$ 1,080,536
Taiwan	285,801	270,643
Europe	39,490	46,468
Asia	24,088	21,574
Others	94,658	74,541
Total	<u>\$ 1,599,497</u>	<u>\$ 1,493,762</u>

2. Contract liabilities and refund liabilities

Contract liabilities related to customer contract income recognized by the Company are as follows:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>January 1, 2023</u>
Contractual liabilities:			
Contractual liabilities - advance sales receipts	<u>\$ 5,803</u>	<u>\$ 3,406</u>	<u>\$ 7,426</u>
Refund liabilities (Note)	<u>\$ 28,182</u>	<u>\$ 11,348</u>	<u>\$ 19,013</u>

Note: The refund liability is listed as other current liabilities in the balance sheet mainly due to the estimated sales discount.

Recognize income of contract liabilities at the beginning of period

	<u>2024</u>	<u>2023</u>
Contractual liabilities balance at beginning of period		
Recognized income in the current period	\$ 922	\$ 5,974

(XVIII) Interest income

	<u>2024</u>	<u>2023</u>
Interest on bank deposits	\$ 1,896	\$ 2,440
Loans to related parties	353	908
	<u>\$ 2,249</u>	<u>\$ 3,348</u>

(XIX) Other revenue

	<u>2024</u>	<u>2023</u>
Rent income	\$ 190	\$ 379
Dividend income	496	-
Others	425	1,013
	<u>\$ 1,111</u>	<u>\$ 1,392</u>

(XX) Other gains (losses)

	<u>2024</u>	<u>2023</u>
Profit from disposal of property, plant, and equipment	\$ 623	\$ 520
Gain of financial assets measured at fair value through profit or loss	4,737	4,203
Net foreign exchange gain	13,619	2,892
	<u>\$ 18,979</u>	<u>\$ 7,615</u>

(XXI) Financial cost

	<u>2024</u>	<u>2023</u>
Interest expense:		
Bank loan	\$ 29,405	\$ 23,216
Short-term notes payable discount	1,176	988
	<u>\$ 30,581</u>	<u>\$ 24,204</u>

(XXII) Additional information on the nature of expenses

	<u>2024</u>		
<u>By nature</u>	<u>Classified as</u>	<u>Classified as</u>	<u>Total</u>
	<u>Operating Cost</u>	<u>Operating Expense</u>	
Employee benefit expense			
Payroll expense	\$ 69,151	\$ 53,350	\$ 122,501
Labor and health insurance expense	7,082	4,513	11,595
Pension expense	2,067	1,929	3,996

Remuneration to directors	-	1,520	1,520
Other personnel expenses	3,889	1,887	5,776
Subtotal	<u>\$ 82,189</u>	<u>\$ 63,199</u>	<u>\$ 145,388</u>
Property, plant and equipment depreciation expense	<u>\$ 17,639</u>	<u>\$ 6,725</u>	<u>\$ 24,364</u>
Amortization expenses of intangible assets	<u>\$ -</u>	<u>\$ 314</u>	<u>\$ 314</u>

By nature	2023		Total
	Classified as Operating Cost	Classified as Operating Expense	
Employee benefit expense			
Payroll expense	\$ 64,696	\$ 42,886	\$ 107,582
Labor and health insurance expense	7,411	4,660	12,071
Pension expense	2,222	1,878	4,100
Remuneration to directors	-	3,355	3,355
Other personnel expenses	3,789	1,307	5,096
Subtotal	<u>\$ 78,118</u>	<u>\$ 54,086</u>	<u>\$ 132,204</u>
Property, plant and equipment depreciation expense	<u>\$ 18,966</u>	<u>\$ 8,771</u>	<u>\$ 27,737</u>
Amortization expenses of intangible assets	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 243</u>

1. The number of employees in the year and in the previous year was 192 and 193, respectively. There were 7 directors who did not serve as employees concurrently.
2. An average employee benefit expense of \$778 thousand in the year and an average employee payroll expense of \$693 thousand in the previous year. An average employee payroll expense of \$662 thousand in the year and an average employee payroll expense of \$578 thousand in the previous year. Adjustment and change of 14.53% in the average employee payroll expense.
 - (1) The Company has established an Audit Committee, so there is no supervisor.
 - (2) Remuneration policy of the Company:
 - a. The remuneration standards for directors and managers of the Company are based on the Company's personnel regulations, unless otherwise provided by laws or regulations or the Company's Articles of Incorporation.
 - b. The performance evaluation and remuneration of directors and managers shall be based on the usual level of the industry, and the individual performance, the Company's business performance and the correlation with future risks shall be considered.
 - c. The Remuneration Committee regularly evaluates the performance evaluation of directors and managers, and the policies, systems, standards and structures of remuneration.
 - d. The remuneration to directors includes remuneration and transportation allowance.
 - e. The remuneration to managers and employees includes salary, bonus,

employee remuneration and employee stock options.

- f. The remuneration to managers and employees is determined by taking into account the peer level, individual work experience and performance, and the previous salary level, the "Remuneration System Regulations" and the "Employee Performance Appraisal Regulations" to calculate the compensation.
3. According to the Articles of Incorporation of the Company, if the Company makes a profit in a year, no less than 1% of the profit shall be distributed as remuneration to employees and no more than 5% as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The remuneration to employees referred to in the preceding paragraph shall be paid in the form of shares or in cash. The remuneration may be paid to employees of subsidiaries of the Company who meet certain criteria, such as rank or performance, and the qualification requirements shall be determined by the Board of Directors.
4. The estimated amounts of employees' compensation and directors' remuneration for 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Employee remuneration	\$ -	\$ 1,835
Remuneration to directors	-	1,835
Total	<u>\$ -</u>	<u>\$ 3,670</u>

In 2024, no employee remuneration and director remuneration were appropriated due to losses; in 2023, they were estimated based on the profitability as of the current period, both at 3%.

The amount of remuneration to employees and directors resolved by the Board of Directors in 2023 is consistent with the amount recognized in the financial statements for 2023. The above-mentioned remuneration to employees will be paid in cash. The remuneration to employees and directors for the previous year has been fully paid.

For information on the remuneration of employees and directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(XXIII) Income tax

1. Income tax (gain) expense

(1) Income tax (gain) expense composition:

	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax generated from current income	\$ -	\$ -
Imposition on undistributed earnings	-	3,437
Underestimation (overestimation) of income tax in previous years	<u>1,229</u>	<u>(73)</u>
Total current income tax	<u>1,229</u>	<u>3,364</u>
Deferred income tax:		
The original generation and reversal of temporary difference	<u>(8,209)</u>	<u>12,066</u>
Total deferred income tax	<u>(8,209)</u>	<u>12,066</u>

Income tax (gain) expense	(\$ 6,980)	\$ 15,430
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(2) Income tax related to other comprehensive income (loss):

	<u>2024</u>	<u>2023</u>
Exchange differences from foreign operations	(\$ 6,147)	\$ 3,204
Other comprehensive income of associates	6,051	(3,160)
Re-measurement of defined benefit obligations	(574)	(146)
	<u>(\$ 670)</u>	<u>(\$ 102)</u>

2. Relation between income tax expense (profit) and accounting profit:

	<u>2024</u>	<u>2023</u>
Income tax on net profit before tax calculated at statutory tax rate	(\$ 8,156)	\$ 11,498
Expenses to be removed under the tax laws and regulations	46	112
Income exempted from taxation under the tax laws	(99)	(647)
Underestimation (overestimation) of income tax in previous years	1,229	(73)
Imposition on undistributed earnings	-	4,540
Income tax (gain) expense	<u>(\$ 6,980)</u>	<u>\$ 15,430</u>

3. Deferred income tax assets or liabilities arising from temporary differences and taxation losses are as follows:

	<u>2024</u>			
	<u>Balance at</u>	<u>Recognition in</u>		<u>Balance at</u>
	<u>beginning of</u>	<u>in profit or</u>	<u>other</u>	<u>ending of</u>
	<u>period</u>	<u>loss</u>	<u>comprehensive</u>	<u>period</u>
			<u>net income</u>	
Deferred income tax assets:				
Temporary difference				
Allowance for sales returns and allowances	\$ 2,270	\$ 3,367	\$ -	\$ 5,637
Allowance for inventory valuation losses	2,409	260	-	2,669
Inventory scrap loss	121	48	-	169
Accrued pension liabilities	527	(356)	(171)	-
Accumulated unpaid leave bonus	760	24	-	784
Unrealized gain on sale of mold	1,534	(108)	-	1,426
Accumulated translation effect	12,617	-	(96)	12,521
Others	1,061	(58)	-	1,003
Tax loss	<u>-</u>	<u>4,986</u>	<u>-</u>	<u>4,986</u>

	<u>\$ 21,299</u>	<u>\$ 8,163</u>	<u>(\$ 267)</u>	<u>\$ 29,195</u>
- Deferred income tax liabilities:				
Land value increment tax reserve	(\$ 897)	\$ -	\$ -	(\$ 897)
Overseas long-term investment gains	(63,565)	993	-	(62,572)
Accrued pension assets	-	-	(403)	(403)
Others	<u>(230)</u>	<u>(947)</u>	<u>-</u>	<u>(1,177)</u>
	<u>(\$ 64,692)</u>	<u>\$ 46</u>	<u>(\$ 403)</u>	<u>(\$ 65,049)</u>
		<u>\$ 8,209</u>	<u>(\$ 670)</u>	

		<u>2023</u>		
			<u>Recognition in</u>	
	<u>Balance at</u>	<u>Recognized</u>	<u>other</u>	<u>Balance at</u>
	<u>beginning of</u>	<u>in profit or</u>	<u>comprehensiv</u>	<u>ending of</u>
	<u>period</u>	<u>loss</u>	<u>e net income</u>	<u>period</u>
Deferred income tax assets:				
Temporary difference				
Allowance for sales returns and allowances	\$ 3,803	(\$ 1,533)	\$ -	\$ 2,270
Allowance for inventory valuation losses	2,384	25	-	2,409
Inventory scrap loss	253	(132)	-	121
Pension cost	999	(326)	(146)	527
Accumulated unpaid leave bonus	805	(45)	-	760
Unrealized gain on sale of mold	1,004	530	-	1,534
Accumulated translation effect	12,573	-	44	12,617
Others	832	229	-	1,061
Tax loss	<u>\$ 22,653</u>	<u>(\$ 1,252)</u>	<u>(\$ 102)</u>	<u>\$ 21,299</u>
- Deferred income tax liabilities:				
Land value increment tax reserve	(\$ 897)	\$ -	\$ -	(\$ 897)
Overseas long-term investment gains	(52,944)	(10,621)	-	(63,565)
Others	<u>(37)</u>	<u>(193)</u>	<u>-</u>	<u>(230)</u>
	<u>(\$ 53,878)</u>	<u>(\$ 10,814)</u>	<u>-</u>	<u>(\$ 64,692)</u>
		<u>(\$ 12,066)</u>	<u>(\$ 102)</u>	

4. The effective period of the unused tax loss of the Company and the amount of deferred income tax assets not recognized are as follows:

December 31, 2024

<u>Year of occurrence</u>	<u>Number of reporting/verification</u>	<u>Amount to be credited</u>	<u>Unrecognized amount of deferred income tax assets</u>	<u>Last year of credit</u>
2024	Projected reporting	\$ 24,929	\$ -	2034

The unused amount in 2024 is generated by the Company, and the tax rate is 20%.

- The Company's profit-seeking enterprise income tax has been approved by the tax authorities up to 2022.

(XXIV) Earnings (losses) per share

	<u>Amount after tax</u>	<u>2024 Weighted average outstanding shares (thousand shares)</u>	<u>Loss per share (NTD)</u>
<u>Basic and diluted loss per share</u>			
Net loss for the period	<u>(\$ 33,802)</u>	<u>72,585</u>	<u>(\$ 0.47)</u>

	<u>Amount after tax</u>	<u>2023 Weighted average outstanding shares (thousand shares)</u>	<u>Earnings per share (NTD)</u>
<u>Basic EPS</u>			
Net income for the period	<u>\$ 42,061</u>	<u>72,055</u>	<u>\$ 0.58</u>
<u>Diluted EPS</u>			
Net income for the period	\$ 42,061	72,055	
Effect of potentially dilutive ordinary shares			
-Employee remuneration	<u>-</u>	<u>132</u>	
Impact of net income for the period plus potential ordinary shares	<u>\$ 42,061</u>	<u>72,187</u>	<u>\$ 0.58</u>

- When calculating diluted earnings (losses) per share, it is assumed that the employee remuneration is paid in the form of stock in the current period, and the potential ordinary shares with dilution effect are included in the weighted average number of outstanding shares.
- The above-mentioned weighted average number of outstanding shares has been adjusted retrospectively in accordance with the percentage of undistributed earnings transferred to capital approved by the 2024 shareholders' meeting.
- The employee stock options in 2024 have a dilution effect, so the diluted earnings per share is not calculated.

(XXV) Supplementary information on cash flow

Investment activities paid in cash in part only:

	<u>2024</u>		<u>2023</u>
Purchase of property, plant and equipment	\$ 8,291	\$	5,468
Add: Payables for equipment at the beginning of period	294		170
Less: Payables for equipment at the end of period	(637)	(	294)
Add: Payables for equipment - related parties at the beginning of period	-		4,508
Less: Payables for equipment - related parties at the end of period	(159)	(-
Less: Prepayment for equipment at the beginning of period	(864)	(	525)
Add: Prepayment for equipment at the end of period	<u>8,787</u>		<u>864</u>
Paid in cash in the current period	<u>\$ 15,712</u>	\$	<u>10,191</u>

(XXVI) Changes in liabilities from financing activities

	<u>Short-term loans</u>	<u>Long-term loans (including current portion)</u>	<u>Short-term notes payable</u>	<u>Dividends payable</u>	<u>Total liabilities from financing activities</u>
January 1, 2024	\$828,249	\$ 372,651	\$ 59,923	\$ -	\$ 1,260,823
Changes in cash flow from financing activities	(31,746)	(58,700)	(60,000)	(34,312)	(184,758)
Effect of exchange rate	959	-	-	-	959
Changes in other non-cash	211	-	77	34,312	34,600
December 31, 2024	<u>\$797,673</u>	<u>\$ 313,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,111,624</u>

	<u>Short-term loans</u>	<u>Long-term loans (including current portion)</u>	<u>Short-term notes payable</u>	<u>Dividends payable</u>	<u>Total liabilities from financing activities</u>
January 1, 2023	\$876,000	\$ 113,429	\$ 49,852	\$ -	\$ 1,039,281
Changes in cash flow from financing activities	(46,793)	259,222	10,000	(68,624)	153,805
Effect of exchange rate	(958)	-	-	-	(958)
Changes in other non-cash	-	-	71	68,624	68,695
December 31, 2023	<u>\$828,249</u>	<u>\$ 372,651</u>	<u>\$ 59,923</u>	<u>\$ -</u>	<u>\$ 1,260,823</u>

VII. Transactions with related parties

(I) Names of related parties and their relationships

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
CRYOMAX U.S.A. INC. (CRYOMAX U.S.A)	Subsidiary of the Company
COOLMAX-WAY AUTO PARTS CO., LTD (COOLMAX-	Subsidiary of the Company

WAY DONGGUAN)	
NANJING CRYOMAX AUTO PARTS CO., LTD. (CRYOMAX NANJING)	Subsidiary of the Company
CRYOMAX MEXICO S.A. DE C.V. (CRYOMAX MEXICO)	Subsidiary of the Company
DENSO PRODUCTS AND SERVICES AMERICAS, INC. (DPAM)	Other related party
DENSO INTERNATIONAL ASIA PTE. LTD. (DIAS)	Other related party
DENSO MANUFACTURING ARGENTINA S.A. (DNAR)	Other related party
DENSO DO BRASIL LTDA (DNBR)	Other related party
DENSO TAIWAN CORPORATION (DENSO TAIWAN)	Other related party
DENSO CORPORATION (DENSO)	Entities with significant influence of the Company
DENSO MANUFACTURING MICHIGAN, INC(DMMI)	Other related party

(II) Major transactions with related parties

1. Operating revenue

	<u>2024</u>	<u>2023</u>
Sale of products:		
— CRYOMAX U.S.A	\$ 356,127	\$ 231,527
— DPAM	143,017	194,549
— Subsidiary	16,234	16,708
— Other related party	51,746	50,639
	<u>\$ 567,124</u>	<u>\$ 493,423</u>

The transaction price of the above-mentioned sales is based on the agreement between both parties. In 2023, the collection terms of the subsidiary, CRYOMAX U.S.A, are prepayment due to the exchange rate consideration. The other related parties are all collected within 60 to 90 days after the month settlement. The general customers are collected within 30 to 90 days after the month settlement.

2. Procurement

	<u>2024</u>	<u>2023</u>
Purchase of products:		
- Cryomax Nanjing	\$ 731,091	\$ 650,745
- Coolmax-way Dongguan	236,137	180,601
— Other related party	222	1,072
	<u>\$ 967,450</u>	<u>\$ 832,418</u>

The above-mentioned purchase transactions are mainly directly purchased from Coolmax-way Dongguan and Cryomax Nanjing, and some of them are purchased from vendors. There is no similar transaction to follow. The payment terms of Cryomax Nanjing and Coolmax-way Dongguan for 2024 and 2023 are both paid within 60 to 90 days of the month settlement; for other related parties of the Company, they are paid within 30 to 90 days of the month settlement; for general suppliers, they are paid within 30 to 120 days of the month settlement.

3. Accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Receivables from related parties:		
— CRYOMAX U.S.A	\$ 129,106	\$ 43,593
— DPAM	30,428	26,265
— Subsidiary	5,464	7,224
— Other related party	12,921	4,174
	<u>\$ 177,919</u>	<u>\$ 81,256</u>

4. Accounts payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
(1) Accounts payable:		
- Cryomax Nanjing	\$ 185,522	\$ 113,020
- Coolmax-way Dongguan	97,904	49,671
— Other related party	374	451
	<u>\$ 283,800</u>	<u>\$ 163,142</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
(2) Other payables:		
Entities with significant influence of the Company	\$ 586	\$ 3,246

The other payables mentioned above are royalty expenses, and are paid every six months.

5. Property transactions

(1) Acquisition of property, plant, and equipment

	<u>2024</u>		<u>2023</u>	
	<u>Acquisition price</u>	<u>Equipment payable</u>	<u>Acquisition price</u>	<u>Equipment payable</u>
Cryomax Nanjing	<u>\$ 679</u>	<u>\$ 159</u>	<u>\$ 5,521</u>	<u>\$ -</u>

(2) Disposal of property, plant, and equipment

	<u>2024</u>		<u>2023</u>	
	<u>Disposal price</u>	<u>Disposal gains</u>	<u>Disposal price</u>	<u>Disposal gains</u>
Cryomax Nanjing	<u>\$ 964</u>	<u>\$ 763</u>	<u>\$ 5,905</u>	<u>\$ 354</u>

(3) Acquisition of financial assets

			<u>2024</u>
	<u>Title</u>	<u>Number of shares traded (thousand shares)</u>	<u>Trading target</u>
			<u>Acquisition price</u>
CRYOMAX MEXICO	Investment under Equity Method	86,573	Shares
			<u>\$ 48,364</u>

	<u>Title</u>	<u>Number of shares traded (thousand shares)</u>	<u>Trading target</u>	<u>2023 Acquisition price</u>
CRYOMAX MEXICO	Investment under Equity Method	176,517	Shares	<u>\$ 310,389</u>

6. Lease transaction - Lessee

Lease expense

	<u>2024</u>	<u>2023</u>
CRYOMAX U.S.A	<u>\$ 1,152</u>	<u>\$ 1,118</u>

7. Loaning of funds to related parties

Loans to related parties

	<u>December 31, 2024</u>			
	<u>Balance at ending of period</u>	<u>Interest rate (%)</u>	<u>Interest receivable</u>	<u>Interest income</u>
Cryomax Nanjing	<u>\$ -</u>	2%	<u>\$ -</u>	<u>\$ 353</u>
	<u>December 31, 2023</u>			
	<u>Balance at ending of period</u>	<u>Interest rate (%)</u>	<u>Interest receivable</u>	<u>Interest income</u>
Cryomax Nanjing	<u>\$ 43,270</u>	2%	<u>\$ 510</u>	<u>\$ 908</u>
CRYOMAX MEXICO	<u>92,130</u>	0%	<u>-</u>	<u>-</u>
	<u>\$ 135,400</u>		<u>\$ 510</u>	<u>\$ 908</u>

The loan terms for Cryomax Nanjing and CRYOMAX MEXICO are 1 year from the actual disbursement, and the principal and interest are paid after maturity.

(III) Information on remuneration to key management personnel

	<u>2024</u>	<u>2023</u>
Remuneration and other short-term employee benefits	<u>\$ 12,051</u>	<u>\$ 15,997</u>
Pension	<u>354</u>	<u>409</u>
	<u>\$ 12,405</u>	<u>\$ 16,406</u>

VIII. Pledged assets

The details of the collateral with the Company's assets are as follows:

<u>Assets</u>	<u>Book value</u>		<u>Purpose of guarantee</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Property, plant and equipment	<u>\$ 385,927</u>	<u>\$ 392,573</u>	Long, short-term loans

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Contingency

None.

(II) Commitment

None.

X. Losses due to major disasters

None.

XI. Material events after the reporting period

The Company's Board of Directors approved the 2024 earnings distribution proposal on March 14, 2025. Please refer to Note 6(16)7. for details.

XII. Others

(I) Capital management

The Company's capital management objective is to ensure the Company's continuous operation, maintain the best capital structure to reduce the cost of capital, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders or issue new shares to reduce liabilities. The Company controls its capital by using the debt to total assets ratio. Said ratio is calculated by dividing total liabilities by total assets.

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 14,888	\$ 10,151
Financial assets measured at amortized cost		
Cash and cash equivalent	\$ 111,355	\$ 140,211
Notes receivable	35,036	44,229
Accounts receivable	246,576	214,740
Accounts receivable – related parties	177,919	81,256
Other receivables - related parties	981	135,910
Guarantee deposits paid	677	592
	<u>\$ 572,544</u>	<u>\$ 616,938</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term loans	\$ 797,673	\$ 828,249
Short-term notes payable	-	59,923

Notes payable	-	120
Accounts payable	65,976	62,584
Accounts payable – related parties	283,800	163,142
Other payables	51,759	59,285
Other account payables – related parties	745	3,246
Long-term loans (including current portion)	313,951	372,651
	<u>\$ 1,513,904</u>	<u>\$ 1,549,200</u>

2. Risk management policies

- (1) The Company's daily operations are affected by a number of financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) The Finance Department of the Company is responsible for the execution of risk management in accordance with the policies approved by the Board of Directors. The Finance Department of the Company works closely with the operating units within the Company to identify, assess and avoid financial risks. The Company's important financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of financial plans, internal auditors assist the Company's Board of Directors to play a supervisory role. These personnel conduct regular and exceptional review of financial risk management procedures, and report the results of the review to the Board of Directors.

3. The nature and severity of significant financial risks

(1) Market risk

Exchange rate risk

- A. The Company is a trans-national company, so the exchange rate risk arising from the transactions with the functional currency of the Company is mainly the USD and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.
- B. The Company's management has formulated policies to regulate the exchange rate risk of each unit within the Company, which is relatively functional currency. The measurement of exchange rate risk is expected transactions in USD and RMB that are highly likely to occur. All units shall hedge the overall exchange rate risk through the Finance Department of the Company.
- C. The Company's business involves a number of non-functional currencies, so it is affected by exchange rate fluctuations. The information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	<u>2024</u>		
	<u>Foreign currency</u>	<u>Exchange Rate</u>	<u>Book Value</u>
	<u>(in thousands)</u>		<u>(NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 11,601	32.79	\$ 380,397
EUR: NTD	221	34.14	7,545
RMB: NTD	1,333	4.48	5,972

<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	\$ 10,322	32.79 <u>2023</u>	\$ 338,458
	<u>Foreign currency</u>		<u>Book Value</u>
	<u>(in thousands)</u>	<u>Exchange Rate</u>	<u>(NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 12,213	30.71	\$ 375,061
EUR: NTD	495	33.98	16,820
RMB: NTD	11,782	4.33	51,016
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	\$ 7,466	30.71	\$ 229,281

- D. The total amount of all exchange gains and losses (including realized and unrealized) recognized in 2024 and 2023 due to the significant impact of exchange rate fluctuations on the Company's monetary items was \$13,619 thousand and \$2,892 thousand, respectively.
- E. The Company's foreign currency market risk analysis due to significant exchange rate fluctuations is as follows:

				<u>2024</u>			
				<u>Sensitivity analysis</u>			
					<u>Degree of</u>	<u>Impact on</u>	<u>Impact on other</u>
				<u>change</u>	<u>profit or loss</u>	<u>comprehensive</u>	<u>income</u>
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD: NTD	1%	\$ 3,804	\$				-
EUR: NTD	1%	75					-
RMB: NTD	1%	60					-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD: NTD	1%	(\$ 3,385)	\$				-
				<u>2023</u>			
				<u>Sensitivity analysis</u>			
					<u>Degree of</u>	<u>Impact on</u>	<u>Impact on other</u>
				<u>change</u>	<u>profit or loss</u>	<u>comprehensive</u>	<u>income</u>
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD: NTD	1%	\$ 3,751	\$				-
EUR: NTD	1%	168					-

RMB: NTD	1%	510	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	1%	(\$ 2,293)	\$ -

Price risk

- A. The Company is exposed to price risk through equity instruments held as financial assets measured at fair value through profit or loss. In order to manage the price risk of equity instrument investment, the Company diversifies its portfolio in accordance with the limits set by the Company.
- B. The Company mainly invests in equity instruments issued by domestic companies. The prices of these equity instruments are affected by the uncertainty of the future values of the investment objects. If the prices of these equity instruments rose or fell by 5%, with all other factors remain unchanged, the net income after tax for 2024 and 2023 would increase or decrease by \$744 thousand and \$508 thousand, respectively, due to the gain or loss on equity instruments at fair value through profit or loss.

Cash flow and interest rate risk on fair value

- A. The Company's interest rate risk arises primarily from long-term and short-term borrowings issued at floating interest rates, which exposed the Company to cash flow interest rate risk. The Company's policy is to maintain a fixed interest rate for at least a certain percentage of its loans, and to achieve it through interest rates when necessary. In 2024 and 2023, the Company issued borrowings at floating interest rates, mainly denominated in NTD and USD.
 - B. The Company's borrowings are measured at amortized cost, and the contract stipulates that the interest rate will be re-drawn annually. Therefore, the Company is exposed to the risk of future market interest rate changes.
 - C. When the interest rate of borrowings increased or decreased by 0.25%, with all other factors remaining unchanged, the net income after tax for 2024 and 2023 would decrease or increase by \$2,223 thousand and \$2,312 thousand, respectively, mainly due to the change in interest expenses caused by the floating interest rate borrowings.
- (2) Credit risk
- A. The Company's credit risk arises when customers or financial instrument trading counterparts fail to perform contractual obligations, which mainly come from the Company's financial losses due to the trading counterparts' failure to pay accounts receivable, notes receivable, and contractual cash flows of financial assets measured at amortized cost in accordance with the payment terms.
 - B. The Company manages credit risk from the perspective of the Company. For banks and financial institutions that do business with the Company, the Company reviews the bank deposits' bank credit ratings based on ratings by external credit rating agencies. According to the credit policy expressly stated internally, each new customer of each operating unit within the Company shall be subject to credit management and credit risk analysis before proposing the terms and conditions for payment and delivery. The internal risk control evaluates the credit quality of customers by taking into account their financial position, past experience and other factors. The limit of individual risks is determined by the Board of Directors based on internal or external ratings, and

the use of credit limits is monitored regularly.

- C. The Company adopts the premise assumption of IFRS 9. When the contract amount is overdue for more than 120 days (overseas customers) and 150 days (domestic customers), it is deemed a breach of contract.
- D. The Company adopts the premise of IFRS 9 to provide the basis for determining whether the credit risk of financial instruments has increased significantly since the initial recognition:
When the contract amount is overdue for more than 30 days under the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the initial recognition.
- E. The Company classifies accounts receivable of customers according to the characteristics of customers, and estimates the expected credit loss based on the preparation matrix.
- F. The indicators used by the Company to determine the credit impairment of debt instrument investment are as follows:
(A) The issuer is likely to enter into bankruptcy or other financial restructuring if it is experiencing major financial difficulties;
(B) The issuer makes the active market of the financial asset disappear due to financial difficulties;
(C) The issuer delays or fails to pay interest or principal;
(D) Changes in national or regional economic conditions that are related to the issuer's default.
- G. After the Company has pursued the recourse, the amount of the financial assets that cannot be reasonably expected to be recovered is written off. However, the Company will continue to pursue the legal procedure of recourse to protect the rights and interests of the creditors.
- H. The Company has taken into consideration the future-looking considerations to adjust the loss rate established based on the historical and current information of a specific period to estimate the allowance loss of accounts receivable. The allowance matrix as of December 31, 2024 and 2023 is as follows:

	<u>Not overdue</u>	<u>Within 30 days</u>	<u>31- 90</u> <u>days</u>	<u>91- 180</u> <u>days</u>	<u>More than</u> <u>181 days</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss rate	0.00%	0.36%	2.00%	26.40%	69.41%	
Total book value	\$ 202,037	\$31,013	\$13,038	\$ 1,106	\$ 149	\$ 247,343
Loss allowance	\$ -	\$ 111	\$ 261	\$ 292	\$ 103	\$ 767

	<u>Not overdue</u>	<u>Within 30 days</u>	<u>31- 90</u> <u>days</u>	<u>91- 180</u> <u>days</u>	<u>More than</u> <u>181 days</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss rate	0.00%	0.03%	0.10%	2.42%	85.96%	
Total book value	\$ 181,309	\$22,715	\$ 5,872	\$ 4,870	\$ 741	\$ 215,507
Loss allowance	\$ -	\$ 6	\$ 6	\$ 118	\$ 637	\$ 767

- I. The Company's simplified statement of changes in the allowance for loss of accounts receivable is as follows:

	<u>2024</u>	<u>2023</u>
January 1 and December 31	\$ <u>767</u>	\$ <u>767</u>

(3) Liquidity risk

- A. The cash flow forecast is executed by the Company's internal operating units and compiled by the Company's Finance Department. The Company's Finance Department monitors the forecast of the Company's demand for working capital to ensure that it has sufficient funds to meet operational needs, and maintains sufficient unspent loan commitment at all times so that the Company will not violate the relevant loan terms.
- B. If there is any surplus, the Company's financial units will invest in interest-bearing demand deposits, time deposits, money market inventories and securities, and the instruments selected to have appropriate maturities or sufficient liquidity to meet the forecast above and provide sufficient liquidity.
- C. The Company's unused credit facilities are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Floating interest rate		
Due within One year	\$ 600,538	\$ 428,793
More than one year	<u>206,048</u>	<u>147,349</u>
	<u>\$ 806,586</u>	<u>\$ 576,142</u>

- D. The following table shows the non-derivative financial liabilities of the Company, grouped by their maturity dates. The non-derivative financial liabilities are analyzed according to the remaining period from the balance sheet date to the contract maturity date. The contract cash flow disclosed in the following table are not discounted.

Non-derivative financial liabilities

December 31, 2024	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
Short-term loans	\$ 800,918	\$ -	\$ -	\$ 800,918
Accounts payable	65,976	-	-	65,976
Accounts payable – related parties	283,800	-	-	283,800
Other payables	51,759	-	-	51,759
Other account payables – related parties	745	-	-	745
Long-term loans (including current portion)	101,844	76,022	168,305	346,171

Non-derivative financial liabilities

December 31, 2023	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
Short-term loans	\$ 833,153	\$ -	\$ -	\$ 833,153
Short-term notes payable	60,000	-	-	60,000
Notes payable	120	-	-	120
Accounts payable	62,584	-	-	62,584
Accounts payable – related parties	163,142	-	-	163,142
Other payables	59,285	-	-	59,285
Other account payables – related parties	3,246	-	-	3,246
Long-term loans (including current portion)	51,464	102,596	257,077	411,137

(III) Fair value information

1. The evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) of the same assets or liabilities in the active market on the measurement date. An active market is a market where there is frequent and large volume of transactions of assets or liabilities, and the market continues to provide information on pricing. The fair value of the listed stocks invested by the Company belongs to this level.

Level 2: The input value of assets or liabilities, directly or indirectly, that is observable, except for quoted prices included in Level 1.

Level 3: The input value of assets or liabilities that is not based on the market price.

2. Financial instruments not measured at fair value through profit or loss

The book value of the Company's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables - related parties, guarantee deposits paid, short-term borrowings, short-term notes payable, notes payable, accounts payable, accounts payable - related parties, other payables, other payables - related parties, and long-term borrowings (including those due within one year or one business cycle) is the reasonable approximate value of their fair value.

3. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks, and fair value of the assets and liabilities. The relevant information is as follows:

- (1) The Company classified the assets and liabilities according to the nature of the assets and liabilities. The relevant information is as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Repetitive fair value</u>				

Financial assets measured
at fair value through profit
or loss

Equity securities	<u>\$ 14,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,888</u>
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December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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Assets
Repetitive fair value
Financial assets measured
at fair value through profit
or loss

Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,151</u>	<u>\$ 10,151</u>
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(2) The methods and assumptions used by the Company to measure fair value are as follows:

A. If the Company adopted the market quotation as the input value of fair value (i.e. Level 1) on December 31, 2024, the nature of the instrument is classified as follows:

Emerging stock market company stock

Market quotation All prices are equal to the average price

B. The Company's financial assets measured at fair value through profit or loss as of December 31, 2023 are valued using the market approach (the price book ratio). The market price book ratio of the same industry is used as the input value to calculate the fair value of these financial assets.

C. The output of the evaluation model is the estimated value, and the evaluation technique may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Company. Therefore, the estimated value of the evaluation model will be adjusted according to additional parameters, such as model risk or liquidity risk, etc. According to the fair value evaluation model management policy and related control procedures of the Company, the management believes that the evaluation adjustment is appropriate and necessary for the fair value of financial instruments and non-financial instruments in the balance sheet. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to the current market situation.

4. There were no transfers between Level 1 and Level 2 in 2024 and 2023.

5. The following table shows the changes in Level 3 in 2024 and 2023:

	<u>2024</u>	<u>2023</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
January 1	\$ 10,151	\$ -
Recognition in profit or loss (other profits and losses)	4,737	1,151
Purchase in the current period	-	9,000
Transferred out from Level 3	<u>(14,888)</u>	<u>-</u>
December 31	<u>\$ -</u>	<u>\$ 10,151</u>

6. In 2024, the emerging market of non-listed stocks of Level 3 was transferred from Level 3 to Level 1.
7. No transfer or transfer from Level 3 was reported in 2023.
8. For the evaluation process of the Company's fair value classified as Level 3, the Finance Department is responsible for the independent verification of the fair value of the financial instruments. The evaluation results approximate the market status, and the source of information is confirmed to be independent, reliable, consistent with other resources, and to represent executable prices. The evaluation model is regularly calibrated, backtracked, and updated, and the input values and data required by the evaluation model and any other necessary fair value adjustments are adjusted to ensure that the evaluation results are reasonable.
9. The quantitative information on the significant unobservable inputs used in the evaluation model of Level 3 fair value measurement items and the sensitivity analysis of the significant unobservable inputs are as follows:

		<u>December 31,</u> <u>2023</u>		<u>Major</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relation between the</u> <u>input value and fair</u> <u>value</u>
		<u>Fair value</u>	<u>Evaluation techniques</u>			
Non-derivative equity instrument:						
Non-listed stocks	\$	10,151	Comparable TWSE/TPEX Listed Companies Act	Price to net worth ratio Lack of market liquidity discount	1.87% 30%	The higher the multiple premium, the higher the fair value. The higher the market liquidity discount, the lower the fair value.

10. The Company carefully selects the evaluation model and evaluation parameters, but different evaluation models or parameters may lead to different evaluation results. If the valuation parameter of the financial assets and financial liabilities classified as Level 3 is changed, the impact on the current profit or loss is as follows:

		<u>December 31, 2023</u>		<u>Recognized in profit or loss</u>	
		<u>Input value</u>	<u>Changes</u>	<u>Changes in</u> <u>favor</u>	<u>Unfavorable changes</u>
Financial assets					
Equity instrument		Price to net worth ratio	±10%	\$ 1,015	(\$ 1,015)
		Market liquidity discount	±5%	\$ 725	(\$ 725)

XIII. Supplementary Disclosures

(I) Information on significant transactions

1. Loaning of funds to others: Please refer to Table 1.
2. Endorsement/Guarantees for Others: None.
3. Securities Held at the End of Period (Excluding the Holding of Shares in Subsidiaries, Associates, and Joint Ventures): Please refer Table 2.
4. Cumulative amount of the same securities purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital: Please refer Table 3.
5. The amount of acquisition of real estate reaches NTD 300 million or more than 20% of the paid-in capital: None.
6. Disposal of real estate for an amount over NTD 300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital: Please refer to Table 4.
8. Receivables from related parties reaching NTD 100 million or more than 20% of the paid-in capital: Please refer Table 5.
9. Engagement in derivative transactions: None.
10. Business relationship between parent and subsidiaries and between subsidiaries and significant transactions: Please refer Table 6.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding investee companies in China): Please refer to Table 7.

(III) Information on Investments in Mainland China

1. Please refer to Table 8 for basic information.
2. Major transactions with investees in China directly or indirectly through a third regional enterprise: Please refer to Table 6.

(IV) Information on Major Shareholders

Information on Major Shareholders: Please refer to Table 9

XIV. Segment information

Not applicable.

Cryomax Cooling System Corp.
Loans to Others
January 1 to December 31, 2024

Unit: NTD thousand
(unless otherwise specified)

Table 1

No. (Note 1)	Lending company	Borrowing company	Current account	Whether a related party	Current maximum amount	Balance at ending		Range of interest rates	Nature of loaning of funds	Business transaction amount	Reasons for the need of short- term financing	Appropriated allowance for loss	Collateral		Limit of loans to particular borrower (Note 2)	Limit of total loaning of funds (Note 3)	Remarks
						of period	Drawdown						Name	Value			
0	Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	Other receivables - related parties	Yes	\$ 134,610	\$ -	\$ -	0%	Short-term financing	\$ -	Operating turnover	\$ -	None	\$ -	\$ 311,492	\$ 622,985	Note 4
0	Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Other receivables - related parties	Yes	130,200	-	-	0%	Short-term financing	-	Operating turnover	-	None	-	311,492	622,985	Note 4
1	Coolmax-way Auto Parts Co., Ltd	Nanjing Cryomax Auto Parts Co., Ltd.	Other receivables - related parties	Yes	33,107	23,451	23,451	0%~4.687%	Business transaction	76,499	Not applicable	-	None	-	89,878	179,756	Note 4
2	CRYOMAX U.S.A. INC.	CRYOMAX MEXICO S.A. de C.V.	Other receivables - related parties	Yes	131,360	131,160	131,160	0%~7%	Short-term financing	-	Operating turnover	-	None	-	171,616	171,616	Note 4

Note 1: The description of the number column is as follows:

- (1) 0 is reserved for issuer.
- (2) Each invested company is numbered in sequential order starting from 1.

Note 2: The limit of financing to each borrower is as follows:

- (1) For companies with the need for short-term financing, the amount of each loan is limited to 20% of the net value of the most recent financial statements.
- (2) For those who have business transactions, the loan amount of each loan shall not exceed the higher of the actual purchase or sale amount in the most recent year or the next year, and shall not exceed 20% of the net value in the most recent financial statements.
- (3) CRYOMAX MEXICO S.A. de C.V. is a joint venture between CRYOMAX U.S.A INC. and Cryomax Cooling System Corp. The Company holds 100% of the shares and the loaning of funds is limited to 40% of the net value in the Company's latest financial statement.

Note 3: The total amount of loans of the Company shall not exceed 40% of the net value of the Company in the latest financial statement.

Note 4: Eliminated in the consolidated financial statements.

Cryomax Cooling System Corp.
 Securities Held at the End of Period (Excluding the Holding of Shares in Subsidiaries, Associates, and Joint Ventures)
 December 31, 2024

Table 2

Unit: NTD thousand
 (unless otherwise specified)

<u>Holding company</u>	<u>Types and names of securities</u> (<u>Note</u>)	<u>Relationship with</u> <u>the issuer of</u> <u>securities</u>	<u>Account title</u>	<u>Number of Shares</u>	<u>At the end of the period</u>			<u>Fair value</u>	<u>Remarks</u>
					<u>Book Value</u>	<u>Shareholding</u>			
Cryomax Cooling System Corp.	Stock/KING SHING INDUSTRIAL CO., LTD.	None	Financial assets measured at fair value through profit or loss - current	300,000	\$ 14,888	0.5%	\$ 14,888		

Securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the above items within the scope of IFRS 9 "Financial instruments".

Cryomax Cooling System Corp.
Cumulative amount of the same securities purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital
January 1 to December 31, 2024

Unit: NTD thousand
(unless otherwise specified)

Table 3

<u>Companies engaged in buying and selling</u>	<u>Types and names of securities</u>	<u>Account title</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Beginning of period</u>		<u>Purchase</u>		<u>Number of Shares</u>	<u>Price</u>	<u>Sold</u>		<u>Gain or loss on disposal</u>	<u>At the end of the period</u>	
					<u>Number of Shares</u>	<u>Amount</u>	<u>Number of Shares</u>	<u>Amount</u>			<u>Book value</u>	<u>Amount (Note)</u>			
Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Investment under Equity cash	Capital increase in cash	-	175,561,650	\$ 310,434	86,573,619	\$ 156,206	-	\$ -	\$ -	\$ -	262,135,269	\$ 358,798	
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Investment under Equity cash	Capital increase in cash	-	19,506,850	34,493	9,619,291	17,580	-	-	-	-	29,126,141	39,866	

Note: Written off in the consolidated financial statements.

Cryomax Cooling System Corp.
Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of paid-in capital.
January 1 to December 31, 2024

Unit: NTD thousand
(unless otherwise specified)

Table 4

<u>Companies engaged in purchase (sale)</u>	<u>Name of counterpart</u>	<u>Relationship</u>	<u>Purchase (sale)</u>	<u>Transaction</u>			<u>The circumstances and reasons for the Transaction Terms and Reasons for Transaction Terms Differentiated from General Transaction (Note 1)</u>		<u>Notes/Accounts Receivable (Payable)</u>		<u>Remarks</u>
				<u>Amount</u>	<u>As a percentage of total purchases (sales) %</u>	<u>Credit period</u>	<u>Unit Price</u>	<u>Credit period</u>	<u>Balance</u>	<u>As a percentage of total notes/accounts receivable (payable)</u>	
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	Subsidiary	Sale	\$ 356,127	22.26%	60-90 days after the end of each month, and collection within 90 days	Note 1	60-90 days after the end of each month, and collection within 90 days	\$ 129,106	28.10%	Note 3
Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	Subsidiary	Procurement	731,091	55.04%	Payment within 60 days after the end of each month	Note 2	Payment within 60 days after the end of each month	185,522	53.04%	Note 3
Cryomax Cooling System Corp.	Coolmax-way Auto Parts Co., Ltd	Subsidiary	Procurement	236,137	17.78%	Payment within 60 days after the end of each month	Note 2	Payment within 60 days after the end of each month	97,904	27.99%	Note 3
Cryomax Cooling System Corp.	DENSO PRODUCTS AND SERVICES AMERICAS,INC.(DPAM)	Other related party	Sale	143,017	8.94%	Payment within 60 days after the end of each month	Note 1	Payment within 60 days after the end of each month	30,428	6.62%	-

Note 1: Based on the general selling price.

Note 2: Calculated based on the general purchase price.

Note 3: Written off in the consolidated financial statements.

Cryomax Cooling System Corp.
 Receivables from related parties reaching NTD 100 million or more than 20% of the paid-in capital
 December 31, 2024

Table 5

Unit: NTD thousand
 (unless otherwise specified)

<u>Company stating in receivables</u>	<u>Name of counterpart</u>	<u>Relationship</u>	<u>Balance of accounts receivable</u>		<u>Overdue accounts receivable from related parties</u>		<u>Subsequent recovered amount of accounts receivable from related parties(Note 1)</u>	<u>Appropriated allowance for loss</u>
			<u>from related parties</u>	<u>Turnover rate</u>	<u>Amount</u>	<u>Treatment</u>		
Nanjing Cryomax Auto Parts Co., Ltd.	Cryomax Cooling System Corp.	Parent and subsidiary	\$ 185,522	Note 2	\$ -	-	\$ 170,702	\$ -
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	Parent and subsidiary	129,106	Note 2	-	-	101,434	-
CRYOMAX U.S.A INC.	CRYOMAX MEXICO S.A. de C.V.	Between subsidiaries	133,437	Note 2	-	-	-	-

Note 1: The amount of post collection of receivables from related parties as of February 28, 2025.
 Note 2: This amount includes the loaning of funds, so the turnover rate is not intended to be calculated.

Cryomax Cooling System Corp.
Business Relationship between Parent and Subsidiaries and Significant Transactions
January 1 to December 31, 2024

Table 6

Unit: NTD thousand
(unless otherwise specified)

<u>No.</u> <u>(Note 1)</u>	<u>Trader</u>	<u>Counterparty</u>	<u>Relationship with trader</u> <u>(Note 2)</u>	<u>Title</u>	<u>Amount</u>	<u>Transaction</u>	<u>Trading conditions</u>	<u>Percentage in total</u> <u>consolidated operating</u> <u>revenue or assets</u> <u>(Note 3)</u>
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1	Sales revenue	\$ 356,127	Based on the general selling price		16.53
0	Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	1		129,106	60-90 days after the end of each month, and collection within 90 days		3.80
0	Cryomax Cooling System Corp.	Coolmax-way Auto Parts Co., Ltd	1	Procurement	236,137	Based on the general purchase price		10.96
0	Cryomax Cooling System Corp.	Coolmax-way Auto Parts Co., Ltd	1	Accounts payable	97,904	Payment within 60 days after the end of each month		2.88
0	Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	1	Sales revenue	12,590	Based on the general selling price		0.58
0	Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	1	Procurement	731,091	Based on the general purchase price		33.94
0	Cryomax Cooling System Corp.	Nanjing Cryomax Auto Parts Co., Ltd.	1	Accounts payable	185,522	Payment within 60 days after the end of each month		5.46
1	Coolmax-way Auto Parts Co., Ltd	Nanjing Cryomax Auto Parts Co., Ltd.	3	Sales revenue	76,302	Based on the general selling price		3.54
1	Coolmax-way Auto Parts Co., Ltd	Nanjing Cryomax Auto Parts Co., Ltd.	3	Accounts receivable	60,083	60-180 days after the end of each month, and collection within 90 days		1.77
1	Coolmax-way Auto Parts Co., Ltd	Nanjing Cryomax Auto Parts Co., Ltd.	3	Other receivables	23,451	60-180 days after the end of each month, and collection within 90 days		0.69
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	3	Sales revenue	47,193	Based on the general selling price		2.19
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX U.S.A INC.	3	Accounts receivable	14,459	Payment within 60 days after the end of each month		0.43
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX MEXICO S.A. de C.V.	3	Sales revenue	34,740	Based on the general selling price		1.61
2	Nanjing Cryomax Auto Parts Co., Ltd.	CRYOMAX MEXICO S.A. de C.V.	3	Accounts receivable	17,448	Payment within 90 days after the end of each month		0.51
3	CRYOMAX U.S.A INC.	CRYOMAX MEXICO S.A. de C.V.	3	Other receivables	133,437	The parties shall proceed as agreed		3.92

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the "No." column. This column shall be completed as follows:

- (1) 0 is reserved for the parent company.
- (2) Subsidiaries are numbered sequentially starting from "1" according to the company type.

Note 2: There are three types of relationships with the transaction parties. Please mark the type (there is no need to repeatedly disclose the same transaction between parent and subsidiary companies or between subsidiary companies. If the parent company has disclosed a transaction with a subsidiary, the subsidiary does not have to disclose the transaction again; if a subsidiary has disclosed a transaction with another subsidiary, the other subsidiary does not have to disclose the transaction again):

- (1) Parent company to subsidiaries
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary

Note 3: For the calculation of the transaction amount as a percentage of the consolidated total revenue or total assets, if it is an asset or liability, the calculation is based on the percentage of the consolidated total assets at the end of the period; if it is an income item, the calculation is based on the percentage of the consolidated total revenue during the period.

Note 4: Transaction amount less than NTD 10 million, not disclosed.

Note 5: Written off in the consolidated financial statements.

Cryomax Cooling System Corp.
The name and location of the investee company and other relevant information (excluding investee companies in China)
January 1 to December 31, 2024

Unit: NTD thousand
(unless otherwise specified)

Table 7

Name of investor	Name of investee (Note 1)	Territory	Main business operations	Original investment amount		Held at the end of period			Current profit (loss) of investee		Profit (loss) from	Remarks
				End of the period	End of last year	Number of Shares	Ratio	Book Value	Investee	investments recognized in the current period		
Cryomax Cooling System Corp.	CRYOMAX INTERNATIONAL LTD.	British Virgin Islands	General investment business	\$ 735,555	\$ 688,895	22,432,284	100.00	\$ 941,329	\$ 69,090	\$ 69,090		Note 2, 3
Cryomax Cooling System Corp.	CRYOMAX U.S.A INC.	United States of America	Trading of automotive parts and components	327,900	307,100	10,000,000	100.00	425,145	(9,974)	(9,974)		Note 3
CRYOMAX INTERNATIONAL LTD.	CROHAN INTERNATIONAL LTD.	Samoa	General investment business	766,018	717,426	23,361,325	100.00	959,289	69,115	69,090		Note 3
Cryomax Cooling System Corp.	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of automotive parts and components	419,078	319,146	262,135,269	90.00	358,798	(57,695)	(57,695)		Note 4
CRYOMAX U.S.A.INC.	CRYOMAX MEXICO S.A. de C.V.	Mexico	Manufacturing and trading of automotive parts and components	46,564	35,461	29,126,141	10.00	39,866	(6,411)	(6,411)		Note 4

Note 1: The numbers in this table involve foreign currencies, which are converted into NTD at the exchange rate on the balance sheet date.

Note 2: The investment gain or loss recognized in the current period includes the profit or loss from the upstream transactions of the investee company and the realized amount.

Note 3: Written off in the consolidated financial statements.

Note 4: The Company established the Mexican company, CRYOMAX MEXICO S.A. de C.V. in Mexico in June 2022. The registered capital was MXN 50,000. The Company and its subsidiary, CRYOMAX U.S.A. INC., made capital contributions of MXN 45,000 and MXN 5,000, respectively, on October 18, 2022. The Company further injected capital of MXN 7,114,520, MXN 152,962,180, and MXN 15,091,987.5 on May 3, May 8, and November 28, 2023, respectively. CRYOMAX U.S.A. INC. contributed capital of MXN 17,786,300 and MXN 1,676,887.5 on May 4 and November 28, 2023, respectively. Subsequently, the Company made additional capital contributions of MXN 59,517,526.5 and MXN 27,404,055 in May and November 2024, respectively, while CRYOMAX U.S.A. INC. contributed MXN 6,613,058.5 and MXN 3,044,895 during the same periods. The Company and its U.S. subsidiary hold 90% and 10% of the shares, respectively, resulting in a consolidated shareholding ratio of 100%.

Cryomax Cooling System Corp.

Information on investment in China - Basic Information

January 1 to December 31, 2024

Table 8

Unit: NTD thousand

(unless otherwise specified)

Name of investee in Mainland	China	Main business operations	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of current period	Amount of investments remitted or recovered in current period		Accumulated amount of investments from Taiwan at the end of current period	Current profit (loss) of Investee	The Company's shareholding of direct or indirect investment	Profit (loss) from investments recognized in current period (Note 2)	Investment book value at the end of the period	Profit received from investments as of the end of current Period	Remarks
						O/R	Return							
Coolmax-way Auto Parts Co., Ltd		Manufacturing and trading of automotive parts and components	\$ 327,900	2	\$ 307,100	\$ -	\$ -	\$ 327,900	\$ 31,078	100.00	\$ 32,745	\$ 445,714	\$ -	Note 3, 4
Nanjing Cryomax Auto Parts Co., Ltd.		Manufacturing and trading of automotive parts and components	538,412	2	374,662	-	-	400,038	36,370	100.00	36,370	509,656	-	Note 3, 4

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:

- (1) Engaged in direct investment in Mainland China
- (2) Invest in China through CROHAN INTERNATIONAL LTD.
- (3) Others

Note 2: Financial statements audited by the parent company's CPA in Taiwan.

Note 3: The numbers in this table involve foreign currencies, which are converted into NTD at the exchange rate on the balance sheet date.

Note 4: Written off in the consolidated financial statements.

Company Name	Accumulated amount of investments from Taiwan to Mainland China at the end of current period	Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA

Note 5: The accumulated amount of investment in China remitted from Taiwan at the end of the period is US\$22,200 thousand, calculated based on the actual exchange rate.

Note 6: The approved amount is US\$26,486 thousand, which is converted in accordance with the average exchange rate on December 31, 2024.

Note 7: The investment limit was calculated based on 60% of the net worth in accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China," as amended by the Investment Commission, Ministry of Economic Affairs.

Cryomax Cooling System Corp.
Information on Major Shareholders
December 31, 2024

Table 9

	<u>Names of major shareholders</u>	<u>Number of shares held</u>	<u>Share</u>	<u>Shareholding</u>	
Denso Corporation		14,857,012			18.55%

Cryomax Cooling System Corp.
Statements of Cash and Cash Equivalents
December 31, 2024

Unit: NTD thousand

Item	Summary	Amount
Cash on hand		\$ 395
Check deposits and demand deposits		72,041
Time deposit	(USD 790 thousand, exchange rate 32.79)	25,638
Foreign currency deposits	(USD 244 thousand, exchange rate 32.79)	7,985
	(EUR 94 thousand, exchange rate 34.14)	3,200
	(CNY 468 thousand, exchange rate 4.478)	2,096
		<u>\$ 111,355</u>

Cryomax Cooling System Corp.
Statements of Accounts Receivable
December 31, 2024

Statement 2

Unit: NTD thousand

Name of Customer	Summary	Amount	Remarks
Customer A		\$ 106,720	
Customer B		15,667	
Customer C		15,556	
Customer D		14,426	
			The balance of each sporadic customer did not exceed 5% of the balance of this account.
Others		94,974	
		247,343	
Less: Loss allowance		(767)	
		<u>\$ 246,576</u>	

Cryomax Cooling System Corp.
Statements of Changes in Investment Using Equity Method
January 1 to December 31, 2024

Statement 4

Unit: NTD thousand

Name	Amount at beginning of period			Increase in the current period		Decrease in Current Period		Balance at ending of period					Evaluation Basis
	Number of shares (thousand)	Shareholding	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of shares (thousand)	Shareholding	Amount	Total price	Unit Price	
CRYOMAX INTERNATIONAL LTD.	22,432	100%	\$ 828,275	-	\$ 113,054	-	\$ -	22,432	100%	\$ 941,329	\$ 941,329	\$ -	Equity method
CRYOMAX U.S.A INC.	10,000	100%	434,305	-	(9,160)	-	-	10,000	100%	425,145	425,145	-	Equity method
CRYOMAX MEXICO S.A. de C.V.	175,562	90%	310,434	86,573	48,364	-	-	262,135	90%	358,798	358,798	-	Equity method
			<u>\$ 1,573,014</u>		<u>\$ 152,258</u>		<u>\$ -</u>			<u>\$ 1,725,272</u>			

Cryomax Cooling System Corp.
Statements of Changes in Property, Plant and Equipment
January 1 to December 31, 2024

Statement 5

Unit: NTD thousand

For “property, plant and equipment” related information please refer to 6(6).

Cryomax Cooling System Corp.
Statement of short-term loans
December 31, 2024

Statement 6

Unit: NTD thousand

<u>Creditors</u>	<u>Summary</u>	<u>Balance at ending of period</u>		<u>Duration of loans</u>	<u>Range of interest rates</u>	<u>Mortgage or Guarantee</u>	<u>Remarks</u>
Yuanlin Branch, Bank SinoPac	Secured loan	\$	290,000	2024.11.15-2025.01.15	2.01%	Land and buildings	
Lugang Branch, Bank of Taiwan	Secured loan		80,000	2024.07.31-2025.01.24	1.97%	Land and buildings	
City Government Branch, Taishin International Bank	Credit loan		80,000	2024.12.18-2025.01.20	1.94%	None	
Dadun Branch, Shin Kong Bank	Credit loan		70,000	2024.12.01-2025.06.03	1.94%	None	
Erlin Branch, Taiwan Business Bank	Secured loan		55,000	2024.11.22-2025.05.22	2.03%	Land and buildings	
Fuxing Branch, Land Bank of Taiwan	Secured loan		40,000	2024.12.16-2025.04.16	1.97%	Land and buildings	
City Government Branch, CTBC Bank	Credit loan		40,000	2024.12.28-2025.01.28	2.25%	None	
Fuxing Branch, Land Bank of Taiwan	Secured loan		30,000	2024.10.16-2025.04.16	1.97%	Land and buildings	
Shalu Branch, Yuanta Commercial Bank	Credit loan		30,000	2024.12.12-2025.06.12	2.02%	None	
Yuanlin Branch, Mega International Commercial Bank	Credit loan		25,000	2024.07.29-2025.01.25	1.98%	None	
Taipei Fubon Bank	Credit loan		20,000	2024.07.15-2025.01.10	2.05%	None	
Taipei Fubon Bank	Credit loan		19,737	2024.11.22-2025.05.21	5.30%	None	
Changhua Branch, Cathay United Bank	Credit loan		10,000	2024.06.24-2025.05.30	2.07%	None	
Lugang Branch, Bank of Taiwan	Secured loan			7,936	2024.12.26-2025.06.24	5.66%	Land and buildings
	Total		<u>\$ 797,673</u>				

Cryomax Cooling System Corp.
Statement of Long-term loans
December 31, 2024

Statement 7

Unit: NTD thousand

Creditors	Summary	Balance at ending of period	Duration of loans	Range of interest rates	Mortgage or Guarantee	Remarks
Yuanlin Branch, Mega International Commercial Bank	Credit loan	\$ 157,700	2023.11.14-2030.11.14	2.40%	None	
Lugang Branch, Bank of Taiwan	Secured loan	85,416	2023.05.03-2028.05.03	2.11%	Land and buildings	
Erlin Branch, Taichung Commercial Bank	Secured loan	28,331	2013.05.31-2028.05.31	2.11%	Land and buildings	
Yuanlin Branch, Bank SinoPac	Secured loan	25,412	2023.05.02-2026.05.02	2.39%	Land and buildings	
Erlin Branch, Taichung Commercial Bank	Secured loan	17,092	2019.11.29-2026.11.29	2.11%	Land and buildings	
		313,951				
Less: Long-term borrowings due within one year or one business cycle		(94,329)				
		<u>\$ 219,622</u>				

Cryomax Cooling System Corp.
Statement of Operating Revenue
January 1 to December 31, 2024

Statement 8

Unit: NTD thousand

Item	Quantity	Amount	Remarks
Finished aluminum products	1,314 thousand pieces	\$	1,424,186
Merchandise	167 thousand pieces		154,483
Semi-finished goods	990 thousand pieces		3,318
Finished copper products	6 thousand pieces		5,157
Materials	371 thousand pieces		9,756
Others			176,949
			1,773,849
Less: sales returns and allowances		(174,352)
		\$	1,599,497

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Cryomax Cooling System Corp.
Statements of Operating Cost
January 1 to December 31, 2024

Statement 9

Unit: NTD thousand

<u>Item</u>	<u>Amount</u>
Inventory at the beginning of period	\$ 7,571
Add: Procurement for current period	142,156
Processing cost	173
Less: Ending balance of inventory	(3,040)
Loss on commodities	(78)
Inventory withdrawal and transportation expenses	(23)
Scrapping of scrap	(598)
Cost of purchase and sale	146,161
Raw materials at the beginning of period	74,132
Add: Materials purchased for current period	608,305
Gains on raw materials	3,404
Less: Ending balance of raw materials	(84,318)
Inventory withdrawal and transportation expenses	(17,475)
Cost of raw materials sold	(19,181)
Raw material disposal	(1,701)
Consumption of raw materials in the current period	563,166
Add: Direct labor	59,264
Manufacturing expense	151,277
Manufacturing cost	773,707
Add: Work in process at beginning of period	28,039
Import of finished goods	1,483,604
Less: Work-in-progress at the end of period	(25,346)
Cost of finished goods	2,260,004
Add: Finished goods at beginning of period	216,875
Purchase in the current period	578,038
Gains on finished goods	384
Less: Finished goods at end of period	(227,893)
Fees for handling the transfer of finished goods	(1,780)
Work-in-progress transferred in	(1,483,604)
Transfer of finished goods to merchandise inventory	(173)
Disposal of finished goods	(2,862)
Production and sales cost	1,338,989
Cost of purchase and sale	146,161
Cost of raw materials sold	19,181
Export sales tax refund income	(47,268)
Cost of inventory sold	1,457,063
Inventory book value	(3,710)
Revenue from sale of scraps	(4,334)
Revenue from sale of scrap	(268)
Inventory devaluation and obsolescence loss	1,302
Inventory scrap loss	5,161
Others	60
Cost of goods sold	<u>\$ 1,455,274</u>

Cryomax Cooling System Corp.
Manufacturing expenses
January 1 to December 31, 2024

Statement 10

Unit: NTD thousand

Item	Summary	Amount	Remarks
Consumption expenses	\$	26,025	
Processing expenses		21,026	
Utilities expense		18,229	
Depreciation expense		17,639	
Payroll expense		17,485	
Packaging and shipping		8,709	
Other expenses		<u>42,164</u>	No single item exceeds 5% of the account balance.
		<u>\$ 151,277</u>	

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Cryomax Cooling System Corp.
Statement of Operating Expenses
January 1 to December 31, 2024

Statement 11

Unit: NTD thousand

Item	Marketing expense	Administrative expense	R&D expenses	Remarks	Total
Payroll expense	\$ 10,046	\$ 35,994	\$ 4,600		\$ 50,640
Claims losses	39,654	-	-		39,654
Import and export expenses	21,511	-	-		21,511
Freight	6,702	-	-		6,702
Depreciation and depletion	343	6,297	349		6,989
Labor service expenses	-	4,814	-		4,814
Sample expenses	-	-	1,022		1,022
Insurance premium	-	-	587		587
Travel expenses	-	-	555		555
Others	<u>12,686</u>	<u>24,190</u>	<u>2,447</u>	No single item exceeds 5% of the account balance.	<u>39,323</u>
	<u>\$ 90,942</u>				<u>\$ 171,797</u>
		<u>\$ 71,295</u>	<u>\$ 9,560</u>		

Cryomax Cooling System Corp.
Statement of other profits and expenses - net
January 1 to December 31, 2024

Statement 12

Unit: NTD thousand

For the information on "other income and expenses, net," please refer to Note 6(20).

Cryomax Cooling System Corp.
Statement of financial cost
January 1 to December 31, 2024

Statement 13

Unit: NTD thousand

For information on "financial cost," refer to Note 6(21).

Cryomax Cooling System Corp.
Statement of current employee benefits, depreciation, depletion, and amortization expenses by function
January 1 to December 31, 2024

Statement 14

Unit: NTD thousand

For information on "Employee benefits, depreciation, depletion and amortization expenses by function in the current period," refer to Note 6(22).