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Corporate Vision 、 Mission 、 Values and Business Philosophy



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I. Letter to Shareholders

Dear Shareholders:

In 2024, the global economy continued to face challenges from the previous year, slowing growth and high uncertainty. The high interest rate environment continues to suppress corporate investment and consumer spending. Although inflation has eased, central banks around the world are still cautious in adjusting monetary policy. China's economic recovery lacks momentum, and the weak real estate market and sluggish domestic demand are affecting global supply chains and trade activities. Geopolitical risks have further intensified, with the US-China technology war expanding to key supply chains, and the unresolved Russia-Ukraine war and Israel-Kazakhstan conflict deepening global market turmoil. In addition, supply chain restructuring, energy transformation and the rise of AI also bring challenges and opportunities to the economies of various countries.

According to the update of the World Economic Outlook released by the International Monetary Fund (IMF) in January 2025, the global economic growth rate in 2024 is 3.2%, and it is predicted to be 3.3% in both 2025 and 2026, which is lower than the historical average of 3.7%. Growth rates among countries diverge, with the US growth rate increasing but risks for other economies tending to the downside. Global inflation is expected to drop from 4.2% in 2025 to 3.5% in 2026. Inflation in developed economies will return to target earlier, providing room for interest rate cuts. The IMF pointed out that the medium-term growth rate of the global economy is still below historical levels, and policymakers must rebuild fiscal and monetary buffers, promote structural reforms, and strengthen multilateral cooperation to enhance growth prospects and ensure sustainable economic development.

According to Prismark's report, the overall economic challenges in 2024 include: weak demand and incomplete inventory liquidation, high inflation and high interest rates continue to affect the economic environment throughout the year, China, Europe, Japan and other places face macroeconomic challenges, intensified geopolitical conflicts, restricted exports of US semiconductor technology, and supply chain restructuring. The electronics market grew by 4.6% in 2024, mainly driven by AI, including servers, high-performance computing (HPC), data center networks, advanced packaging, high-speed circuit boards and low Dk materials. In 2024, the AI server market has shown explosive growth and has become a key driving force for the electronics industry, growing by 48%. It is expected to continue to expand in the next five years, with an average annual compound growth rate of 20.2%, becoming the main growth force. The expansion of PCB production capacity in Southeast Asia (Thailand, Malaysia, and Vietnam) will also become a key step in the development of the electronics industry.

The PCB market grew by 5.8% in 2024, among which 18-layer up multi-layer boards were the fastest growing segment, reaching 25.2%. Although part of the growth came from a smaller base, it also highlighted strong demand for data centers, network equipment and AI servers. The high-density interconnect (HDI) market grew by 17.8%, ranking second in terms of growth rate. It was mainly driven by HLC+HDI boards and is widely used in AI

servers, high-speed networks, satellite communications, and automotive fields, demonstrating strong growth momentum.

Looking ahead, the PCB market is expected to grow by 6.1% in 2025, with a five-year compound annual growth rate (CAGR) of 5.6%. The global PCB production capacity is accelerating its transformation. China remains the world's largest production base. In the future, it will focus on high value-added products and expand the proportion of local production. At the same time, the trend of industrial integration is becoming increasingly obvious. Southeast Asia (SEA) is rising rapidly, covering areas such as MLB, HDI, FPC and substrates, and is expected to become the world's second largest production base in the next few years. In addition, Japan, Taiwan and South Korea will focus more on advanced technologies with high added value to further enhance their market competitiveness and push the continuous upgrading and development of the industry.

Dynamic's revenue grew by 13% in 2024, mainly benefiting from the strong growth of the HDI market, among which HDI revenue increased significantly by 55%, the proportion increased from 24% to 32%, and the product structure continued to be optimized. In terms of product applications, network communications and servers performed the best. Driven by strong market demand and growth of major customers, revenue increased significantly by 82%, demonstrating strong growth momentum. In addition, businesses such as computers and peripherals, storage devices, and automotive boards also achieved steady growth. The gross profit margin decreased slightly compared with last year, mainly due to the higher initial operating costs of the Thailand factory. However, as the production capacity of the Thai plant gradually expands and high-end products enter mass production in 2025, gross profit margin is expected to improve. Overall, net profit after tax in 2024 is expected to grow by 4.7%, with earnings per share (EPS) reaching \$3.78, showing solid profitability.

In 2024, in order to strengthen sustainable development and sustainable governance, Dynamic has upgraded the original ESG Sustainability Committee to the "Sustainability Committee" under the Board of Directors in accordance with the provisions of the "Corporate Governance Code of Practice" and the "Sustainable Development Code of Practice", further enhancing the supervision and practice of sustainable issues and elevating the Company towards higher standards of sustainable operations. In order to establish carbon reduction commitments, enhance corporate sustainable competitiveness, and respond to stakeholder expectations, Dynamic has submitted specific scientific carbon reduction goals and methods to SBTi, and is expected to pass SBTi review in 2025. In terms of the use of renewable energy, in 2024, the Huangshi plant generated 2.2 million kWh of solar power and purchased approximately 91.48 million kWh of green electricity, bringing the green energy utilization rate to 34.42%. Dynamic will continue to promote green energy transformation and move towards a more sustainable future. In addition, in 2024, Dynamic has joined hands with supply chain partners to conduct ISO 14067 product carbon footprint (PCF) inventory, improve Dynamic's carbon footprint management system, provide customers with the information they need, and jointly reduce product carbon footprint to achieve the vision of sustainability and environmental coexistence.

In 2024, Dynamic's outstanding ESG performance has won high recognition from the international and industry circles, including:

1. International recognition: Selected into the S&P Global Sustainability Yearbook, showing Dynamic's deep cultivation and breakthroughs in the field of sustainable development, and gaining global recognition with its outstanding strength.
2. Sustainability Awards: Won the TCSA Sustainability Enterprise Performance Award and the Sustainability Report Silver Award, demonstrating the company's comprehensive efforts and outstanding vision in social responsibility and sustainable development.
3. Talent cultivation: The Taoyuan headquarters promoted the AI and health checkup two-way empowerment plan and was awarded as a model enterprise for training completion, demonstrating Dynamic's leading position in AI talent cultivation and practical application.
4. Supply Chain Excellence:
 - Kunshan Plant won the 2024 Outstanding Supplier Award from HLDS.
 - Dynamic Huangshi won the 2024 Excellent Supply Chain of Continental Automotive Award.
 - Dynamic Huangshi won the 2024 Outstanding Supplier Award from LG Electronics Inc.
 - Dynamic Huangshi won the AMD PEEP Project Special Contribution Award.

Green and sustainable development:

- Dynamic Huangshi was awarded the national green supply chain management enterprise certification.
- Dynamic Huangshi was selected as a "Green Label Enterprise" by the Hubei Provincial Department of Ecology and Environment, demonstrating its outstanding environmental performance.
- Dynamic Huangshi has become a joint innovation center for multi-layer high-layer count HDI between enterprises and universities, continuously promoting technological innovation and industry-university cooperation.

Dynamic will continue to deepen sustainable management and industrial innovation, and work with supply chain partners to create a green and low-carbon future.

Our 2024 operating performance and 2025 business plan summary are shown as follows:

A. Operation Results in 2024

(A) Consolidated operation plan execution results in 2024

Unit: NTD thousands

Item	2024	2023	Growth Rate
Operating income	\$17,787,004	\$15,713,954	13.19%
After-tax (loss) gain	1,075,539	1,030,653	4.36%
Profitability	6.05%	6.56%	(7.77)%

(B) Consolidated budget implementation in 2024

Unit: NTD thousands

Item	2024 Actual Performance	2024 Budget	Achievement Rate
Operating income	17,787,004	17,693,263	100.53%

Operating cost	13,676,707	13,548,379	99.06%
Operating margin	4,110,297	4,144,884	99.17%
Operating expenses	2,573,101	2,505,373	97.37%
Operating profit	1,537,196	1,639,511	93.76%
Pre-tax profit	1,567,588	1,597,253	98.14%

(C) Revenue and profitability analysis in 2024

Unit: NTD thousands			
Item		2024	2023
Financial revenues & expenses	Financial revenue	18,282,792	16,104,184
	Financial expenses	16,715,204	14,638,661
Profitability	Return on assets	5.43%	6.40%
	Return on equity	14.35%	15.71%
	Ratio to paid-in capital	Operating profit	55.36%
		Pre-tax profit	59.11%
	Net profit margin	56.45%	52.78%
	Earnings (loss) per share in NTD	6.05%	6.56%
		3.78	3.61

(D) Research and development status in 2024

In 2024, we have gotten rid of the COVID-19 epidemic, the epidemic has become influenza-like, life has resumed, and it has regained its pre-epidemic prosperity. However, because the remote mode has become a habit during the epidemic and the 5G-related industries are booming, the application of network communications continues to develop. 5G mobile communications, autonomous driving, satellite communications and server-related industries remain the main focus of the electronics industry's development. In addition, in response to the high demand for heat dissipation in high-speed chips, new energy vehicles and Mini-LED displays, there is also a strong market demand for heat dissipation technologies such as thick copper, embedded copper coins, and copper paste. In 2024, in addition to continuing to improve quality and enhance process capabilities, we have also continued to use our expertise in high-frequency/microwave products to jointly conduct early product design and development with a number of network communication product companies and automotive millimeter-wave radars. We have successfully penetrated into 5G Open-RAN equipment customers and jointly developed high-frequency, high-speed PCB applications such as RRU and antenna equipment. In addition, in response to the needs of the server market, a large amount of equipment and technology to meet the production needs of thick and large panels have been invested in Huangshi Plant II and Thailand Plant to strengthen the company's capabilities in the server and switch markets. The construction of Thailand P5 Plant was completed in 2024, further improving the process capabilities of high-layer counts and thick and large panels, and meeting the requirements of European and American customers to produce in a third place. On the other hand, the company also strengthens its technical capabilities in the development of high-frequency/microwave products, and introduces independent

antenna testing technology and equipment to continuously improve its competitiveness in the future electronics industry's high-frequency, high-speed, and high-heat dissipation technology requirements.

The main R&D projects and achievements in year 2024 are summarized as the following six points:

1. High-speed and low-loss products: We continue to test various Ultra low loss, Ultra low loss 2, Super ultra low loss and other materials and obtain UL certification. In terms of product structure: for high-layer, the factory has completed 50-layer technology certification; for multi-layer HDI, the production and reliability confirmation of 20-layer anylayer and 6+12+6 have been completed. In terms of product technical capabilities: stepped gold finger, N+M, N+M+N, and in-board gold plating processes have completed sample certification; back drilling 4+/-2mil, 0 stub process is also being steadily developed.
2. High-end HDI and thin products: High-end HDI has completed the development of 24-layer 8+8(B)+8 server HDI, 16-layer Anylayer HDI has been successfully mass-produced, PCS size>550mm LCD/LED size control motherboard has been successfully mass-produced, and 12-layer Anylayer Cavity high-end notebook motherboard has been certified and mass-produced. Completed the development and mass production of the 12-layer Anylayer automotive central control motherboard, and successfully mass-produced the 14-layer smart grid control HDI board with a full 3oz design inside and outside. Successfully developed and mass-produced 8+8 HDI PCS size>580mm, 1pcs/panel test module products. Completed the development and mass production of Anylayer lens modules with finished board thickness <0.3mm, and the diameter of blind holes can be reduced to 3mil. In addition, the research on materials that can withstand multiple laminations has been completed and standardized, making the materials used by Anylayer more diverse and stable. The thin product Mini-LED with a thickness of 0.2mm has been certified and has begun production. The research and development focus in 2024 has been on investing in process capabilities to enhance the development and production of BT material products with thinner thickness (0.15-0.1mm).
3. Mini-LED display products: Currently developing towards higher resolution, the product design and development meets the minimum pad gap design of 0.04mm, the thinnest board thickness of 0.2mm, and the reflectivity of more than 90%. The outdoor screen display board with a mixed pressed design of BT-like materials and FR4 materials has been developed.
4. High-frequency millimeter wave (mmWave) products: The shipment volume of automotive millimeter wave radar 60GHz/77GHz continues to rise, and the company continues to develop related customers. The antenna performance autonomous test probe platform has been put into trial operation and can autonomously test S parameters near the 77GHz frequency band. In the

development of new antenna technology, in the 4D imaging radar part, we have cooperated in-depth with many customers and launched a number of forward-facing and corner imaging automotive radars. At the same time, the waveguide radar developed in cooperation with well-known Tier-1 and chip companies has been recognized for its performance and has entered the small-scale trial production stage. In addition, we have purchased relevant testing instruments and have the testing capabilities to meet customer needs more comprehensively. In terms of satellite communications and microwave products, such as the continued mass production of geosynchronous orbit satellite (GEO) ground receiving stations and the most promising low earth orbit satellite (LEO) ground receiving stations, the company continues to contact customers to strive for mass production opportunities. The 5G Open RAN RU module is being developed in cooperation with customers. The 5G small base station fixed wireless access (FWA) and customer premise equipment (CPE) parts have been certified by many customers. As the overall progress of 5G millimeter wave has been delayed by the epidemic, we are currently continuing to work with customers to develop and produce early samples for 28GHz and 39GHz products.

5. High heat dissipation products: Embedded copper technology continues to cooperate with automotive and communication users to assist in design and sample building. The heat dissipation application of thick copper above 3oz is effective in providing design suggestions and development for customers' heat dissipation needs; the 12oz product has entered the sample production stage. Regarding the evaluation and development of high thermal conductivity materials, we are currently evaluating high thermal conductivity CCL with a thermal conductivity coefficient of more than 2.0W/m-k. At the same time, thermal grease has completed internal certification and is currently trialing samples for customers. In response to the demand for IMS materials from automotive panel customers, the company has also started developing materials and processes. The plating pre-treatment process and equipment for the high thermal conductivity ceramic material aluminum nitride has also entered the development and evaluation stage. In order to meet the overall heat dissipation technology needs of all customers, we will establish complete product and process service.
6. Embedded active and passive component products: Using embedded component technology, we jointly developed the embedded component 48V integrated Belt Starter Generator (iBSG) product with customers, and the product has completed certification; we started the development of embedded MOSFET; through the improvement of embedded copper technology and equipment testing, the minimum size capability of embedded materials has been increased to 2X2mm, and we continue to improve operations on smaller sizes. The processing technology of magnetic materials and the corresponding product design technology are developed together with customers in the sample

development stage, and the matching level between materials and product processing technology is strengthened.

B. Business Plan Summary for 2025

(A) Business Principles

1. Business Level:

- (1) Set sustainability (ESG), transformation (smart manufacturing), upgrade (precise process), and profitability (internal growth) as the four major goals for 2024.
- (2) Establish a professional, independent and diversified board of directors structure by increasing independent directors with expertise in technology, cybersecurity, ESG and sustainable development, and continue to increase the number of female directors.
- (3) Established a "Sustainability Development Committee" under the Board of Directors, setting short-, medium-, and long-term goals, with quarterly reports submitted to the Board.
- (4) Obtained approval from the Science Based Targets initiative (SBTi) for short-term, science-based emission reduction targets aligned with the 1.5°C pathway of the Paris Agreement. The next step is to commit to setting a long-term science-based target to achieve net-zero greenhouse gas emissions across the value chain by 2050.
- (5) Linked the remuneration of directors and executives to the company's ESG performance, making "sustainability" one of Dynamic's key differentiators.

2. R&D Level:

(1) Continuing the research and development direction in 2024

- 5G high-frequency communication network base station and CPE, RRU, Small Cell, satellite communication, 800G high-speed transmission, Server and Switch
- Advanced Driver Assistance Systems (ADAS), 4D Imaging Radar, LiDAR
- Wearable device, 48V iBSG
- MiniLED backlight/direct-lit module
- Electric car charging pile, EV automotive relay, engine and motor control modules

(2) Technology development schedule is as follows:

Content	Product Application	2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
5G telecom/datacom small cell process capability development and samples	ADAS / Satellite Comm. / 5G comm./ 800G high speed	-	-	-	-	-	-	-	-
Mini LED Display	NB/TV/Displa	-	-	-	-	-	-	-	-

Year Content	Product Application	2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
process capability development and sample production	y/LED screen (direct-lit)								
High-end server, switch products	Server, Switch, Base station core	→	→	→	→	→	→	→	→
Embedded component products	Wearable devices /48V iBSG→				→	→	→	→
Heat dissipation management products (HSP<Heat Sink Paste>、Coin、copper paste、thick copper above 6oz) process capability development and samples	Automotive/ Relays/charging piles for new energy vehicles /Medical/Defense/aerospace/5G communication /Satellite transmission	→	→	→	→	→	→	→	→
High-frequency base station, satellite antenna product process capability development	Antenna for 5G base station /CPE/Small cell	→	→	→	→	→	→	→	→

Program evaluation→

Prototyping - - -→

Mass production →

3. Marketing Level:

- (1) Extend the company's marketing strategy considerations into customer marketing and production lines. Gather information on upper, middle, and lower stream industries; competitors; the environment; and administrative regulation related information through multiple channels so that the operational level can carry out appropriate decisions and R&D strategies.
- (2) Fully communicate with the customer design and sales end and fully cooperate with their market and product positioning to avoid over- and under-product specifications as well as successfully establishing a market segment using precise and appropriate product quality and cost prices.

- (3) Use production bases to cover international customers worldwide; actively establish a global services network; and provide instant and effective post-sales marketing, technology, and quality services in order to get a better grip on customers' demand and build a firm relationship with the customers.
- (4) Providing all kinds of resources for the research and development of the potential products which developed by emerging enterprises to establish a partnership basis, and to become their long-term collaboration partner once product development has matured and obtained a certain market share.

4. Management Level:

- (1) Respecting self-value realization of employees and continuing to promote talent cultivation projects to improve the quality of all levels of leaders. Carry out career development planning and design in both management and professional techniques. Furthermore, to better implement corporate social responsibility (CSR) and improve the requirements of the Responsible Business Alliance (RBA) to root the company culture (Integrity, Enthusiasm, Learning, Teamwork) in everyone's heart. Build a developmental organization structure to support the company's continued growth. In response to the company's new product development and plant expansion plan, actively recruit professional talents and train successors. Strengthen education and training, including internal and external training, general knowledge education, special education, professional education and certification training. Also keep promoting academic upgrading programs, cooperate with universities and colleges to develop entrance program for students graduated from vocational school, and entrance examination registration program of vocational school or university for students who have equivalent qualifications of high school in order to keep the good employee and enhance the company's overall academic level.
- (2) As for the continuous promotion of the performance management system, the President's crew, "DynamicX iLearning", promoted the "Quantitative Performance of Team and Position" activity in March, 2018, all the members of the team work together to achieve goals and share the bonus brought by work performance. It is used to promote performance management downwards to the units and to individuals. The effects are obvious. The turnover rate, production efficiency and quality are all improved; thereby competitiveness is boosted by cost reduction.
- (3) Knowledge Management System: This is a cross-plant knowledge sharing platform under information confidentiality control. It has no plant area or geographical restrictions and has the functions of classifying and managing search information. It is an important platform for the company's talent cultivation and is also responsible for providing important external information and historical reference materials to the company team. With the continuous promotion of the iLearning Committee, the database of the

knowledge management system has been continuously enriched. Currently, there are tens of thousands of records in the KM system.

- (4) Actively plans to surpass the competition of traditional industries and move towards a new generation of automation, intelligence and information. Utilize smart factory as the carrier, intellectualization of key manufacturing links as the core, and network interconnection as the support. These aspects are embodied in the deep integration of various links of the manufacturing process and the new generation of information technology, such as Internet of Things, big data, cloud computing, etc.
- (5) In addition to maintaining occupational safety (ISO 45001), environmental protection (ISO 14001, ISO 14064), energy (ISO 50001) and hazardous substance management (QC 080000) system certifications at each production plant, the Kunshan plant has passed the AWS standard verification, the Huangshi plant has continued to obtain UL2799 zero landfill platinum certification and has passed the ISO14067 product carbon footprint inventory experience. We have independently established Dynamic's product carbon footprint system, which can track and calculate the product carbon footprint of each production part number and promote the product carbon footprint of the supply chain. Dynamic Huangshi integrates governance priorities and goals with global climate action initiatives, Incorporate "net-zero carbon reduction" into the core of governance and submit a commitment to science-based carbon reduction targets to the SBTi organization in 2023 to reduce carbon emissions by at least 50% by 2030 and achieve carbon neutrality by 2040. Dynamic also invites the supply chain to join in carbon reduction actions, hoping to contribute its own efforts to promote sustainable development in harmony with the global environment.
- (6) Work with our suppliers to promote various policies such as labor, health and safety, environment, ethics and management systems, and implement corporate social responsibility.

(B) Anticipated Sales Volume and its Basis

Based on the 2024 actual performance and 2025 annual forecast, comprehensively evaluate the company's advantages and market trends, and set the company's main directions for 2025:

1. Production capacity: According to the expansion of production capacity of Huangshi Plant and Thailand Plant, it is estimated that the overall sales area will increase by about 18%.
2. By technology types: including conventional board, HDI, high frequency-high speed board, thick copper board, Semi-flex board, etc.
3. By product application categories:
 - (1) Automotive PCB: The growth will come from advanced driver assistance systems (ADAS) and electric vehicles.
 - (2) Netcom & 5G-related: In response to the development of 5G, the demand for servers and Netcom-related increases.
 - (3) Storage devices: The demand for SSD and memory modules will increase.

- (4) Display panel: Demand is stable and new display technologies will be ready for certification (OLED, mini-LED, QD-LED).
- (5) Consumer electronics: mobile phone related products.
- (6) Medical products: The demand stays stable. Striving for new sample approval.

(C) Critical Production Planning Policies

In the year 2025, in line with the needs of the market and customers, the following short/medium/long-term plans are set:

1. Short-term: Inflation has gradually been brought under control in the second half of 2023. The Russia-Ukraine war and the Israel-Palestine conflict are still ongoing, and there are still uncertainties in the global economy. By planning orders in advance and being aware of customer needs as well as transportation timeliness and costs, it is expected to minimize the logistics factors that have the greatest impact. The Kunshan Plant, Huangshi Plant I, Plant II and the Thailand Plant are ready for production.
2. Mid/long-term: Promote accurate manufacturing processes to improve production process capabilities, developing high-end, high-tech and high added-value products; schedule the advanced process development of Huangshi plant-Building B; and continue to enhance the strengths of automation and intelligence to reinforce Dynamic and its partners' competitiveness of Industry 4.0.

C. Impact on future development strategy by the external competitive environment, regulatory environment, and overall business environment

The company's future development strategy will inevitably be deeply affected by geopolitical shifts and the ongoing U.S.-China trade war, leading to significantly heightened uncertainty and risk in business operations. Frequent changes in tariff policies, potential disruptions in supply chains, export controls, and technological restrictions may not only increase operational costs but also shrink market opportunities, thereby impacting the company's overall layout and long-term planning. In such circumstances, strategic flexibility and risk management capabilities will become crucial to maintaining competitiveness. Therefore, companies must proactively strengthen their understanding and assessment of geopolitical risks, flexibly adjust supply chain configurations, diversify market development, and accelerate investment and development in proprietary technologies to reduce reliance on single customers or regions. Only with forward-thinking and strong adaptability can enterprises navigate the rapidly changing global landscape, seize opportunities for transformation and upgrading, and open new avenues for long-term development.

Regarding regulatory Environment, in 2024, new or amended laws and regulations in Taiwan relevant to the company and its stakeholders include: the Income Tax Act, Anti-Money Laundering Act, Labor Standards Act (mandatory retirement), Electronic Signature Act, and Securities and Exchange Act (financial reporting). In China, revisions to laws and regulations relevant to the company's operations include: the

Interim Regulations on Carbon Emissions Trading Management, Water Conservation Regulations, Company Law (regulations on registered capital registration system), Cyber Data Security Management Regulations, and National Holiday and Commemoration Day Regulations (including the addition of Chinese New Year's Eve as a holiday). We maintain a high level of vigilance regarding changes to laws, regulations, and policies. If any are related to the company's daily operations or long-term development, we will promptly assess and plan accordingly, incorporating them into the company's strategic development and adjusting internal management practices as needed.

The overall business environment in 2025 is expected to be marked by high uncertainty alongside emerging opportunities. While the global economy is gradually recovering, inflationary pressures and interest rate fluctuations continue to influence market confidence. Central bank policies, monetary policy adjustments, and financial market volatility all impact the cost of capital and investment decisions for businesses. Meanwhile, geopolitical risks remain elevated. The U.S.-China relationship, the Russia-Ukraine war, and regional conflicts have brought supply chain restructuring and energy stability into sharp focus for enterprises. In addition, rapid advancements in digital transformation, green sustainability, and AI technology are accelerating the restructuring of industrial landscapes, presenting both pressure for transformation and opportunities for innovation. In response, companies must enhance their risk resilience, increase operational flexibility, and stay abreast of emerging technologies and market trends to overcome challenges, expand competitive advantages, and achieve steady growth and sustainable development.

Looking ahead, as we face the ongoing turbulence of the global economy and the escalating challenges of climate change, we stand at a pivotal moment—one filled with uncertainty, yet brimming with limitless possibilities. On this journey full of challenges, every employee and stakeholder is an indispensable partner in our path toward sustainability. We hope that everyone will embrace the mindset of "Think out of box, Do things differently, Achieve better result." With this spirit and attitude, may we remain steady amidst change, find breakthroughs in adversity, and infuse the company with greater resilience and influence. Let us stay true to our original purpose and move forward hand in hand, building a shared vision of sustainability and creating a brighter, more prosperous future for the next generation.

Finally, I want to wish everyone health and safety for yourselves and your families.

A handwritten signature in black ink, appearing to read 'Ken Huang', with a stylized flourish at the end.

Ken Huang, Chairman

II. Company Introduction

A. Founding Date

August 18, 1988, with capital of NT\$12,000,000.

B. Company History

Year-Month	Company Development
1988.08	The company was established in Taoyuan County for paid-in capital of NT\$12,000,000.
1993.05	Passed the UL product safety specification verification
1996.11	Processed a cash capital increase of NT\$16,000,000 for paid-in capital of NT\$28,000,000.
1996.12	Passed the quality management system ISO 9002 verification.
1998.04	Processed a cash capital increase of NT\$70,000,000 for paid-in capital of NT\$98,000,000.
1997.12	Processed surplus transfer into a capital increase of NT\$40,000,000 for paid-in capital of NT\$138,000,000.
2001.12	Processed surplus transfer into a capital increase of NT\$110,400,000 and employee bonuses transfer into a capital increase of NT\$2,600,000 for paid-in capital of NT\$251,000,000.
2001.12	Reinvested and established subsidiary WINTEK(MAURITIUS) Co., Ltd.
2002.02	Indirectly reinvested and established Dynamic Electronics (KS) Co., Ltd.
2002.04	Processed cash capital increase of NT\$40,000,000; surplus transfer into capital increase of NT\$125,500,000; and employee bonuses transfer into capital increase of NT\$3,500,000 for paid-in capital of NT\$420,000,000.
2002.05	Passed the Automotive Industry Quality Management System QS9000 verification.
2002.05	Initial public offering on May 27, 2002.
2002.10	Officially registered in the emerging stock market and traded over the GreTai Securities Market.
2003.01	Reinvested in Germany to establish subsidiary Dynamic Electronics Europe GmbH in Germany.
2003.06	Processed surplus transfer into capital increase of NT\$126,000,000 and employee bonuses transfer into capital increase of NT\$14,000,000 for paid-in capital of NT\$560,000,000.
2003.10	Kunshan plant officially began mass production and delivering shipments.
2003.10	Purchased the factory land and other buildings located on Shanying Road.
2003.06	Ranked number 649 among the top 1000 largest plants in the manufacturing industry by CommonWealth Magazine in 2003.
2003.07	Passed Environmental Management System ISO14001 Verification.
2004.09	Passed the Quality Management System ISO9000 Verification.
2004.09	Passed the Automotive Industry Quality Management System TS16949 Verification when the Kunshan plant began producing automotive panels.
2004.10	Processed surplus transfer into capital increase of NT\$56,000,000 and employee bonuses transfer into capital increase of NT\$4,000,000 for paid-in capital of NT\$620,000,000.
2004.11	Transferred capital reserve into capital increase of NT\$30,000,000 with the capital of NT\$650,000,000.
2005.01	Processed the cash capital increase of NT\$150,000,000 for paid-in capital of NT\$800,000,000.

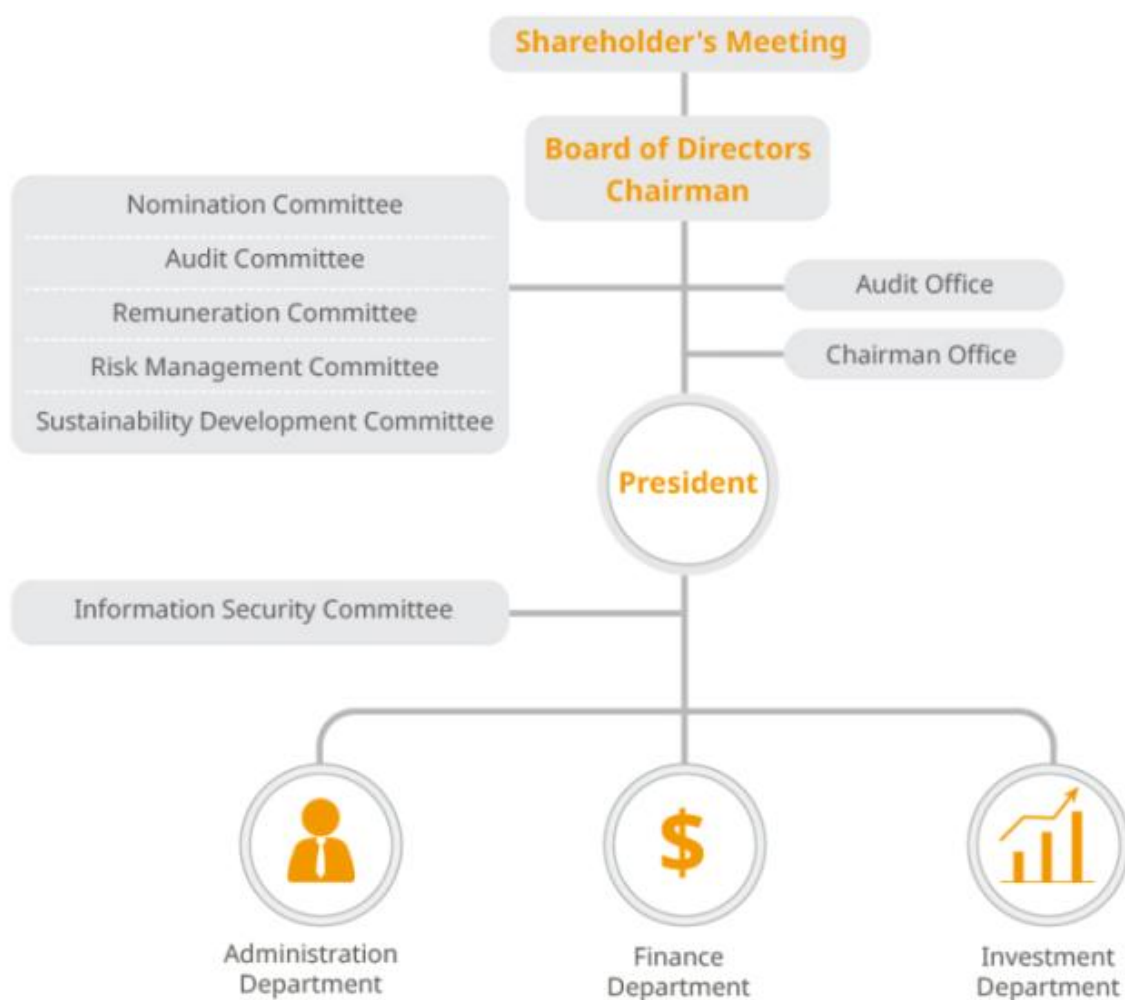
2005.05	Ranked number 392 among the top 10,000 largest plants in the manufacturing industry by CommonWealth Magazine in 2004; and considered as one of the 38 fastest growing companies in the manufacturing industry.
2005.06	Obtained ASUS Green Product GA Verification.
2005.08	Processed surplus transfer into capital increase of NT\$224,000,000 and employee bonuses transfer into capital increase of NT\$11,632,000 for paid-in capital of NT\$1,035,632,000.
2005.09	Obtained the LG Love Green Certification.
2005.09	Reinvested in Japan and established subsidiary Dynamic Electronics Japan.
2006.11	Processed the cash capital increase of NT\$176,000,000 with the paid-up capital of NT\$1,211,632,000.
2006.09	Processed surplus transfer into capital increase of NT\$363,490,000 and employee bonuses transfer into capital increase of NT\$30,377,000 for paid-in capital of NT\$1,605,499,000.
2006.10	Processed the cash capital increase of NT\$168,750,000 with the paid-up capital of NT\$1,774,249,000.
2006.12	Taoyuan plant began production for high density interconnect panels.
2007.02	Obtained SONY Green Partner Certification.
2007.06	Withdrew subsidiary Dynamic Electronics Japan.
2006.10	Passed the Hazardous Substance Process Management System QC080000 Certification.
2007.10	Processed surplus transfer into capital increase of NT\$354,850,000 and employee bonuses transfer into capital increase of NT\$22,841,000 for paid-in capital of NT\$2,151,940,000.
2007.12	Indirectly reinvested and established Dynamic Electronics (Xiamen) Co., Ltd.
2008.01	Reinvested and established subsidiary Dynamic PCB Electronics Co., Ltd., in Seychelles.
2008.05	Ranked number 246 among the 1000 largest plants in the manufacturing industry by CommonWealth Magazine in 2007.
2008.10	Processed surplus transfer into capital increase of NT\$215,194,000 and employee bonuses transfer into capital increase of NT\$17,543,000 for paid-in capital of NT\$2,384,678,000.
2008.10	Indirectly reinvested and established Kunshan Tybrake Industry Co., Ltd. and Kunshan BaoYing Electronics Technology Co., Ltd.
2009.03	Listed on the Taiwan Stock Exchange and processed the cash capital increase of NT\$23,000,000 with the paid-up capital of NT\$2,614,678,000.
2009.04	Reinvested in Abon Touchsystems Inc.
2009.06	Kunshan plant began production of high density interconnect panels.
2009.11	Passed work safety performance approval by the Council of Labor Affairs.
2009.12	Sold the indirectly reinvested Kunshan Tybrake Industry Co., Ltd. and Kunshan BaoYing Electronics Technology Co., Ltd.
2010.02	Passed ISO 14064-1 Greenhouse Gas Verification.
2010.03	Passed Occupational Health and Safety Management System OHSAS 18001 Verification.
2010.08	Issued the first domestic unsecured convertible bonds in the amount of NT\$900,000,000.
2011.08	Processed surplus transfer into capital increase of NT\$236,507,000 with the paid-up capital of NT\$2,864,360,000.

2011.12	Taoyuan plant began producing rigid-flex board products.
2012.06	Taoyuan plant began production for 12L any-layer high density interconnect panels.
2012.11	Processed surplus transfer into capital increase of NT\$71,234,000 with the paid-up capital of NT\$2,935,594,000.
2013.02	Disposed of 100% equity of the indirectly reinvested company Tybrake Industry (Xiamen) Co., Ltd.
2013.07	Processed treasury shares capital reduction of NT\$60,000,000 for paid-in capital of NT\$2,875,594,000.
2013.12	Kunying Electron (Kunshan) Co., Ltd. is renamed as Dynamic Electronics (Kunshan) Co., Ltd.
2013.12	Processed treasury shares capital reduction of NT\$15,000,000 for paid-in capital of NT\$2,860,594,000.
2014.10	Reinvested and established subsidiary Dynamic Electronics Co., Ltd., in Seychelles.
2014.11	Passed Energy Management System ISO50001 Verification.
2014.12	Issued the first Corporate Social Responsibility Report that conformed to the GRI G4 and AA1000 first category moderate level assurance grade requirements.
2014.12	Change the company address from Taoyuan County Guishan Township to Taoyuan City Guishan district in response to the administrative zone changes.
2015.01	Reinvested and established subsidiary Dynamic Electronics Holding Pte. Ltd., in Singapore.
2015.01	Reinvested and established subsidiary Dynamic Electronics Trading Pte. Ltd., in Singapore.
2015.11	Indirect investment in Sub-subsidiary company: Dynamic Electronics (Huangshi) Limited, which located in mainland China.
2015.11	Processed treasury shares capital reduction of NT\$50,000,000 for paid-in capital of NT\$2,810,594,000.
2016.03	Disposal of Abon Touchsystems Inc.
2017.01	Liquidation with Dynamic Electronics Europe GmbH, the German subsidiary.
2017.05	In the third corporate governance assessment, Dynamic was honored to rank top 5% among all listed companies.
2017.09	Official mass-production and shipment by Huangshi Plant.
2018. 09	Passed Automotive Quality Management System IATF16949 certification.
2018.11	Taoyuan Plant and Kunshan plant passed the AS9100D Aerospace Quality Management System Certification.
2019.08	In conjunction with the Group's production line consolidation, the production capacity of Taoyuan Plant was transferred to the overseas factories. The Taoyuan Operation Headquarters is fully devoted to R&D, product technology and Group's orders etc. businesses.
2019.08	Kunshan plant passed the ISO13485 Medical Devices Quality Management System Certification.
2019.10	Taoyuan plant is sold.
2020.01	The operating headquarters relocated to the 6th floor, No. 50, Minquan Road, Luzhu District, Taoyuan City.
2020.06	Implementing cash capital increase of NTD 300,000,000. The paid-in capital was NTD 3,110,594,000.
2020.11	Implementing capital reduction to make up for the loss of NTD 335,453,000. The paid-in capital was NTD 2,775,141,000.
2021.01	Huangshi plant starts production of HDI

2021.03	Passed the ISO45001 certification of occupational safety and health management system.
2021.05	Issued the second domestic unsecured convertible bond NTD500 million
2022.01	New shares were issued through the conversion of corporate bonds, and the paid-in capital was NTD2,775,183,610.
2022.01	Passed the ISO27001 certification of information security management system.
2022.03	Acquired 70% equity each of Chianan Tech. Corp. and Cheng Chong Technology Co., Ltd.
2022.05	On May 20th, 2022, it was resolved at a shareholder's meeting to establish Dynamic Holding Co., Ltd. by way of share conversion. The company applied for stock listing and trading in accordance with relevant regulations.
2022.08	New shares were issued through the conversion of corporate bonds, and the paid-in capital was NT\$2,775,489,340.
2022.08	Approved by the Taiwan Stock Exchange on June 23, 2022, Dynamic Electronics Co., Ltd. terminated its stock listing and trading on August 25 of the same year. Starting from the same day, it was replaced by Dynamic Holding Co., Ltd. for stock listing and trading, with the industry category listed as "Electronic Components" and the stock code as "3715."
2022.10	Our subsidiary, Dynamic Electronics (Huanshi) Co., Ltd., has acquired the land required for expanding its investment in Thailand.
2022.10	At the first extraordinary meeting of shareholders in 2022, it was resolved to approve the first public issuance of RMB common stock (A shares) by our subsidiary, Dynamic Electronics (Huanshi) Co., Ltd., and to apply for listing on the securities exchange in mainland China.
2022.12	Our subsidiary, Dynamic Electronics (Huanshi) Co., Ltd., has been restructured into a joint stock limited company and renamed as Dynamic Electronics (Huanshi) Co., Ltd.
2023.02	Our subsidiary, Dynamic Electronics (Huanshi) Co., Ltd., was has renamed as Dynamic Electronics Co., Ltd.
2023.04	Indirectly re-invest in a subsidiary in Thailand, Dynamic Technology Manufacturing (Thailand) Co., Ltd.
2023.08	Issue new shares for the conversion of corporate bonds, with the paid-in capital amounting to NT\$2,776,169,930.
2023.11	Issue new shares for the conversion of corporate bonds, with the paid-in capital amounting to NT\$2,776,745,840.
2024.11	Dynamic PCB Electronics Co., Ltd. completed liquidation procedures.

III. Corporate Governance

A. Organization System (A) Organization structure



(B) Primary Operational Departments

Unit by Rank					Responsibility and in Charge of
Shareholders' Meeting					<ol style="list-style-type: none"> 1. Top decision-making unit of the Company. 2. Exercising powers in accordance with the provisions of Company Act.
	Board of Directors				<ol style="list-style-type: none"> 1. Exercising powers in accordance with the resolutions of the shareholders' meeting and the provisions of the articles of association. 2. Exercising powers in accordance with the provisions of the Company Law and other relevant laws and regulations. 3. The highest decision-making unit of the Company most of the time.
		Chairman			<ol style="list-style-type: none"> 1. The Chairman of the shareholders meeting and the board of directors. Representing the company externally. 2. Exercising power in the Company within the scope authorized by the board of directors. 3. Examination or approval for various investment and financing activities. 4. Approval of bank payment and payment voucher.
		Auditing Office			<ol style="list-style-type: none"> 1. Assist the board of directors and managers to check and review the deficiencies of the internal control system and measure the effectiveness and efficiency of operations. 2. Assist managers to establish various internal control systems and management measures of the Company.
		Legal Office			<ol style="list-style-type: none"> 1. Formulation or verification of various contracts. 2. Contact window for consulting on various internal and external legal matters. 3. Responsible for the formulation and supervision of the company's integrity management policy and prevention plan, and report to the board of directors on a regular basis.
			President		<ol style="list-style-type: none"> 1. Plan the guidelines, strategies, plans, goal formulation, implementation and review of the company's long-term, medium-term and short-term operations. 2. Implement ESG planning and practice. 3. Manage affairs for the company and represent the company within the scope authorized by the company's articles of association or contract. 4. All other tasks shall be subject to the level of authority table.
				Investment Business Unit	<ol style="list-style-type: none"> 1. Assist in the establishment of financial management, legal compliance, and risk management mechanisms for the reinvestment business. 2. Project planning and execution.
				Financial department	<ol style="list-style-type: none"> 1. Establish accounting system, internal control system and SOP 2. Tax planning and assisting accountants in tax/financial verification certification 3. Budget compilation, review and implementation analysis 4. Fund planning for the three places across the Taiwan Strait 5. Derivative Commodity Operations 6. Supervise the financial and accounting business of subsidiaries.
				Administratio	<ol style="list-style-type: none"> 1. Analysis of company organization, job function and

Unit by Rank					Responsibility and in Charge of
				n department	<div>division of authorities and responsibilities.</div> <div>2. Execution of various personnel and salary operations.</div> <div>3. Management of general affairs related matters</div> <div>4. Planning and supervision of labor safety and health affairs.</div> <div>5. Employee health management planning and implementation.</div>

B. Information pertaining to the Directors, President, VP, AVP, and Supervisors in each department and branch office

(A) Directors

1. Information on the Directors

(1) Relevant Information and numbers of share held of the Directors and Supervisors

Mar. 24, 2025; Unit: Shares

Title	Nationality or Registered in	Name	Gender/ Age	Assumed office on	Duration of role	First elected on	Shares held when elected		Presently hold		Spouse, minor offspring presently hold		Shares held under others' names		Primary experience/ education	Other offices held in the Company or other companies	Supervisory or director roles held by spouse or other closely-relatives holding		
							Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	Relationship
Chairman	Taiwan, R.O.C.	Ken Huang	Male/ 41-50	2023.05.18	3 years	2022.08.25	11,162,071	4.02%	11,162,071	4.02%	185,736	0.07%	0	0.00%	EMBA of National Chengchi University VP of Sales and Marketing Div. at Dynamic Electronics Co., Ltd.	Chairman at Wintek (Mauritius) Co., Ltd. Executive Director and President at Dynamic Electronics (Kunshan) Co., Ltd. Chairman and President at Dynamic Electronics (Huangshi) Co., Ltd. Chairman at Dynamic Electronics Co., Ltd. Chairman at Dynamic Electronics Overseas Investment Holding Pte. Ltd. Chairman at Dynamic Electronics Holding Pte. Ltd. Chairman and CEO at Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Corporate Director Representative	Tiffany Tsan	Spouse
Corporate Director	Taiwan, R.O.C.	Hung-Li Investments Co. Ltd.		2023.05.18	3 years	2022.08.25	9,497,735	3.42%	9,497,735	3.42%	-	-	-	-	-	-	-	-	-

Title	Nationality or Registered in	Name	Gender/ Age	Assumed office on	Duration of role	First elected on	Shares held when elected		Presently hold		Spouse, minor offspring presently hold		Shares held under others' names		Primary experience/ education	Other offices held in the Company or other companies	Supervisory or director roles held by spouse or other closely-relatives holding		
							Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	Relationship
Corporate Director Representative	Taiwan, R.O.C.	Bill Nee	Male/ 61-70	2023.05.18 (2024.11.04 dismissed)	3 years	2022.08.25	305,217	0.11%	305,217	0.11%	71,898	0.03%	0	0.00%	Chemical Engineering Dept., Chung Yuan University AVP, HongShen, Foxconn Technology Group VP, Tripod (Wuxi) Technology Corp. VP, APCB (Thailand)	Director of Dynamic Technology Manufacturing (Thailand) Co., Ltd.	None	None	None
Corporate Director Representative	Taiwan, R.O.C.	Tiffany Tsan	Female	2024.11.04	1.5 years	2024.11.04	185,736	0.07%	185,736	0.07%	11,162,071	4.02%	0	0.00%	University of British Columbia, Commerce	Head of Hung Li Investment Co., Ltd. Head of Chien Hung Investment Co., Ltd. Head of Chi Chin Investment Co., Ltd.	Chairman	Ken Huang	Spouse
Corporate Director	Taiwan, R.O.C.	Chien-hung Investment Co., Ltd.		2023.05.18	3 years	2023.05.18	3,069,023	1.11%	3,069,023	1.11%	0	0.00%	0	0.00%	-	-	-	-	-
Corporate Director Representative	Taiwan, R.O.C.	Stephan Tsai	Male/ 41-50	2023.05.18 (2024.11.04 dismissed)	3 years	2023.05.18	550,000	0.20%	550,000	0.20%	0	0.00%	0	0.00%	Chien Hsin University of Science and Technology Tripod Technology Corp. Deputy Director of Engineering Department Dynamic Electronics (Kunshan) VP	Plant President Assistant of Dynamic Electronics Co., Ltd.	None	None	None

Title	Nationality or Registered in	Name	Gender/ Age	Assumed office on	Duration of role	First elected on	Shares held when elected		Presently hold		Spouse, minor offspring presently hold		Shares held under others' names		Primary experience/ education	Other offices held in the Company or other companies	Supervisory or director roles held by spouse or other closely-relatives holding		
							Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	Relationship
Corporate Director Representative	Taiwan, R.O.C.	Kelly Liu	Female	2024.11.04	1.5 years	2024.11.04	5,151	0.00%	5,151	0.00%	0	0.00%	0	0.00%	Department of French, Wenzao Ursuline University of Languages Dynamic Electronics Co., Ltd.: Chief of Process Technology Department Deputy Manager of Manufacturing Department Deputy Manager of Information Department	Manager of Corporate System Integration Development Department, Dynamic Electronics Co., Ltd.	None	None	None

Title	Nationality or Registered in	Name	Gender/ Age	Assumed office on	Duration of role	First elected on	Shares held when elected		Presently hold		Spouse, minor offspring presently hold		Shares held under others' names		Primary experience/ education	Other offices held in the Company or other companies	Supervisory or director roles held by spouse or other closely-relatives holding		
							Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	Relationship
Independent Director	Taiwan, R.O.C.	Yi-chia, Chiu	Male/ 51-60	2023.05.18	3 years	2023.05.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D. of Technology Management, National Chiao Tung University Vice Dean of the College of Business, National Chengchi University Director of Graduate Institute of Technology Management and Intellectual Property, Chengchi University CEO of EMBA, Chengchi University Independent Director of Globe Union Industrial Corp. and Flytech Technology Co., Ltd.	Professor of Graduate Institute of Technology Management and Intellectual Property, Chengchi University Independent Director of Wowprime Independent Director of CTBC Insurance Co., Ltd. Independent Director of Taiwan Life Insurance Co., Ltd.	None	None	None

Title	Nationality or Registered in	Name	Gender/ Age	Assumed office on	Duration of role	First elected on	Shares held when elected		Presently hold		Spouse, minor offspring presently hold		Shares held under others' names		Primary experience/ education	Other offices held in the Company or other companies	Supervisory or director roles held by spouse or other closely-relatives holding		
							Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	Relationship
Independent Director	Taiwan, R.O.C.	Vincent Lin	Female/ 51-60	2023.05.18 (2024.05.15 dismissed)	3 years	2023.05.18	0	0.00%	8,000	0.00%	0	0.00%	0	0.00%	PhD in Computer Science, National Chiao Tung University Host of the Ministry of Economic Affairs' "Intelligent Home Robot" Industry Specialist Project Quanta Computer BU1 Associate Director Technical VP of Emotibot Technologies Limited	Consultant of Brilliant Silicon Limited	None	None	None

Title	Nationality or Registered in	Name	Gender/ Age	Assumed office on	Duration of role	First elected on	Shares held when elected		Presently hold		Spouse, minor offspring presently hold		Shares held under others' names		Primary experience/ education	Other offices held in the Company or other companies	Supervisory or director roles held by spouse or other closely-relatives holding		
							Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	Relationship
Independent Director	Taiwan, R.O.C.	Vincent Weng	Male/ 51-60	2023.05.18	3 years	2023.05.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President Independent director of Dynamic Electronics Co. Ltd.		None	None	None
Independent Director	Taiwan, R.O.C.	Cheryl Chien	Female/ 31-40	2023.05.18	3 years	2023.05.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Law, National Chung Cheng University Ownlyn Law Firm Lawyer	LST&C Legal Lawyer	None	None	None
Independent Director	Taiwan, R.O.C.	Heng-Hsin Liu	Male 41-50	2024.05.16 (2024.05.20 dismissed)	3 years	2024.05.16	0	0.00%	0	0.00%	-	-	-	-	-	-	-	-	-

Note 1: Independent Director Vincent Lin resigned on May 15, 2024. Independent Director Heng-Hsin Liu resigned on May 20, 2024.

Note 2: Corporate Director Hung Li Investment Co., Ltd. reappointed its representative to Tiffany Tsan on November 4, 2024, and Chien Hung Investment Co., Ltd. reappointed its representative to Kelly Liu on November 4, 2024.

(2) The major shareholders of the legal person shareholders

Mar. 24, 2025

Corporate Shareholder Name	Controlling shareholders of Corporate Shareholders	
	Shareholders	Shareholding ratio %
Hung-Li Investment Co., Ltd.	Perfect Advance Limited	100.00%
Chien-Hung Investment Co. Ltd.	Li-Hsien Tsan	100.00%

(3) The major shareholder in the above table is a legal person

Corporate Name	Controlling shareholders of Corporate	
	Shareholders	Shareholding ratio %
Perfect Advance Limited	Top Insight Limited	100.00%

2. Information on the Directors

(1) Disclosure of professional qualifications and independence of directors:

Criteria Name	Professional Qualifications and Experiences	Independence Situation	Number of other public-listed companies that the individual serves as independent director
Ken Huang (Chairman)	National Chengchi University Master of Business Administration (EMBA). Joined Dynamic Group in May 2000 and was promoted to Chairman in September 2012. Specialized in the business operation and practice of the technology industry, equipped with the ability and insight of strategic planning, business, marketing, operation planning, industrial development and technology application.	1. Serves as the chairman of the company's affiliated companies. 2. The majority shareholder as natural person of the company. 3. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	0
Bill Nee (Representative of Corporate Director)	Bachelor of Chemical Engineering from Chung Yuan Christian University. Used to work as the assistant manager of HUNG SHENG ELECTRIC INTEGRATION TECHNOLOGY CO., LTD. under Foxconn, the vice president of Tripod (Wuxi) Electronics Co., Ltd., and the deputy general manager of APCB (Thailand). Joined Dynamic Group in April 2015 and has been serving in the PCB industry for more than 30 years. Communicate and interact with all directors on relevant business management strategies in the board of directors, and possess planning, execution and risk management capabilities.	1. The representative of the corporate director of Hung-Li Investment of the Company. (dismissed on 2024.11.04) 2. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	0

Stephan Tsai (Representative of Corporate Director)	Graduated from Chien Hsin University of Science and Technology. He once served as the deputy director of the pre-production engineering department of Tripod Technology and participated in the planning and management of customers' product design and production processes to ensure high efficiency and quality of product production. Joined Dynamic Group in May 2013 and has been serving in PCB industry for more than 27 years. Communicate and interact with all directors on relevant business management strategies in the board of directors, and propose directions and plans for industrial technology development.	1. The representative of the corporate director of Chien-Hung Investment of the Company. (dismissed on 2024.11.04) 2. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	0
Tiffany Tsan (Corporate Director Representative)	Holds a Commerce degree from the University of British Columbia and currently serves as the head of Hung Li, Chien Hung, and Chi Chin Capital. Specializes in investment strategy and asset management, with a strong focus on ESG and sustainable development. Guided by professionalism and forward-looking vision, dedicated to enhancing corporate value and promoting collective social well-being, steadily advancing in an ever-changing market.	1. Spouse of the Chairman and the largest individual shareholder of the company. 2. All other independence criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and the individual continues to meet the relevant independence requirements.	0
Kelly Liu (Corporate Director Representative)	With an academic background in the Department of French at Wenzao Ursuline University of Languages, currently serves as the Representative Director of Chien Hung Investment, and as Manager of the Enterprise System Integration and Development Department at Dynamic Electronics. Formerly held management roles in process engineering, manufacturing and IT., gaining extensive cross-departmental management experience. Specializes in enterprise system integration and process optimization, dedicated to enhancing organizational efficiency and driving digital transformation.	1. Manager of the Enterprise System Integration and Development Department for the affiliated companies of our corporation 2. All other independence criteria have been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and the individual continues to meet the relevant independence requirements.	0
Yi-Chia Chiu (Independence Director)	PhD in Technology Management of National Chiao Tung University Graduate Institute, specializing in technology innovation and business management. Currently a professor at the Graduate Institute of Technology Management and Intellectual Property at National Chengchi University, and an independent director at Wowprime Corporation, CTBC Insurance, and Taiwan Life Insurance highlight his rich academic background and corporate governance experience. Through dual roles in academia and business, he is able to integrate theory and practice, providing comprehensive professional knowledge and excellent leadership capabilities to promote the long-term development and success of the organization.	1. Independence Director of the Company. 2. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	3
Vincent Lin (Independence Director)	PhD in Computer Science, National Chiao Tung University. He once headed the Ministry of Economic Affairs' Smart Home Robot Industry Technology Project. While serving as BU1 Associate Director of Quanta Computer, he participated in the management and development of the computer industry. He was the Vice President of Technology at Emotibot Technologies Limited, committed to promoting the company's innovation and development in the field of smart technology. Currently serves as a consultant at Brilliant Silicon Limited. His rich academic background and practical experience, as well as leadership skills and expertise in the technology industry are able to support the company in driving technological innovation, advancing information security and development, and promoting business growth.	1. Independence Director of the Company. (dismissed on 2024.05.15) 2. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	0

Vincent Weng (Independence Director)	Master of Finance from Pace University and Master of Computer Engineering from Fordham University, with rich academic background. Once served as executive director of Standard Chartered International Commercial Bank and senior vice president of Standard Chartered Bank (Hong Kong), responsible for the strategic formulation and management of financial business. Cross-domain professional knowledge and rich experience have become important resources in the financial and technology fields, helping the Company achieve strategic goals and sustainable development.	1. Independence Director of the Company. 2. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	0
Cheryl Chien (Independence Director)	Bachelor of Law of National Chung Cheng University, with legal background. As a lawyer at LST&C Legal, he has accumulated rich experience in legal practice and specializes in handling and consulting on various legal matters. Currently serving as an independent director of Dynamic Holding, capable of supervising corporate governance, provide fair and professional opinions, and ensure the Company's compliance operations and sustainable development.	1. Independence Director of the Company. 2. The rest have been verified in accordance with the independence elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and meet the relevant independence requirements.	0

Note: All directors and supervisors of the company have not been found to be involved in any of the provisions of Article 30 of the Company Act.

(2) Diversity and independence of the board of directors

(A) Board Diversity

According to Article 20 of the Company's Corporate Governance Best Practice Principles and Article 2 of Procedures for Election of Directors, the abilities that the overall board of directors should have include: operational judgment ability, accounting and financial analysis ability, business management ability, crisis handling ability, industry knowledge, International market vision, leadership and decision-making skills. Diversity should be considered in the composition of the board of directors, and a policy for diversification of directors should be drawn up based on the needs of the company's operations, business models, and future development trends, including basic conditions and values (gender, age, nationality, race and culture), professional knowledge, and skills, such as Law, Accounting, Industry, Finance, Marketing or Technology etc. The specific management objectives and achievement of the company's diversification policy are as follows:

On May 18, 2023, Dynamic Holding conducted a full re-election of its board of directors, electing three directors and four independent directors. The expertise of the board members spans strategy, operations, risk management, finance, technology, banking, law, and corporate governance, and includes one female independent director. On November 4, 2024, two corporate director seats were reassigned to female representatives, increasing the number of female board members to three, thereby surpassing one-third of the total board seats. Dynamic aspires to lead the group toward sustainable corporate development through a more professional, independent, and diverse board structure.

Board Goals and Achievements

2024 Board Goal:

Increase the number of female directors and strengthen the board with members who have ESG expertise and advanced technical capabilities.

Achievement:

The number of female directors increased from one to three, surpassing one-third of the total board seats. The newly appointed directors also demonstrate a strong passion and commitment to sustainable corporate development.

2025 Board Goal:

Elect an independent director with expertise in smart manufacturing and information/cybersecurity.

The Company's implementation of the diversity of board members in 2024 is as follows:

Director	Name	Nationality	Gender	Concurrently served as an employee of the Company	Age (Years old)	Time served as an independent director	Concurrently served as a director of other company	Operation Management	Leadership / decision making	Finance / Accounting/ Law	Strategy and risk assessment	Industrial trend analysis	Industrial technology development	Industry Experience in GICS L1
Chairman	Ken Huang	Taiwan ROC	Male	v	41-50	-	0	v	v			v	v	
Representative of Corporate director	Hung Li Investment Co., Ltd. Tiffany Tsan	Taiwan ROC	Female		41-50	-	0		v	v	v			
Representative of Corporate director	Chien Hung Investment Co. Ltd Kelly Liu	Taiwan ROC	Female	v	41-50	-	0	v				v	v	
Independent director	Yi-Chia Chiu	Taiwan ROC	Male		51-60	0-3	3		v	v	v		v	-
Independent director	Vincent Weng	Taiwan ROC	Male		51-60	0-3	0	v		v	v	v		Finance
Independent director	Cheryl Chien	Taiwan ROC	Female		31-40	0-3	0			v	v			-

(B) Board Independence

As of the end of 2024, none of the six directors had any of the circumstances specified in Article 30 of the Company Act. Furthermore, no member of the Board of Directors was subject to any of the situations described in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. The independent directors have all been verified to meet the independence criteria stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and are in compliance with the relevant independence requirements.

(B) President, VP, AVP, and departmental and branch office supervisors

Mar. 24, 2025

Title	Nationality	Name	Gender	Assumed office on	Shares held		Shares held by spouse or minor children		Shares held under others' names		Primary experiences/education	Offices presently held in other companies	Managers who are spouses or second-relation relatives			Remark
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan R.O.C.	Jean Liu	female	111.08.25	661,514	0.24%	0	0.00%	0	0.00%	Graduated from Economics Dept. of Fujen Catholic University Master of Business Administration Institute of Tatung Institute of Technology EMBA at CEIBS Overseas Div. II, Tatung Co. Sales Director, Suzhou Gold Circuit Sales Director, Tripod (Wuxi) Technology Corp.	Director of Dynamic Electronics Co., Ltd. Supervisor at Dynamic Electronics (Kunshan) Co., Ltd. Director at Dynamic Electronics Overseas Investment Holding Pte. Ltd. Director at Dynamic Electronics Holding Pte. Ltd. Director at Dynamic Technology Manufacturing (Thailand) Co., Ltd.	None	None	None	
Senior VP	Taiwan R.O.C.	Lily Chiang	female	111.08.25	126,903	0.05%	0	0.00%	0	0.00%	Graduated from National Taichung University of Science and Technology Finance Manager, Iteq Corporation AVP, Finance Dept., Uniplus Electronics Co., Ltd.	Director at Dynamic Electronics Overseas Investment Holding Pte. Ltd. Director at Dynamic Electronics Holding Pte. Ltd. Supervisor of CHIANAN TECHNOLOGY CO. LTD. Supervisor of CHENG CHONG TECHNOLOGY CO., LTD.	None	None	None	
Financial & Accounting Director	Taiwan R.O.C.	Cathy Ni	female	111.08.25	80,493	0.03%	0	0.00%	0	0.00%	Graduated from Accounting Department, Ming Chuan University Assistant manager of KPMG Head of financial dept. of FirstMed Manager of Financial Dept. of (Kindom Group) Global Mall	None	None	None	None	
Auditing Director	Taiwan R.O.C.	Angel Tsai	female	111.08.25	10,290	0.00%	0	0.00%	0	0.00%	Bachelor in International Corporate Management, Ching Yun University of Science and Technology Auditor at Wang Chiu-Hui Accounting Firm Department Section Chief of Accounting, Overseas Investment and Project Manager at Albatron Technology Co., Ltd. Senior Accountant, MJ Life Enterprise, Ltd.	None	None	None	None	
Corporate Governance Officer	Taiwan R.O.C.	Cindy Hsieh	female	112.11.03	2,000	0.00%	0	0.00%	0	0.00%	Graduated from the Accounting Department of Changhua Normal University Deputy Manager of Deloitte & Touche, Certified Public Accountants AVP of Finance Department of Kaisan Green Energy Technology Co., Ltd.	None	None	None	None	

C. Compensation for the Directors, Independent Directors, President, and VPs for this fiscal year

(A) Compensation for Directors and Independent Directors (A summarized disclosure of names by grade levels)

Unit: NTD thousands

Title	Name (note 1)	Directors' compensation								% of sum of A, B, C, and D in the total net income (note 10)		Related compensation for directors who also serve as employees								% of sum of A, B, C, D, E, F, and G in the total net income (note 10)		Received reinvestm ent remunera tion from outside of subsidiari es or parent company (note 11)	
		Compensation (A) (note 2)		Pension (B)		Remuneration (C) (note 3)		Business-associ ated expenditure (D) (note 4)				Salary, bonus, and special fees (E) (note 5)		Pension (F)		Staff Remuneration (G) (note 6)							
		The Compa ny	All compa nies in the financia l statem ent (note 7)	The Compa ny	All compan ies in the financia l stateme nt (note 7)	The Compa ny	All compa nies in the financia l statem ent (note 7)	The Compa ny	All compa nies in the financia l statem ent (note 7)	The Company	All compan ies in the financia l stateme nt (note 7)	The Compa ny	All compa nies in the financia l statem ent (note 7)	The Company	All compa nies in the financia l statem ent (note 7)	The Company		All companies in the financial statement (note 7)		The Company	All compan ies in the financia l stateme nt (note 7)		
																Cash amount	Share amount	Cash amount	Share amount				
Director	Ken Huang																						
	Hung-Li Investment Co., Ltd. (Rep.: Bill Nee) (dismissed on 2024.11.4)																						
	Hung-Li Investment Co., Ltd. (Rep.: Tiffany Tsan) (took office on 2024.11.4)																						
	Chien-Hung Investment Co., Ltd. (Rep.: Stephen Tsai) (dismissed on 2024.11.4)	0	0	0	0	11,519	11,519	0	0	1.1%	1.1%	34,506	34,506	108	108	0	0	0	0	46,133 4.39%	46,133 4.39%	0	
	Chien Hung Investment Co., Ltd. (Rep.: Kelly Liu) (took office on 2024.11.4)																						

Independent Director	Yi-chia Chiu	1,136	1,136	0	0	4,936	4,936	0	0	0.58%	0.58%	0	0	0	0	0	0	0	0	6,072 0.58%	6,072 0.58%	0
	Vincent Lin (dismissed on 2024.5.15)																					
	Vincent Weng																					
	Cheryl Chien																					
<p>1. Please state the remuneration policy, system, standards and structure of independent directors, and describe the relevance with the amount of remuneration according to the responsibilities, risks, time invested and other factors:</p> <p>In addition to the evaluation results obtained from the director's performance evaluation, the company's independent directors' remuneration also takes into account the company's operating performance, future risks, development strategies, industry trends, and the usual level of payment among peers, etc., and is determined by the remuneration committee in accordance with the organizational regulations of the remuneration committee. Review the level of participation and contribution value of each director in the company's operations, link the reasonable fairness of performance and risks with the remuneration received, and submit it to the board of directors for resolution. The amount paid is indeed reasonable. Please refer to other chapters of this annual report for relevant information.</p> <p>2. In addition to the disclosures in the above table, the directors of the company in the most recent year have received remuneration for providing services to all companies in the financial report (such as serving as non-employee consultants): none</p>																						

Compensation Levels

Level of remuneration paid to each Director of The Company (NTD)	Names of Director			
	The total amount of the first four remunerations (A+B+C+D)		The total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report H	The Company	All companies included in the financial report I
Below 1,000,000	Bill Nee, Stephen Tsai, Kelly Liu, Tiffany Tsan, Vincent Lin	Bill Nee, Stephen Tsai, Kelly Liu, Tiffany Tsan, Vincent Lin	Bill Nee, Stephen Tsai, Kelly Liu, Tiffany Tsan, Vincent Lin	Kelly Liu, Tiffany Tsan, Vincent Lin
1,000,000 (inclusive) - 2,000,000	Yi-chia Chiu, Vincent Weng, Cheryl Chien	Yi-chia Chiu, Vincent Weng, Cheryl Chien	Yi-chia Chiu, Vincent Weng, Cheryl Chien	Yi-chia Chiu, Vincent Weng, Cheryl Chien
2,000,000 (inclusive) - 3,500,000	Chien-Hung Investments Co., Ltd.	Chien-Hung Investments Co., Ltd.	Chien-Hung Investments Co., Ltd.	Chien-Hung Investments Co., Ltd., Bill Nee, Stephen Tsai
3,500,000 (inclusive) - 5,000,000	Hung-Li Investments Co., Ltd., Ken Huang	Hung-Li Investments Co., Ltd., Ken Huang	Hung-Li Investments Co., Ltd., Ken Huang	Hung-Li Investments Co., Ltd.,
5,000,000 (inclusive) - 10,000,000				
10,000,000 (inclusive) - 15,000,000	-	-		
15,000,000 (inclusive) - 30,000,000	-	-		
30,000,000 (inclusive) - 50,000,000	-	-		Ken Huang
Total	11 people	11 people	11 people	11 people

Note 1: The names of directors should be listed separately (corporate shareholder should list the name of the corporate shareholder and its representative separately). General directors and independent directors should be listed separately, and the payment amount should be disclosed in a summary manner.

Note 2: This refers to directors' compensation (including director's salary, bonuses associated with paygrade, severance pay, various bonuses and incentives etc.) for the most recent fiscal year.

Note 3: This refers to the amount of remuneration for directors given, as agreed upon by the Board of Directors for the most recent fiscal year.

Note 4: This refers to the directors' business-associated expenditures for the most recent fiscal year (including material incentives such as transportation fees, special expenses, various allowances, boarding, and company cars etc.). If housing, cars and other methods of transportation, or customized individual spending are offered, the characteristics of the assets offered and costs, real or fair market value of rental expenses, gas, and other payments should be disclosed. If chauffeur is offered to the directors, the associated fees paid to the chauffeur by the company should be noted, but this should not be counted within the remunerations.

Note 5: This refers to the material incentives including salaries, bonuses associated with paygrade, severance pay, various bonuses, incentives, transportation fees, special expenses, various allowances, boarding, and company cars etc. that have been endowed on the directors and those who also serve as employees (including serving as President, VP, other managers and staff) for the most recent fiscal year. If housing, cars, and other methods of transportation, or customized individual spending are offered, the characteristics of the assets offered and costs, real or fair market value of rental expenses, gas, and other payments should be disclosed. If chauffeur is offered to the directors, the associated fees paid to the chauffeur by the company should be noted, but this should not be counted within the remunerations. And the listed salary costs of IFRS2 "share-based payment", including the acquisition of employee stock option certificate, New Restricted Employee Shares and participation in subscription to an increase in capital stock, etc., should also be included in the remuneration.

Note 6: This refers to those directors who also serve as employees (including serving as President, VPs, other managers and staff) and have received employee remuneration (including shares and cash), should disclose the remuneration amount to be paid to the employees that has been agreed upon by the Board of Directors for the most recent fiscal year.

Note 7: The total amount paid to directors of The Company as various forms of incentives, from all companies (including The Company) included in this report should be disclosed in its entirety.

Note 8: The Company will disclose the names of directors according to their ranks for having paid each director the sum of various forms of incentives.

Note 9: The total amount of various forms of incentives paid by all companies in this report (including The Company) to each director of The Company should be disclosed in its entirety, and disclose the names of directors according to their ranks.

Note 10: Net income refers to the net income of the most recent fiscal year. The IFRS reporting method has been adapted, and net income means the net income of an individual or separate financial report in the most recent year.

Note 11: a. This column should clearly include the amount of remuneration given for reinvestment-related business that has been received by a director of The Company from outside of subsidiaries or parent company. (If no, please fill in "none".)

b. If a company director has received remuneration for reinvestment-related business from outside of subsidiaries or parent company, the amount received under this category should be included in the I column of the compensation table, and revise the column to show "parent company and all reinvestment businesses".

c. Remuneration refers to the compensation, incentives, staff dividends, and business-related expenses that have been incurred by the directors of The Company, when they have served as a director, supervisor, or manager for the reinvestment businesses outside the company's subsidiaries or parent company.

Note 12: The compensation that the company paid the chairman's driver in 2024 is NT\$1,285,700 (2024/0/01-2024/12/31)

Note 13: Estimated based on the employee remuneration (cash) of NT\$6,862,000 and director's remuneration (cash) of NT\$16,455,288 approved by the board of directors on Feb.26, 2025, the actual payment is based on the approval of the Remuneration Committee and the Board of Directors.

* The content of the compensation as disclosed in this report is different from the concept of income tax. Hence, this table is solely for the purpose of information disclosure, and not for tax filing purposes.

(B) Compensation for President and VP (A summarized disclosure of names by grade levels)

Unit: NTD thousands

Title	Name (note 1)	Salary (A)		Pension (B)		Bonus and special expenses etc.(C)		Staff remuneration (D)				% of sum of A, B,C, and D on the net income		Received reinvestment remuneration from outside of subsidiaries or parent company
		The Company	All companies in the financial statement	The Company	All companies in the financial statement	The Company	All companies in the financial statement	The Company		All companies in the financial statement		The Company	All companies in the financial statement	
								Cash amount	Share amount	Cash amount	Share amount			
President	Jean Liu													
Senior VP	Lily Chiang	3,857	3,857	216	216	640	640	2,786	0	2,786	0	7,499 0.71%	7,499 0.71%	none

*All positions equivalent to President or VP (for instance, Chairman, CEO, Director...etc.), should all be disclosed, regardless of titles.

*Estimated based on employee compensation approved by the board of directors on Feb. 26, 2025.

Compensation Levels

Level of remuneration paid to President and VP of The Company (NTD)	Names of President and VP	
	The total amount of the first four remunerations (A+B+C+D)	
	The Company	All companies included in the financial report
3,500,000 (inclusive) - 5,000,000	Jean Liu, Lily Chiang	Jean Liu, Lily Chiang
Total	2 people	2 people

Names and status of managers who have been issued employee remuneration

Dec. 31, 2024; Unit: NTD thousands

	Title (note 1)	Name (note 1)	Amount of shares	Amount of cash	Total	% of total on the net income
Managers	President	Jean Liu	0	4,280	4,280	0.41%
	Senior VP	Lily Chiang				
	Accounting Supervisor	Cathy Ni				
	Audit Supervisor	Angel Tsai				
	Corporate Governance Officer	Cindy Hsieh				

Note 1: Individual names and titles should be disclosed separately, but the remuneration distribution can be disclosed holistically.

Note 2: This refers to the amount of employee remuneration (including share and cash) that will be endowed on the managers, as agreed upon by the Board of Directors for the most recent fiscal year. If unable to estimate, this year's intended amount should be calculated based on last year's actual paid amount. Net income refers to the net income of the most recent fiscal year. The IFRS reporting method has been adapted, and net income means the net income of an individual or separate financial report in the most recent year.

Note 3: The scope of a manager, according to No. 0920001301 rule and regulation of the Taiwan Finance Certificate, contains the following: a) President and the equivalent; b) VP and the equivalent; c) AVP and the equivalent; d) Financial supervisor; e) Accounting supervisor; f) others who manage company affairs and have signature right.

Note 4: Estimated based on employee compensation approved by the board of directors on Feb. 26, 2025.

(C) Remuneration policy

1. Analysis of the proportion of the total remuneration paid to the company's directors, independent directors, presidents and vice presidents to unconsolidated or individual financial reports and after-tax net income in the last two years according to the company's and consolidated company statements:

Unit: NTD thousands

Item Title	The Company				All the companies within the consolidated financial statement			
	2023		2024		2023		2024	
	Total amount	Ratio on net income	Total amount	Ratio on net income	Total amount	Ratio on net income	Total amount	Ratio on net income
Directors' compensation	11,227	1.12%	46,113	4.39%	53,699	5.35%	46,133	4.39%
Independent Directors' compensation	5,898	0.59%	6,072	0.58%	5,898	0.59%	6,072	0.58%
President and VPs' compensation	7,364	0.73%	7,499	0.71%	7,364	0.73%	7,499	0.71%
Net income	1,003,398	1,003,398	1,050,739	1,050,739	1,003,398	1,003,398	1,050,739	1,050,739

2. The correlation between the policy, standards, content of remuneration payment, the procedures for setting remuneration and the operating performance and future risks:
 - 1) Remuneration of Directors

According to Article 30 of the company's articles of association, if the company makes a profit during the year, the company may allocate no more than 3% of the above-mentioned profit amount as directors' remuneration by resolution of the board of directors. The company regularly evaluates the performance of directors and functional committees in accordance with the "Rules for Performance Evaluation of Board of Directors" as an important basis for directors' remuneration.

Linkage of director performance and salary remuneration:

- (1) The results of the annual performance evaluation of the board of directors, functional committees and individual director members account for 20% of the remuneration.
- (2) The KPI of the company's overall operating performance (including annual operating income, net profit after tax and return on shareholders' equity) accounts for 20% of the remuneration.
- (3) Sustainable ESG KPIs (including reducing greenhouse gas emission intensity by 4% per year, reducing water consumption intensity by 4% per year, promoting working environment safety, core talent nurturing, risk assessment and management, and improving the supply chain's resilience with climate change risks) accounts for 20% of the remuneration.
- (4) Future risks and development trends of the industry (including assessment of risk projects and formulation of future development strategies) account for 20% of the remuneration.
- (5) The degree of participation and special contributions of all individual director account for 20% of the remuneration.

Relevant performance appraisals and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors.

2) Remuneration of Managers

To motivate senior executives, key professional talents, and all employees to value long-term, holistic performance and to achieve sustainable operations, the five key sustainability strategies and goals are linked to both short-term and long-term incentive compensation for the General Manager and managers.

1. **Annual Financial Performance Indicators 20%:** Net Revenue 10%, Net Profit After Tax 10%
2. **Annual Departmental and Relational Performance Indicators 40%:** Based on relevant indicators across five key dimensions: ESG (Environmental, Social, and Governance), customer satisfaction, quality commitment, continuous innovation, and smart manufacturing.
3. **Annual Individual Competency Evaluation 40%:** Based on self-management, team leadership, operational capabilities, and personal potential.

The annual performance evaluation = 20% financial performance + 40% departmental and relational performance + 40% competency evaluation. This

formula effectively ties performance-based compensation and variable pay to management results

Annual Comprehensive Performance Review:

- (1) Company performance indicator 24% (based on annual net revenue and net profit after tax)
- (2) Indicator items of the department to which each individual belongs. 36% (based on the four major goals: sustainability-ESG, transformation-intelligence, upgrade-precision manufacturing, and profit-internal growth).
- (3) Functional evaluation results 40% (remuneration for operating performance is calculated based on self-management, team leadership, operational capabilities, and personal potential, and is effectively linked to variable remuneration).

3) Correlation with operating performance and future risks:

- (1) The review of the payment standards and systems related to the company's remuneration policy takes the company's overall operating conditions as the main consideration, and determines the payment standards based on the performance achievement rate and contribution, in order to improve the overall organizational team effectiveness of the board of directors and management departments. We also refer to industry compensation standards to ensure that the management level's remuneration of the company is competitive in the industry in order to retain outstanding management talents.
- (2) The performance targets of the company's managers are combined with "risk control" to ensure that possible risks within the scope of responsibility can be managed and prevented, and the results of the ratings are based on actual performance and linked to relevant human resources and related compensation Policy. The important decisions of the company's management are made after weighting various risk factors. The performance of relevant decisions is also reflected in the company's profitability, and the remuneration of the management is linked to the performance of risk control.
- (3) The company's remuneration to managers includes long-term bonuses, which are paid in the form of cash, with part converted into stocks. They are not fully paid in the year of earnings. Their actual value is related to the future stock price, so as to share future operating risks with the company. In addition, the annual training rate and retention rate of core talents are set as one of the performance goals for directors and managers.

D. Operations of Corporate Governance

(A) Information of Operations of Board of Directors

1. In the most recent fiscal year, the Board of Directors have held 8 meetings (A), and the attendance of the Directors are as follows:

Title	Name	Number of actual attendance (B)	Number of by proxy	Ratio of attendance [B/A]	Remarks
Director	Ken Huang	8	0	100.00	The term of the 2nd board of directors is from May 18, 2023 to May 17, 2026. From January 1, 2024 to December 31, 2024, a total of 8 meetings were held, and the attendance rate of all directors was 100%.
Corporate Director	Hung-Li Investment Co., Ltd. Representative: Bill Nee	7	0	100.00	
Corporate Director	Hung-Li Investment Co., Ltd. Representative: Tiffany Tsan	1	0	100.00	
Corporate Director	Chien-Hung Investment Co., Ltd. Representative: Stephen Tsai	7	0	100.00	
Corporate Director	Chien-Hung Investment Co., Ltd. Representative: Kelly Liu	1	0	100.00	
Independent Director	Yi-chia Chiu	8	0	100.00	
Independent Director	Vincent Lin	3	0	100.00	
Independent Director	Vincent Weng	8	0	100.00	
Independent Director	Cheryl Chien	8	0	100.00	

Other items to be mentioned:

1. If any of the following circumstances occurs while functioning the board of directors, the Board meeting date, the Board meeting term, the contents of the motion, the opinions of all independent directors and the follow-up to the opinions of the independent directors should be elaborated:

- (1) The matters listed in Article 14-3 of the Securities Exchange Act: The Company has established an audit committee, and the provisions of Article 14-3 of the Securities and Exchange Act do not apply. For relevant information, please refer to "Operations of the Audit Committee" in this annual report.
- (2) Besides the above-mentioned matters, the resolutions by the board of directors that have been objected to or reserved with record or written statement by other independent director: none.

2. The recusal of directors from the cases that pose a conflict of interest, should elaborate on the director's name, the content of the case, cause of the conflict of interest, and the status of the vote:

1. February 27, 2024 – 1st Board Meeting of 2024

Discussion Item 15: Review of Salary and Benefits for Executive Personnel Changes – Submitted for deliberation.

Resolution: As this item involved a personnel change concerning Chairman Ken Huang, he recused himself from discussion and voting due to a conflict of interest. Acting Chairman and Independent Director Yi-Chia Chiu consulted the remaining board members, and with no objections, the proposal was approved as submitted.

2. April 29, 2024 – 3rd Board Meeting of 2024

Discussion Item 4: 2023 Directors' Remuneration – Allocation of Weights for Other Significant Contributions – Submitted for deliberation.

Resolution: As this item concerned the distribution of remuneration among directors, all directors were considered to have a conflict of interest regarding their own compensation. Chairman Ken Huang recused himself during the discussion and voting of his remuneration and appointed Independent Director Yi-Chia Chiu as Acting Chairman. Acting Chairman Chiu consulted the attending directors, and with no objections,

the proposal was approved. The board then proceeded to review and vote on the remuneration of Directors Bill Nee, Stephen Tsai, Independent Directors Yi-Chia Chiu, Vincent Lin, Vincent Weng, and Cheryl Chien. Each director recused themselves from the discussion and voting concerning their own remuneration. With no objections from the remaining members, each proposal was approved accordingly.

3. October 27, 2024 – 7th Board Meeting of 2024

Discussion Item 7: Appointment of the 1st Sustainability Committee Members and Selection of Committee Convener and Chairperson – Submitted for discussion.

Resolution: During the nomination process, nominees Mr. Yi-Chia Chiu, Ms. Cheryl Chien, and Mr. Vincent Weng recused themselves and left the meeting. With no objections from the remaining directors, the nominations were approved. The committee then unanimously elected Independent Director Mr. Yi-Chia Chiu as the Convener and Chairperson of the 1st Sustainability Committee.

3. For information on the evaluation cycle, period, scope, method and content of the self-evaluation of the board of directors, please refer to the attached table "Implementation of Board Evaluation".

4. Goals (e.g. establishing audit committee, enhancing information transparency) primed to enhance the board of directors' professionalism and assessment on their effectiveness for that year and the most recent year:

1. On October 27, 2024, the company established a Sustainability Development Committee under the Board of Directors.
2. On November 4, 2024, institutional director Hung Li Investment Co., Ltd. appointed Ms. Tiffany Tsan as its new representative, and Chien Hung Investment Co., Ltd. appointed Ms. Kelly Liu. These changes increased the number of female directors from one to three, bringing female representation to over one-third of the board. The newly appointed directors are both committed and passionate about corporate sustainability.
3. The company established the following governance and operational policies: Insider Trading Prevention Procedures, Risk Management Policy and Procedures, Sustainability Practice Guidelines, Sustainability Committee Charter, Corporate Value Enhancement Plan, Anti-Bribery and Anti-Corruption Policy. Additionally, the following policies were revised: Code of Ethical Conduct, Director Compensation Policy, Corporate Governance Best Practice Principles, Audit Committee Charter, Board Meeting Procedures, Manager Performance Evaluation Policy.

Future Goal: To appoint an independent director with expertise in smart manufacturing and information/cybersecurity.

2. Implementation of Board Evaluation

1) 2024 Internal Performance Assessment of the Board of Directors

Evaluation cycle	Evaluated period	Evaluation scope	Evaluation method	Evaluation Content	Evaluation results and action plans
Conduct an internal board performance evaluation at least once a year.	Evaluate the performance of the board of directors from Jan. 1, 2024 to Dec. 31, 2024.	Including overall board of directors, individual directors, and functional committees like audit committee, remuneration committee, nomination committee, and risk management committee and Sustainability Development Committee	Including internal self-evaluation of the board of directors, self-evaluation of board members, self-evaluation of functional committees	(1) Board performance evaluation (2) Performance evaluation of individual board members (3) Functional committees' performance evaluation.	Comprehensive comments: (1)The Board of Directors convenes and operates in compliance with legal requirements and corporate governance principles, effectively enhancing performance. (2)The Board thoroughly executes and supervises the company's operations and strategic direction. (3)The Board consistently implements sustainable development strategies and links senior management compensation to ESG-related performance. Action plan: (1) Arrange the management team to report to the board of directors at least every quarter on relevant information and changes in upstream and downstream and related industries, and provide relevant industry reports from time to time. (2) Ensure directors receive comprehensive materials and reports before meetings, allowing ample time to review and prepare for effective discussion and decision-making. (3) The secretariat promptly provides business performance reports to directors. (4) Offer more professional development courses for directors, with training not limited to the annual minimum of six hours.

(B) Information of Operations of the Audit Committee:

The term of the first Audit Committee members came into effect from May 18, 2023 to May 17, 2026, which is the same as the term of the current Board of Directors. All members elected Mr. Yi-chia Chiu as the convener and chairman of the meeting. The resignation of Committee Member Vincent Lin became effective on May 15, 2024.

The members are as follows:

Responsibilities	Members	Current Position	Educational Qualifications	Experience
Chairman	Yi-chia Chiu	Vice President of Business School, Chengchi University Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	CEO of EMBA, Chengchi University
Member	Vincent Lin	Consultant of Brilliant Silicon Limited	PhD in Computer Science, National Chiao Tung University	Technical VP of Emotibot Technologies Limited Quanta Computer BU1 Associate Director
Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President
Member	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer

The main purpose of the operation of this committee is to supervise the following matters:

1. Proper interpretation of the Company's financial statements.
2. The choice of CPA (dismissal), independence and performance.
3. Effective implementation of the company's internal controls.
4. The Company complies with relevant laws and regulations.
5. Management and control of existing or potential risks of the Company.

The committee's duties and authorities are as follows:

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Establish or amend the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivatives transactions,

lending funds to others, endorsing or providing guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.

4. Matters involving the directors' own interests.
5. Material asset or derivatives transactions.
6. Material capital loans, endorsements or guarantees.
7. The offering, issuance or private placement of equity-nature securities.
8. Appointment, dismissal or remuneration of CPA.
9. Appointment and discharge of finance, accounting or internal audit supervisors.
10. The annual financial report signed or sealed by the chairman, manager and accounting supervisor and the second quarter financial report reviewed and audited by an accountant.
11. Other major matters stipulated by the Company or the competent authority.

The company's audit committee was established after the full re-election of directors at the shareholders' meeting on May 18, 2023, and consists of 4 independent directors.

The Audit Committee held a total of 6 meetings in 2024, and the matters reviewed mainly included:

1. Financial statement audit and accounting policies and procedures
2. Internal control system and related policies and procedures
3. Material Loaning of Funds and Making of Endorsements/Guarantees
4. Compliance
5. Risk management
6. CPA's independence and performance evaluation
7. Self-evaluation of audit committee performance
8. Reaffirm the company's general policy on pre-approved non-assurance services.
9. New commitments issued by the subsidiary Dynamic (Huangshi) Electronics Co., Ltd. to be listed on a stock exchange in mainland China
10. Annual Budget
11. Annual Business Plan
12. Corporate Value Enhancement Plan
13. Amendment to the Audit Committee Charter

Review Financial Report

It is agreed to and resolved by the Audit Committee and the Board of Directors that the company's 2024 Financial Statement was audited and certified by Ernest & Young, who is designated by the Board of Directors; and an audit report which refers to the Financial Statement was issued. In addition, the Company's business report of 2024 and Earnings distribution table, which were submitted by The Board of Directors have been considered to be compliant with the relevant regulations of Company Law after having them reviewed by the Audit Committee of Dynamic Electronics Co., Ltd.

Assess the effectiveness of internal control systems

The audit committee evaluates the effectiveness of the company's internal control system policies and procedures (including financial, operational, risk management,

information security, compliance with laws and other control measures), and reviews the periodic reports of the company's audit department, CPA and management. The committee believes that the company's risk management and internal control systems are effective. The company has adopted the necessary control mechanisms to monitor and correct violations.

Appointment of Certified Public Accountants

The company's audit committee evaluates the independence and competency of its certified accountants every year. In addition to requiring the certified accountants to provide a "Declaration of Detached Independence", the audit quality is also based on the "Audit Quality Index (AQI) Disclosure Template" issued by the Financial Supervisory Commission. Indicator (AQI) information, including 5 major aspects and 13 indicators including professionalism, independence, quality control, supervision, and innovation ability, effectively and objectively evaluates the ability and commitment of accounting firms and audit teams to improve audit quality. .

The evaluation results of the most recent year have been discussed and approved by the Audit Committee on December 16, 2024, and reported to the Board of Directors on December 16, 2024 to pass the assessment of the independence and competency of the accountants.

Assessment mechanisms include:

1. Confirm that the company's certified accountant is not a related party to the company or its directors.
2. Comply with the provisions of the Corporate Governance Code of Practice to handle the rotation of certified accountants.
3. Before appointing the annual audit service of the Certified Public Accountants, it is necessary to obtain the approval of the Audit Committee in advance. Before the appointment of non-audit service items, the Certified Public Accountants will review the compliance with independence standards. The Certified Public Accountants will make relevant reports when communicating with the Audit Committee every quarter.
4. The certified accountant reports to the Audit Committee on the implementation review/inspection content and independence and other compliance status every quarter.
5. Obtain a declaration of independence from a certified accountant on a regular basis.
6. Incorporate audit quality indicators (AQIs) into the evaluation basis for audit service appointment, and the certified accounting firm will make relevant reports with the audit committee before the annual audit service appointment.

For the most recent year, the audit committee has held 6 meetings (A), below demonstrates the attendance of independent directors:

Title	Name	Number of actual attendance (B)	Number of by proxy	Ratio of attendance [B/A]	Remarks
Convener	Yi-chia Chiu	6	0	100.00	Re-elected on May 18, 2023

Member	Vincent Lin	2	0	100.00	Re-elected on May 18, 2023 Dismissed on May 15, 2024.
Member	Cheryl Chien	6	0	100.00	Re-elected on May 18, 2023
Member	Vincent Weng	6	0	100.00	Re-elected on May 18, 2023
Other items to be mentioned:					
1. If the operation of the audit committee falls under any of the following circumstances, the meeting date, period, content of proposals, objections, qualified opinions or major recommendations of the audit committee, the results of the resolutions of the audit committee, and the company's solution to the opinions on the audit committee shall be stated.					
(1) The matters listed in Article 14-5 of the Securities Exchange Act:					
Audit Committee		Proposal content			
First meeting in year 2024 2024/02/27		1. Proposal to Amend Internal Control Regulations of the Company 2. Issuance of the "Internal Control System Statement" 3. Proposal for the 2023 Business Report, Standalone Financial Statements, and Consolidated Financial Statements 4. Proposal for 2023 Earnings Distribution 5. Proposal for the Company's 2024 Budget 6. Proposal for Endorsement and Guarantee of Group Enterprise Financing Limits 7. Proposal to Reaffirm the Company's "General Policy for Pre-approval of Non-assurance Services"			
Second meeting in year 2024 2024/04/29		1. Proposal for the 2024 Q1 Consolidated Financial Statements 2. Proposal for Endorsement and Guarantee of Group Enterprise Financing Limits			
Third meeting in year 2024 2024/07/29		1. Proposal for the 2024 Q2 Consolidated Financial Statements 2. Proposal for Endorsement and Guarantee for Dynamic Electronics (Huangshi) Application for Short-term Credit Facilities with Shanghai Commercial & Savings Bank			
Fourth meeting in year 2024 2024/10/01		Proposal for New Commitments Issued Regarding the Planned Listing of the Company's Subsidiary, Dynamic Electronics (Huangshi), on a Securities Exchange in Mainland China			
Fifth meeting in year 2024 2024/10/27		1. Proposal for the 2024 Q3 Consolidated Financial Statements 2. Proposal for Endorsement and Guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd.'s Application for Mid-term Credit Facilities with Shanghai Commercial & Savings Bank 3. Proposal for Endorsement and Guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd.'s Application for Short-term Credit Facilities with DBS Bank (Taiwan) Ltd. 4. Proposal for Endorsement and Guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd.'s Application for Short-term Credit Facilities with Cathay United Bank			
Sixth meeting in year 2024 2024/12/16		1. Proposal to Amend Internal Control Regulations of the Company 2. 2025 Audit Plan of the Company 3. Proposal to Revise the 2024 Budget 4. Proposal for the Company's 2025 Business Plan 5. Proposal for the Company's "Corporate Value Enhancement Plan" 6. Evaluation of the Appointment and Independence of the Company's Auditor 7. Proposal for Endorsement and Guarantee for Dynamic Electronics (Huangshi) Syndicated Credit Facilities Organized by Shanghai Commercial & Savings Bank 8. Proposal for Endorsement and Guarantee for Dynamic Electronics (Huangshi) Application for Short-term Credit Facilities with KGI Bank 9. Proposal to Revise the Company's "Audit Committee Charter"			

Adverse opinions, qualified opinions or major suggestions of independent directors: None		
The resolution results of the Audit Committee and the company's handling of the opinions of the Audit Committee: The members of the Audit Committee unanimously approved all resolutions, and the Board of Directors passed all proposals in accordance with the recommendations of the Audit Committee.		
<p>(2) Besides the above-mentioned matters, the resolutions of Audit Committee are not passed but agreed by two-thirds of the Board: No such case.2. The way that independent directors have abstained from motions that pose a conflict of interest, should elaborate on the independent director's name, the content of the motion, cause of the conflict of interest, and the status of the vote: none.</p> <p>3. Communications between the independent directors and the internal audit supervisors and accountants (should include communications over the significant matters of company financials, business operations, and ways to approach these topics and their results)</p> <p>(1) The communication between independent directors and internal audit executives:</p> <p>(a) The Auditing Office exercises internal audit cycles and management practices, and prepares the documents of "Internal Audit Report", "Summarized Monthly Report on internal audit" and "Contact form of advices on irregularities" every month. All the audit related documents would be delivered to each audit committee for review after the chairman's approval before the end of the second month upon the completion of the audit. If any doubts or instructions occur, the audit committee will inquire or instruct the auditing executives to deal with the relevant matters via phone call or e-mail.</p> <p>(b) The internal audit executives would attend every audit committee (at least once per quarter) to report the audit progress, and communicate with the independent directors face to face.</p> <p>(c) When the internal auditors found significant violations or any major potential damages to the Company, a report would be made and submitted immediately. Each Audit Committee member would be notified at the same time.</p> <p>(d) The communication between the independent directors and the internal auditing executives of the Company is good with smooth communication channel.</p> <p>(2) The communication between independent directors and the accountants:</p> <p>(a) Accountants report the results of financial statement verification and audit in the Audit Committee quarterly, as well as other communication subjects that required by the relevant laws and regulations. Any suggestions or advices that occur to the independent directors would be addressed for discussion, followed by further explanation by the accountants.</p> <p>(b) In case of significant special situation, accountants would report to the Audit Committee instantly.</p> <p>(c) The accountants would be invited to participate in providing professional advices to any important issues related to the board so as to increase the opportunity of interaction among the accountants, directors and independent directors.</p> <p>(d) The communication between the independent directors and the accountants of the Company is good with smooth communication channel.</p> <p>(3) Independent directors' communication with internal audit executives and accountants:</p>		
The Audit Committee Date/Term	Important matters to communicate with internal auditors	Important matters to communicate with CPA

First meeting in year 2024 2024/02/27	<ul style="list-style-type: none"> ● Internal audit report ● Amendment to regulations related to internal control ● Issuance of the Statement on Internal Control System 	<ul style="list-style-type: none"> ● 2023 consolidated financial statement review & audit scope and report ● Accountant independence ● Key Audit Matters ● Material accounting and auditing issues ● Condensed income statement ● Securities Management Act Update ● Tax Act update ● The latest news of Sustainability Disclosure Standards ● Introduction to the Revisions of the 11th Corporate Governance Evaluation System
Second meeting in year 2024 2024/04/29	<ul style="list-style-type: none"> ● Internal audit report 	<ul style="list-style-type: none"> ● 2024Q1 consolidated financial statement review & audit scope and report ● Material accounting and auditing issues ● Condensed income statement ● Act Update
Third meeting in year 2024 2024/07/29	<ul style="list-style-type: none"> ● Internal audit report 	<ul style="list-style-type: none"> ● 2023Q2 consolidated financial statement review & audit scope and report ● Material accounting and auditing issues ● Condensed income statement ● Act Update ● The latest news of Sustainability Disclosure Standards
Fifth meeting in year 2024 2024/10/27	<ul style="list-style-type: none"> ● Internal audit report 	<ul style="list-style-type: none"> ● Communication Matters with the Corporate Governance Unit and Senior Management ● Securities Management Act Update ● Tax Act update ● The latest news of Sustainability Disclosure Standards
Sixth meeting in year 2024 2024/07/29	<ul style="list-style-type: none"> ● Internal audit report ● Amendment to regulations related to internal control ● 2025 annual audit plan 	<ul style="list-style-type: none"> ● The Company's appointed accountants and the assessment of their independence.
Result: The above matters have been reviewed or approved by the Audit Committee, and the independent directors have no adverse opinions.		

(4) Individual communication between independent directors and accountants and audit supervisors

Principles of the communication:

1. The Auditor Officer and CPA may directly contact Independent Directors as necessary, and the communication went well.
2. In addition to receiving monthly audit reports by the Independent Directors of the company, the Auditor Officer also separately reported to the Independent Directors on the important affairs

of the company and its subsidiaries in the annual convention, and has fully communicated the implementation and results of the audit business.

3. The CPA reported to the Independent Directors on the audit results and findings of the financial statements in the annual discussion.

Summary of the 2024 communication discussion between Independent Directors, CPA and Internal Auditor Officer

Date	Attendees	Topics of discussion	Result
2024/ 10/27	Independent Director Yi-chia Chiu Independent Director Cheryl Chien Independent Director Vincent Weng CPA Hsiao-Chin Lo CPA Chi-Ming Chang Internal Auditor Officer Angel Tsai	1.Report and communicate the 2023 annual Financial Statement Review Planning. 2. Reporting and communicating internal audit organization and operations.	No comments at this meeting

(C) Information on the operations of the Remuneration Committee

1. Information on the members of the remuneration committee

On May 18, 2023, there was a comprehensive re-election of the Board of Directors. The new directors held an interim board of directors and appointed four new independent directors of the Company, Mr. Vincent Weng, Mr. Yi-Chia Chiu, Mr. Vincent Lin and Ms. Cheryl Chien, to serve as the members of company's second Remuneration Committee. The term of committee members is from May 18, 2023 to May 17, 2026, which is the same as the term of the current board of directors. All members recommended Mr. Vincent Weng to serve as the convener and chairman of the meeting. On May 15, 2024, Mr. Vincent Lin resignation as a member became effective.

Status	Criteria Name	Qualification and Experiences	Independence	Number of other listed companies the person is also serving on the remuneration committee
Convener Independent Director	Vincent Weng	Master of Finance, Institute of Finance, Pace University; Master of Computer Engineering, Fordham University. Standard Chartered International Commercial Bank Executive Director; Standard Chartered Bank (Hong Kong) Senior Vice President. Possessing expertise in finance and technology industry management, capable of providing opinion and decision for industry analysis and integration, capital utilization, investment decision-making, risk management etc.. When performing the functions and powers of the Remuneration Committee, the expertise can be used to formulate the performance evaluation standards for directors and managers, long-term performance goals and policies, systems, standards and structures for remuneration	The four members listed on the left have met the qualifications stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities Exchange Act during the two years before the election and during their tenure. All of them have been given the rights to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, so as to independently perform relevant functions and powers.	0
Member	Yi-chia Chiu	Ph.D. of Technology Management, National Chiao Tung University. Currently as a professor of Graduate Institute of Technology Management and Intellectual Property, Chengchi University. Possessing professional qualifications and experience in financial accounting, strategy, technology management, intellectual property, etc.		3
Member	Vincent Lin	Ph.D. in Computer Science, National Chiao Tung University. Currently as the consultant of Brilliant Silicon Limited. Possessing professional qualifications and experience in industrial technology development knowledge, artificial intelligence, information technology, etc.		0
Member	Cheryl Chien	Bachelor of Law, National Chung Cheng University. Currently as a lawyer of LST&C Legal. Possessing legal, corporate governance and other professional qualifications and experience.		0

2. Responsibilities of Remuneration Committee

This committee should faithfully perform the following functions and duties with the care of a good administrator, and submit its proposals to the board of directors for discussion:

(1) Review this regulation regularly and propose amendments.

- (2) Establish and regularly review the annual performance evaluation standards for the company's directors and managers, as well as long-term performance goals and remuneration policies, systems, standards and structures, and disclose the content of the performance evaluation standards in the annual report.
- (3) Regularly evaluate the achievement of performance goals and remuneration of the company's directors and managers, and determine the content and amount of individual remuneration based on the evaluation results obtained from the performance evaluation standards. The annual report should disclose the individual performance evaluation results of directors, supervisors and managers, as well as the correlation and rationality of the content and amount of individual remuneration with the performance evaluation results, and report it to the shareholders' meeting.

3. Information on the operations of the remuneration committee

- (1) The Company has four members in the remuneration committee.
- (2) Term of office: 2023/05/18 – 2026/05/17. The remuneration committee has held 5 meetings (A) for the most recent fiscal year (2024). The attendance records of committee members are as followings:

Title	Name	Number of actual attendance (B)	Number of by proxy	Ratio of attendance [B/A]	Remarks
Convener	Vincent Weng	5	0	100.00	On May 15, 2024, Mr. Vincent Lin resignation as a member became effective.
Member	Yi-chia Chiu	5	0	100.00	
Member	Vincent Lin	2	0	100.00	
Member	Cheryl Chien	5	0	100.00	

Other items to be mentioned:

1. In case the board of directors did not take in or make necessary rectifications according to the remuneration committee's suggestion, the date, number, content of the motion, the results passed by the board of directors and the ways the company handled the remuneration committee's opinions should be elaborated (for instance, if the compensation package passed by the board of directors is higher than the suggestion of the remuneration committee, the difference and its causes should be explained): none.

2. For the decisions made by the remuneration committee, if there are members who vetoed or withheld from the decision and there are documented records, the date, number, content of the motion, all members' opinions, and ways in handling these opinions should be elaborated: none.

Remuneration Committee	Contents
1st of year 2024 (2024.02.27)	1. Proposal for the 2023 Employee Compensation and Director Compensation Distribution Plan 2. Actual Distribution of Director and Executive Compensation for 2023 3. Review of the 2023 Executive Performance Evaluation Criteria Review of Senior Executive Personnel Changes and Compensation & Benefits
2nd of year 2024 (2024.04.29)	1. Proposal for the 2023 Director Compensation and Allocation of Weighting for Other Significant Contribution Items 2. Revision of the "Director Compensation Management Guidelines"

	Review of Executive Performance Evaluation Criteria for Q1 2024
3rd of year 2024 (2024.07.29)	1. Revision of the "Director Compensation Management Guidelines" 2. Review of Executive Performance Evaluation Criteria for Q2 2024
4th of year 2024 (2024.10.27)	Review of Executive Performance Evaluation Criteria for Q3 2024
5th of year 2024 (2024.12.16)	1. Revision of the "Executive Performance Evaluation Management Guidelines" 2. Revision of the "Director Compensation Management Guidelines" 3. Proposal for the 2024 Director and Employee Compensation Distribution Plan 4. Review of Various Compensation Items to be Implemented by the Company in 2025 Proposal for the Salary and Remuneration Committee's Work Plan for 2025
The resolution results of the Remuneration Committee and the company's handling of the opinions of the Remuneration Committee: The members of the Remuneration Committee unanimously approved all resolutions, and the Board of Directors approved all resolutions based on the recommendations of the Remuneration Committee.	

(D) Information on the operations of the Nomination Committee

1. Information on the members of the Nomination Committee

On May 29, 2023, the Company's Board of Directors appointed four independent directors as members of the first Nomination Committee and established a Nomination Committee, which was implemented in accordance with the "Organizational Rules of the Nomination Committee" approved by the board of directors on March 15, 2023. The term of the members of the first Nomination Committee came into effect from May 29, 2023 to May 17, 2026, which is the same as the term of the current Board of Directors. All members recommended Ms. Cheryl Chien to serve as the convener and chairperson of the meeting. On May 15, 2024, Mr. Vincent Lin resignation as a member became effective.

The members are as follows:

Responsibilities	Members	Current Position	Educational Qualifications	Experience
Chairman	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer
Member	Vincent Lin	Consultant of Brilliant Silicon Limited.	PhD in Computer Science, National Chiao Tung University	Technical VP of Emotibot Technologies Limited Quanta Computer BU1 Associate Director
Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President
Member	Yi-chia Chiu	Vice President of Business School, Chengchi University Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	CEO of EMBA, Chengchi University

2. Responsibilities of Nomination Committee

The Committee shall, in accordance with the authorization of the Board of Directors, faithfully perform the following duties and powers with the due care of a good administrator, and submit its suggestions to the Board of Directors for discussion:

- 1) Establish standards for diversity of backgrounds and independence in terms of professional knowledge, skills, experience, gender, etc. required by board members and executive managers, and use this to identify, review and nominate candidates for directors and executive managers.
- 2) Construct and develop the organizational structure of the board of directors and committees, conduct performance evaluations of the board of directors,

committees, directors and senior managers, and evaluate the independence of independent directors.

- 3) Formulate and regularly review director training plans and succession plans for directors and executive managers.
- 4) Formulate the Company's Corporate Governance Code of Practice.

3. Information on the operations of the nomination committee

(1) The Company has four members in the nomination committee.

(2) Term of office: 2023/05/29 – 2026/05/17. The Nomination committee has held 3 meetings (A) for the most recent fiscal year (2024). The attendance records of committee members are as followings:

Title	Name	Number of actual attendance (B)	Number of by proxy	Ratio of attendance [B/A]	Remarks
Convener	Cheryl Chien	3	0	100.00	On May 15, 2024, Mr. Vincent Lin resignation as a member became effective.
Member	Yi-chia Chiu	3	0	100.00	
Member	Vincent Lin	1	0	100.00	
Member	Vincent Weng	3	0	100.00	

Other items to be mentioned:

1. In case the board of directors did not take in or make necessary rectifications according to the nomination committee's suggestion, the date, number, content of the motion, the results passed by the board of directions and the ways the company handled the nomination committee's opinions should be elaborated: none.

2. For the decisions made by the nomination committee, if there are members who vetoed or withheld from the decision and there are documented records, the date, number, content of the motion, all members' opinions, and ways in handling these opinions should be elaborated: none.

Nomination Committee	Contents
1st of year 2024 (2024.02.27)	Proposal for the Nomination and Qualification Review of Independent Director Director Candidates
2nd of year 2024 (2024.10.27)	Proposal to Revise the "Corporate Governance Best Practice Principles
3rd of year 2024 (2024.12.16)	Update of the Group's Succession Plan

The resolution results of the Nomination Committee and the company's handling of the opinions of the Nomination Committee: The members of the Nomination Committee unanimously approved all resolutions, and the Board of Directors approved all resolutions based on the recommendations of the Nomination Committee.

(E) Information on the operations of the Risk Management Committee

1. Information on the members of the Risk Management Committee

On May 29, 2023, the Company's Board of Directors appointed four independent directors as members of the first Risk Management Committee and established a Risk Management Committee, which was implemented in accordance with the "Organizational Rules of the Risk Management Committee" approved by the Board of Directors on August 4, 2023. The term of the members of the first Risk Management Committee came into effect from May 29, 2023 to May 17, 2026, which is the same as the term of the current Board of Directors. All members recommended Mr. Vincent Lin to serve as the convener and chairman of the meeting.

On May 15, 2024, Mr. Vincent Lin resignation as a member became effective, and the members unanimously selected Mr. Vincent Weng as the new convener and chairman of the meetings.

The members are as follows:

Responsibilities	Members	Current Position	Educational Qualifications	Experience
Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President
Member	Yi-chia Chiu	Vice President of Business School, Chengchi University Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	CEO of EMBA, Chengchi University
Member	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer

2. Responsibilities of Risk Management Committee

- 1) To be in overall charge to oversee the Company's overall risk management, formulating risk management policies, structures, organizations and mechanisms, and establishing qualitative and quantitative management standards.
- 2) Implement the risk management decisions of the Board of Directors and regularly review the development, establishment and implementation effectiveness of the Company's overall risk management mechanism.
- 3) Coordinate and promote cross-organizational risk management and control plans.
- 4) Supervise and manage the overall risk management and control improvement mechanism of the Company and its subsidiaries.

- 5) Review and integrate various risk management and control reports, submit reports to the Board of Directors regularly every year, update on the implementation of risk management, and make necessary improvement suggestions.

3. Information on the operations of the risk management committee

(1) The Company has three members in the risk management committee.

(2) Term of office: 2023/05/29 – 2026/05/17. The Risk Management committee has held 3 meetings (A) for the most recent fiscal year (2024). The attendance records of committee members are as followings:

Attendance Records of Committee Members are as follows:

Title	Name	Number of actual attendance (B)	Number of by proxy	Ratio of attendance [B/A]	Remarks
Member	Yi-chia Chiu	3	0	100.00	Convener Vincent Lin resigned on May 15, 2024.
Member	Vincent Weng	3	0	100.00	
Member	Cheryl Chien	3	0	100.00	
Other items to be mentioned:					
1. In case the board of directors did not take in or make necessary rectifications according to the risk management committee's suggestion, the date, number, content of the motion, the results passed by the board of directions and the ways the company handled the risk management committee's opinions should be elaborated: none.					
2. For the decisions made by the risk management committee, if there are members who vetoed or withheld from the decision and there are documented records, the date, number, content of the motion, all members' opinions, and ways in handling these opinions should be elaborated: none.					
Risk Management Committee		Contents			
1st of year 2024 (2024.02.27)		Only report items, no discussion item.			
2nd of year 2024 (2024.07.29)		Proposal to Establish the Company's "Risk Management Policies and Procedures".			
3rd of year 2024 (2024.12.16)		Only report items, no discussion item.			
The resolution results of the Risk Management Committee and the company's handling of the opinions of the Risk Management Committee: The members of the Risk Management Committee unanimously approved all resolutions, and the Board of Directors approved all resolutions based on the recommendations of the Risk Management Committee.					

(F) Information on the operations of the Sustainable Development Committee

1. The Company established the "ESG Sustainability Committee" on February 23, 2022. To further implement sustainable development and strengthen sustainability governance, on October 27, 2024, the Board of Directors approved the elevation of this committee to the "Sustainable Development Committee" under the Board,

in accordance with Article 27, Section 3 of the Company's "Corporate Governance Best Practice Principles" and Article 9, Section 1 of the "Sustainable Development Best Practice Principles." The committee also established its organizational rules for compliance. The term of the first Sustainable Development Committee members took effect on October 27, 2024, and will end on May 17, 2026, aligning with the term of the current Board of Directors. The members unanimously selected Mr. Chiu Yi-Jia as the convener and chairman of the meetings.

The members are as follows:

Responsibilities	Members	Current Position	Educational Qualifications	Experience
Chairman	Yi-chia Chiu	Chengchi University Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	Vice President of Business School, CEO of EMBA, Chengchi University
Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President
Member	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer

2. Responsibilities of Sustainable Development Committee

Authorities and Responsibilities of the Committee:

1. Formulate, promote, and strengthen the company's sustainable development policies, annual plans, and strategies.
2. Review, track, and revise the implementation status and effectiveness of sustainable development efforts.
3. Supervise sustainability-related disclosures and review sustainability reports.
4. Oversee the execution of the company's sustainability guidelines and other sustainability-related tasks as decided by the Board of Directors.

Specialized and Supportive Units Assisting the Committee:

The specialized and supporting units for sustainable development assist the Committee in implementing various plans, covering the following structured tasks,

and report on the progress of sustainable development implementation to the Committee:

1. **Corporate Governance Team:** Responsible for compliance with corporate governance laws and regulations, establishing reasonable compensation policies and employee performance evaluation systems, training, and stakeholder communication mechanisms to achieve the company's sustainability goals.
2. **Sustainable Environment Team:** Responsible for the environmental management system, compliance with environmental laws and international standards, assessing sustainable transformation, improving resource efficiency, responding to climate change, and establishing specialized environmental management units or personnel to meet environmental sustainability goals.
3. **Social Welfare Team:** Responsible for human rights management policies and procedures, compliance with human rights laws and international standards, establishing internal and external communication mechanisms for all stakeholders (including employees, subsidiaries, joint ventures, etc.), assessing related risks and management mechanisms, and promoting community and cultural development to achieve sustainable operations.
4. **Sustainability Information Disclosure Team:** Responsible for sustainability information management policies, complying with relevant disclosure regulations and international standards, and fully disclosing relevant and reliable sustainability information to improve transparency.

Cross-Departmental Teams implement the above tasks, consolidate execution plans, or other sustainability-related matters, and report execution results to the sustainability departments or the Committee.

3. Information on the operations of the Sustainability Development Committee

- (1) The Company has three members in the Sustainability Development Committee.
- (2) Term of office: 2024/10/27 – 2026/05/17. The Sustainability Development Committee has held 1 meetings (A) for the most recent fiscal year (2024). The attendance records of committee members are as followings:

The attendance records of committee members are as following:

Title	Name	Number of actual attendance (B)	Number of by proxy	Ratio of attendance [B/A]	Remarks
Convener	Yi-chia Chiu	1	0	100.00	
Member	Vincent Weng	1	0	100.00	
Member	Cheryl Chien	1	0	100.00	
Other items to be mentioned:					
1. In case the board of directors did not take in or make necessary rectifications according to the sustainability development committee's suggestion, the date, number, content of the motion, the results passed by the board of directions and the ways the company handled the sustainability development committee's opinions should be elaborated: none.					
2. For the decisions made by the sustainability development committee, if there are members who vetoed or withheld from the decision and there are documented records, the date, number, content of the motion, all members' opinions, and ways in handling these					

opinions should be elaborated: none.

Sustainability Development Committee	Contents
2024/12/16 1st of year 2024	Only report items, no discussion item.
The resolution results of the Sustainability Development Committee and the company's handling of the opinions of the Sustainability Development Committee: The members of the Sustainability Development Committee unanimously approved all resolutions, and the Board of Directors approved all resolutions based on the recommendations of the Sustainability Development Committee.	

(E) The differences between the operation of corporate governance and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
1. Has the company established a corporate governance code of practice according to the corporate governance code of practice required by all listed companies?	V		The company's board of directors approved the company's "Corporate Governance Best Practice Principles" on August 25, 2022 and disclosed them on the Company's website and Market Observation Post System (MOPS).	None
2. Company share structure and shareholders' interest a. Has the company established internal procedures to handle shareholder's opinions, questions, problems, and litigation issue, and implemented these measures accordingly? b. Is the company aware of the controlling shareholders and maintain the list of the final controllers of the main shareholders? c. Has the company established and carried out risk control and firewall measures to affiliated corporations?	V		a. According to article 13 of Code of Corporate Governance Practice, the Company has instructed the 【Legal Office】 (under direct supervision of the Board) and the 【Chairman Office】 (under direct supervision of the Chairman) to handle phone calls, emails and letters regarding opinions, questions, problems, and litigation issues from the shareholders. They directly handle these issues and report to the Chairman and the Board. b. The 【Chairman office】 , under immediate supervision of the Chairman, is in charge of maintaining the lists of the controlling shareholders and the final controllers of the main shareholders. c. The Company has established systems to manage over these problems according to the law pertaining to "operational procedures in dealing	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
d. Has the company established internal regulations to ban company personnel from selling and buying securities with undisclosed information?			with affiliated corporations, group enterprises, specific company, and affiliated individuals "as well as our internal control system. The "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" was approved by the board of directors on May 5, 2023. d. Regulated in the Company's "Material Insider Information Non-Disclosure Procedure". The board of directors approved the formulation of the "Management Procedures for Preventing Insider Trading" on March 26, 2024.	
3. Organization and responsibility of the Board of Directors a. Has the board of directors formulated diversity policies, specific management objectives and implement them?	V		a. The Company's Code of Corporate Governance Practices article 20 indicates that the composition of the board of directors shall be diversified. Besides not exceeding one-third of the board of directors for the director who is a company manager at the same time, one should also formulate an appropriate diversification policy for his/her own function, operational style and development needs, including but not limited to the following two standards: 1. Basic conditions and values: gender, age, race,	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>nationality and culture.</p> <p>2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, technology or cybersecurity), professional skills and industry experience.</p> <p>The board members should generally possess the necessary knowledge, skills and literacy to perform their duties. In order to achieve the ideal goal of corporate governance, the overall ability of the board of directors should be as follows:</p> <ol style="list-style-type: none"> 1. Good judgment in operations. 2. Accounting and financial analysis capabilities. 3. Business management capabilities. 4. Crisis handling abilities. 5. Industrial knowledge. 6. Vision to international market. 7. Leadership. 8. Decision-making ability. <p>The management targets and achievement status of Dynamic's diversification policy:</p> <ol style="list-style-type: none"> 1. Dynamic Holding was established on August 25, 2022. On May 18, 2023, a full board re-election was conducted, resulting in the selection of three 	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>directors and four independent directors. The directors' expertise spans areas such as strategy, operations, risk management, finance, technology, banking, law, and corporate governance. The board also included one female independent director.</p> <p>2. On November 4, 2024, two corporate directors were replaced with female representatives, increasing the number of female directors to three, representing over one-third of the board seats. Dynamic aims to lead the group toward sustainable corporate development with a more professional, independent, and diversified board structure.</p> <p>3. The goal for 2024 was to increase the number of female directors and enhance the presence of directors with expertise in ESG and advanced technologies. Achievements include raising the number of female directors from one to three, representing over one-third of the board. The new directors demonstrate strong passion and commitment to corporate sustainability. However, efforts are still needed to strengthen the inclusion of independent directors with expertise in AI and advanced technologies.</p> <p>4. The objective for 2025 is to elect an independent</p>	

Item to be assessed	Operational status (note 1)						Deviations from the corporate governance code of practice of listed companies and causes				
	Y	N	Abstract								
			director with expertise in smart manufacturing and information/ cybersecurity.								
			Director/ Supervisor	Name	Nation ality	Gender		Emplo yee of the compa ny	Age	Time served	
			Director	Ken Huang	ROC	Male		v	41-50	-	
			Director	Tiffany Tsan	ROC	Female			41-50	-	
			Director	Kelly Liu	ROC	Female		v	41-50	-	
			Independe nt Director	Yi-chia Chiu	ROC	Male			51-60	0-3	
			Independe nt Director	Vincent Weng	ROC	Male			51-60	0-3	
			Independe nt Director	Cheryl Chien	ROC	Female			31-40	0-3	
			Diversifica tion Name	Oper ation Mana geme nt	Lead ership & Decisi on-m aking	Finan ce/ Acco unting /Law		Strate gy & Risk Plann ing	Trend analy sis of the indust ry	Indust ry Techno logy Devel opme nt	Indust ry Exper ience GICS L1
			Ken Huang	v	v				v	v	
			Tiffany Tsan		v	v		v			
			Kelly Liu	v					v	v	
			Yi-chia Chiu		v	v		v		v	
Vincent	v		v	v	v		Finan ce				

Item to be assessed	Operational status (note 1)							Deviations from the corporate governance code of practice of listed companies and causes																
	Y	N	Abstract																					
b. In addition to setting up a remuneration committee and audit committee in accordance with the law, has the company voluntarily established other functional committees?			<table><tr><td>Weng</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Cheryl Chien</td><td></td><td></td><td>v</td><td>v</td><td></td><td></td></tr></table>					Weng							Cheryl Chien			v	v					
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			Cheryl Chien			v	v																	
			b.																					
			1. Nomination Committee																					
The term of the members of the first Nomination Committee came into effect from May 29, 2023 to May 17, 2026. The members are as follows:																								
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<table><tr><th>Responsibilities</th><th>Members</th><th>Current Position</th><th>Educational Qualifications</th><th>Experience</th></tr><tr><td>Chairman</td><td>Cheryl Chien</td><td>LST&C Legal Lawyer</td><td>Bachelor of Law, National Chung Cheng University</td><td>Ownlyn Law Firm Lawyer</td></tr><tr><td>Member</td><td>Vincent Weng</td><td>Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.</td><td>Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University</td><td>Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President</td></tr><tr><td>Member</td><td>Yi-chia Chiu</td><td>Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University</td><td>Ph.D. of Technology Management, National Chiao Tung University</td><td>Vice President of Business School, Chengchi University</td></tr></table>					Responsibilities	Members	Current Position	Educational Qualifications	Experience	Chairman	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer	Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President	Member	Yi-chia Chiu	Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	Vice President of Business School, Chengchi University
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The Nomination Committee met three times in 2024, and all members were 100% present.																								

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes																				
	Y	N	Abstract																					
			<p>2. Risk Management Committee</p> <p>The term of the members of the first Risk Management Committee came into effect from May 29, 2023 to May 17, 2026. The members are as follows:</p> <p>The members are as follows:</p> <table border="1"> <thead> <tr> <th>Responsibilities</th><th>Members</th><th>Current Position</th><th>Educational Qualifications</th><th>Experience</th></tr> </thead> <tbody> <tr> <td>Member</td><td>Vincent Weng</td><td>Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.</td><td>Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University</td><td>Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President</td></tr> <tr> <td>Member</td><td>Yi-chia Chiu</td><td>Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University Chengchi University</td><td>Ph.D. of Technology Management, National Chiao Tung University</td><td>Vice President of Business School, Chengchi University CEO of EMBA, Chengchi University</td></tr> <tr> <td>Member</td><td>Cheryl Chien</td><td>LST&C Legal Lawyer</td><td>Bachelor of Law, National Chung Cheng University</td><td>Ownlyn Law Firm Lawyer</td></tr> </tbody> </table> <p>The Risk Management Committee met three times in 2024, and all members were 100% present.</p>	Responsibilities	Members	Current Position	Educational Qualifications	Experience	Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President	Member	Yi-chia Chiu	Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	Vice President of Business School, Chengchi University CEO of EMBA, Chengchi University	Member	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer	
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Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes																				
	Y	N	Abstract																					
			<p>3. Sustainability Development Committee</p> <p>The term of the members of the first Sustainability Development Committee came into effect from Oct. 27, 2024 to May 17, 2026. The members are as follows:</p> <table border="1"> <thead> <tr> <th>Responsibilities</th><th>Members</th><th>Current Position</th><th>Educational Qualifications</th><th>Experience</th></tr> </thead> <tbody> <tr> <td>Member</td><td>Yi-chia Chiu</td><td>Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University</td><td>Ph.D. of Technology Management, National Chiao Tung University</td><td>Vice President of Business School, Chengchi University CEO of EMBA, Chengchi University</td></tr> <tr> <td>Member</td><td>Vincent Weng</td><td>Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.</td><td>Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University</td><td>Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President</td></tr> <tr> <td>Member</td><td>Cheryl Chien</td><td>LST&C Legal Lawyer</td><td>Bachelor of Law, National Chung Cheng University</td><td>Ownlyn Law Firm Lawyer</td></tr> </tbody> </table> <p>The Sustainability Development Committee met once in 2024, and all members were 100% present.</p>	Responsibilities	Members	Current Position	Educational Qualifications	Experience	Member	Yi-chia Chiu	Professor, Graduate Institute of Technology Management and Intellectual Property, Chengchi University	Ph.D. of Technology Management, National Chiao Tung University	Vice President of Business School, Chengchi University CEO of EMBA, Chengchi University	Member	Vincent Weng	Chairman of Remuneration Committee of Dynamic Holding Co., Ltd.	Master of Finance, Institute of Finance, Pace University Master of Computer Engineering, Fordham University	Standard Chartered International Commercial Bank Executive Director Standard Chartered Bank (Hong Kong) Senior Vice President	Member	Cheryl Chien	LST&C Legal Lawyer	Bachelor of Law, National Chung Cheng University	Ownlyn Law Firm Lawyer	
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Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
c. Has the company established a performance rating method for the board of directors, and report the results of performance evaluation to the board of directors, and use it for each directors' remuneration and the nomination of renewal?			<p>c. The company passed the board of directors on October 20, 2022 to formulate the "Measures for Performance Evaluation of the Board of Directors" by the Board of Directors. Considering the company's situation and needs, the performance evaluation measurements of the board of directors are established, and at least include the following five aspects:</p> <ol style="list-style-type: none"> 1. The degree of participation in the Company's operation. 2. To enhance decision-making quality of the Board. 3. The composition and structure of the board. 4. Selection and further education of directors. 5. Internal control. <p>The assessment of the performance evaluation of the directors' members shall at least include the following six aspects:</p> <ol style="list-style-type: none"> 1. The mastery of the Company's goal and mission. 2. The recognition of directors' responsibilities. 3. The degree of participation in the Company's operation. 4. The effort and communication of internal relationship. 	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>5. Directors' profession and further education. 6. Internal control.</p> <p>The measurement of the performance evaluation of the functional committee should include at least the following five aspects:</p> <ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. The recognition of the functional committee's duties. 3. Improve the decision-making quality of the functional committee. 4. the composition of the functional committee and the selection of members. 5. Internal control. <p>The Procedure also states that the Board of Directors should perform an internal performance evaluation at least once a year and should perform an external performance evaluation by an independent institute or expert team at least every three years and expose the results of the evaluation on the company's website.</p> <p>In 2024, Dynamic implemented internal</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>performance assessment of the Board of Directors.</p> <p>1. Internal Performance Assessment of the Board of Directors</p> <p>1) Evaluation scope: Including overall board of directors, individual directors, and functional committees like audit committee, remuneration committee, nomination committee, and risk management committee</p> <p>2) Evaluated period: from Jan. 1, 2024 to Dec. 31, 2024</p> <p>3) Assessment execution unit: Board of Directors meeting unit</p> <p>4) Evaluation method: internal self-evaluation of the board of directors, self-evaluation of board members, self-evaluation of functional committees.</p> <p>5) Date of submission to the board of directors: Jan. 13, 2025</p> <p>6) Action plan:</p> <p>(1) Arrange the management team to report to the board of directors at least every quarter on relevant information and changes in upstream and downstream and related industries, and</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>provide relevant industry reports from time to time.</p> <p>(2) Ensure directors receive comprehensive materials and reports before meetings, allowing ample time to review and prepare for effective discussion and decision-making.</p> <p>(3) The secretariat promptly provides business performance reports to directors.</p> <p>(4) Offer more professional development courses for directors, with training not limited to the annual minimum of six hours.</p> <p>Linkage of director performance and salary remuneration:</p> <p>(1) The results of the annual performance evaluation of the board of directors, functional committees and individual director members account for 20% of the remuneration.</p> <p>(2) The KPI of the company's overall operating performance (including annual operating income, net profit after tax and return on shareholders' equity) accounts for 20% of the remuneration.</p> <p>(3) Sustainable ESG KPIs (including reducing</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>greenhouse gas emission intensity by 4% per year, reducing water consumption intensity by 4% per year, promoting working environment safety, core talent nurturing, risk assessment and management, and improving the supply chain's resilience with climate change risks) accounts for 20% of the remuneration.</p> <p>(4) Future risks and development trends of the industry (including assessment of risk projects and formulation of future development strategies) account for 20% of the remuneration.</p> <p>(5) The degree of participation and special contributions of all individual director account for 20% of the remuneration.</p> <p>Relevant performance appraisals and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors.</p> <p>d. The company's audit committee evaluates the independence and competency of its certified accountants every year. In addition to requiring the certified accountants to provide a "Declaration of Detached Independence", the audit quality is also based on the "Audit Quality Index (AQI) Disclosure Template" issued by the Financial Supervisory</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>Commission. Indicator (AQI) information, including 5 major aspects and 13 indicators including professionalism, independence, quality control, supervision, and innovation ability, effectively and objectively evaluates the ability and commitment of accounting firms and audit teams to improve audit quality.</p> <p>The evaluation results of the most recent year have been discussed and approved by the Audit Committee on December 16, 2024, and reported to the Board of Directors on December 16, 2024 to pass the assessment of the independence and competency of the accountants.</p> <p>Assessment mechanisms include:</p> <ol style="list-style-type: none"> 1. Confirm that the company's certified accountant is not a related party to the company or its directors. 2. Comply with the provisions of the Corporate Governance Code of Practice to handle the rotation of certified accountants. 3. Before appointing the annual audit service of the Certified Public Accountants, it is necessary to obtain the approval of the Audit Committee in 	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
d. Has the company assessed the independence of its certified public accountant routinely?			<p>advance. Before the appointment of non-audit service items, the Certified Public Accountants will review the compliance with independence standards. The Certified Public Accountants will make relevant reports when communicating with the Audit Committee every quarter.</p> <p>4. The certified accountant reports to the Audit Committee on the implementation review/inspection content and independence and other compliance status every quarter.</p> <p>5. Obtain a declaration of independence from a certified accountant on a regular basis.</p> <p>6. Incorporate audit quality indicators (AQIs) into the evaluation basis for audit service appointment, and the certified accounting firm will make relevant reports with the audit committee before the annual audit service appointment.</p>	
4. Whether the listed / OTC company is equipped with qualified and appropriate number of corporate governance personnel, and designated corporate governance directors to take charge of certain corporate governance related matters (including but not limited to providing directors and	V		On November 3, 2023, the company's board of directors approved the "Corporate Governance Supervisor" personnel case of the group and assigned Manager Cindy Hsieh as a full-time corporate governance supervisor. Manager Hsieh has been engaged in financial-related affairs supervisory positions at public company for more	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
supervisors with the necessary information to perform business, assisting directors and supervisors to comply with laws, handling matters related to the meetings of the board of directors and the shareholders' meeting according to law, and making the minutes of the board of directors and shareholders' meetings, etc.)?			<p>than five years since 2017.</p> <p>The main duties of the Corporate Governance Executive include at least:</p> <ol style="list-style-type: none"> 1. Handling matters relating to the Board of Directors and the shareholders' meeting in accordance with the law. 2. Making reports of the board of directors and shareholders' meetings. 3. Assisting the directors in taking up their posts and further education. 4. Providing the information required for the directors to perform their business. 5. Assisting the directors in complying with the laws and regulations. 6. Report to the board of directors the review results of whether the qualifications of independent directors at the time of nomination, election and their term of office comply with relevant laws and regulations. 7. Handle matters related to the changes of director. 8. Other matters formulated in accordance with the articles of association or agreements <p>The business implementation of year 2024 was as</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>follows:</p> <ol style="list-style-type: none"> 1. Provide directors with information that required by their duty performances. 2. In 2023, all directors and independent directors of Dynamic have completed the training hours in accordance with the standards. 3. To draw up the agenda for the board of directors, inform the directors seven days in advance, convene the meeting and provide information for the meeting. Any issue concerns director's interests that required a particular director to avoid should be reminded beforehand and complete the meeting minutes of the board of directors within 20 days after the meeting. 4. Assist the board of directors and shareholders in the proceedings and compliance matters. 5. Responsible for reviewing material information announcement of important resolutions of the board of directors after the meeting, ensuring law conformity and correctness of the content of the material information. 6. The date of the shareholders' meeting shall be registered beforehand according to the law, the meeting notice, the proceedings handbook, and the journal shall be made during the statutory 	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			<p>period, and the change of registration of the company shall be carried out along with the amendment to the articles or the re-election of the directors.</p> <p>7. Handle the annual performance evaluation of the board of directors and its members.</p> <p>8. Responsible for corporate information disclosure.</p> <p>9. Continuous training. (Completed 18 hours of training in 2024.)</p>	
5. Has the company established a communication channel with its stakeholders, and setup a stakeholder section on the company website, in addition to properly addressing key corporate social responsibility issues that are important to the stakeholders?	V		<p>1. Currently, all stakeholders have appropriate communication channels. For instance, Shareholders vs shareholders' manager and spokesperson; Employees vs HR; Customers vs sales, quality assurance, R&D; Suppliers vs purchasing, QA, R&D; Mortgagors vs finance personnel; Government vs departments of management, Community and NGO vs management dept. and Sustainability Development Committee etc.</p> <p>2. The Company website is set with a specific zone for the stakeholders and the contact person's phone and email. It is also available to leave a message at "Contact Us" page, the message will be sent to the responsible unit automatically. Furthermore, contact information of each exterior</p>	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
			unit, phone number, email, can also be found on the website. 3. The ESG sustainability report published by the company every year is one of the channels for communicating with stakeholders. The communication with stakeholders was reported to the board of directors on Dec. 16, 2024 .	
6. Has the company assigned professional common shares agency to take care of affairs related to the shareholders meetings?	V		Stock Affairs Agency Department of Taishin Securities Co., Ltd.	None
7. Information disclosure a. Has the company setup a website to disclose information pertaining finance and corporate governance? b. Has the company utilized other methods of information disclosure (such as setting up a website in English, assigning someone to be responsible for the collection and disclosure of company information, implementing spokesperson system, demonstrating company website during corporate seminar)?	V		a. The Company website is www.dynaholding.com . The website has been equipped with pages designated to financial information and corporate governance for information disclosure on these aspects. b. The company has an English website, and has designated Chairman Office to be responsible for the collection and disclosure of company information. The company has assigned a spokesperson and a deputy spokesperson, and the contact information is on the company website, which serves as channels of communication for investors and shareholders and caters to their inquiries and needs. The company was invited to	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	
c. Does the company announce and declare the annual financial report within two months after the end of the fiscal year? And announce and declare the financial reports of first, second, and third quarter and the monthly operating situation before the prescribed time limit?			participate in 5 institutional investor meetings in 2024, 3 of which provided audio and video files, and relevant information was disclosed on MOPS and the company's website. c. The company announced and declared the annual financial report on Mar. 12, 2025, and announced and declared the first, second and third quarter financial statements on Apr. 30, 2024, Jul. 31, 2024, Nov. 11, 2024 respectively; also announce the operating conditions of each month before the prescribed time limit.	
8. Does the company have other important information pertaining to understanding the operations of the company's corporate governance (including but not limited to employee benefits, employee welfare, investor relations, supplier relations, stakeholders' interests, advanced studies of the director and supervisors, risk management policy and levels of implementation of risk assessment standards, levels of implementation of customer policies, and whether the company has purchased liability insurance for its directors and supervisors)?				
a. Employee benefits: In year 2024, besides keeping all the employees' rights and benefits, also particularly strengthening production safety, paying attention to employees' physical and mental health, and implementing labor rights, environmental responsibility, and make sure the management systems and ethics are in compliance with the code of conduct of Responsible Business Alliance (RBA).				
b. Employee welfare: Taoyuan in 2024				
1. Continue to provide healthy lunch boxes cooked with olive oil to maintain the health of employees and hold various festival dinner gatherings for employees.				
2. Dynamic colleagues participated in the "Industrial AI Talent Training" and were awarded as a model enterprise for the training. They were invited to share their experiences and discuss the challenges and results of participating in the service, so that participants can understand the actual benefits more specifically and				

Item to be assessed	Operational status (note 1)		Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	
inspire more companies to participate in the learning of intelligent upgrades.			
Kunshan in 2024			
1. Organize team-building activities to enhance team cohesion, promote communication and collaboration, enhance a sense of belonging and recognition, and establish a positive corporate culture			
2. Employee holiday recreational activities: monthly birthday parties, Spring Festival activities, etc.			
3. Club activity development. Swimming club, basketball club, yoga club, etc.			
Huangshi in 2024			
1. Promote the learning, growth and progress of employees. Organize internal lecturer training courses and express gratitude to internal lecturers on Teachers' Day.			
2. Annual selection of outstanding employees to commend outstanding employees and motivate the work enthusiasm and team spirit of all employees.			
3. Club activity development. Swimming club, basketball club, yoga club, etc.			
4. Employee holiday recreational activities: monthly birthday parties, Spring Festival activities, etc.			
c. Social Care of Dynamic group in 2024			
1. The souvenirs for the shareholders' meeting are handmade soaps from the Eden Mall Shelter Workshop and the Star Workshop of the Taoyuan City Autism Association. (Total purchase amount is NT\$1,035,000).			
2. Sponsor the Medical Education Fund of Sun Yat-sen University (total sponsorship amount is NT\$20,000).			
3. Sponsor the National Chengchi University academic research fund. (Total sponsorship amount is NT\$200,000).			
4. Mid-Autumn Festival gifts for employees: To support employment for local people with disabilities, we selected products from the Taoyuan Shelter Workshop and handmade additive-free cookies from a single mother who independently raises her two children. (Total purchase amount NT\$238,027)			
5. Donation of care materials to the Hubei plant community (RMB 2,805 to Huangshi Welfare Institute)			
6. Donated 18 computers to teachers and students of Huangjinshan No. 3 Primary School in Kaitie District, Huangshi. These computers will be used by teachers to teach and improve the school's teaching conditions. (RMB 80,000)			
7. Donated to Hubei Institute of Technology Education Fund, cared about education, set up Dynamic Electronics (Huangshi) Project Fund Account, and			

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes	
	Y	N	Abstract		
researched and applied key technologies for electronics industry's resource utilization of metal waste liquid. (RMB 30,000).					
d. Investor relations: assigned spokesperson, deputy spokesperson, Investor relations to assist investors to understand the company's status and to communicate with them. Set up investor relations section on the company website to offer important information and contact information.					
e. Supplier relations: In the process of improving the sustainable operation and competitiveness of the corporate, establish a mutually beneficial strategic partnership with suppliers, jointly develop new products and break through issues such as process technology and quality control. The two parties can be aware of the accuracy of market information at any time by regularly exchanging and sharing information on upstream and downstream market supply and demand conditions, fluctuations in raw material costs, capacity expansion, and quality control so as to timely adjust suppliers' production plan and meet customers' requirements, also facilitates the two parties to control the inventory cost and water level of all materials, thereby establishing a win-win supplier relationship.					
f. Stakeholders' interest: identify stakeholders and major issues, establish communication channels, include topics that various stakeholders care about, such as economics, environment, and social issues, into the company's operations strategy and management, and to sufficiently disclose information.					
g. Advanced studies for the directors and managers					
Status	Name	Date	Hosted by	Course	Hours
Director	Ken Huang	2024/01/31	Accounting Research and Development Foundation	Recent Developments in ESG Sustainability and Self-Prepared Financial Reporting Policies, and Practical Approaches to Internal Control Management	6.0
Corporate director Representative	Tiffany Tsan	2024/11/11	Taiwan Project Management Association	Industry Analysis and Business Diagnosis	3.0
Corporate	Tiffany Tsan	2024/11/06	Taiwan Project Management	Corporate Sustainability Development and ESG Strategy	3.0

Item to be assessed				Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes	
				Y	N	Abstract		
	director Representative			Association		Integration		
	Corporate director Representative	Tiffany Tsan	2024/10/07	Chinese National Association of Industry and Commerce		2024 Taishin Net-Zero Summit Forum		3.0
	Corporate director Representative	Tiffany Tsan	2024/09/20	Securities and futures institute		2024 Seminar on Preventing Insider Trading		3.0
	Corporate director Representative	Kelly Liu	2024/11/21	Taiwan Corporate Governance Association		Board of Directors vs. Executive Management Team		3.0
	Corporate director Representative	Kelly Liu	2024/11/11	Taiwan Corporate Governance Association		Industry Analysis and Business Diagnosis		3.0
	Corporate director Representative	Kelly Liu	2024/10/18	Securities and futures institute		2024 Seminar on Preventing Insider Trading		3.0
	Corporate director Representative	Kelly Liu	2024/10/07	Chinese National Association of Industry and Commerce		2024 Taishin Net-Zero Summit Forum		3.0

Item to be assessed					Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
					Y	N	Abstract	
	Independent Director	Yi-chia Chiu	2024/08/09	Taiwan Corporate Governance Association	Corporate Sustainability and the Path to Resilience Management			3.0
	Independent Director	Yi-chia Chiu	2024/03/07	Taiwan Corporate Governance Association	Enterprise Risk Management and Corporate Governance			3.0
	Independent Director	Vincent Weng	2024/03/14	Accounting Research and Development Foundation	Common Deficiencies in Corporate Financial Statement Preparation and Practical Compliance with Internal Audit and Internal Control Regulations			6.0
	Independent Director	Cheryl Chien	2024/04/12	Chinese Association of Business and Intangible Assets Valuation	The Impact of Climate Change on Financial Reporting and Valuation			3.0
	Independent Director	Cheryl Chien	2024/03/26	Taiwan Corporate Governance Association	Code of Ethical Conduct and How to Avoid Crossing the Red Line of Director and Supervisor Liabilities			3.0
	Financial Accounting Director	Cathy Ni	2024/11/28-29	Accounting Research and Development Foundation	Continuing training course for accounting supervisors of issuers, securities firms and stock exchanges			12.0
	Accounting Director Deputy	Lily Chiang	2024/12/30	Accounting Research and Development Foundation	Latest ESG Sustainability Policies and Regulations Related to Annual Report Preparation, and Practical Analysis of Net-Zero Carbon Emission Impacts on Financial Reporting			6.0
	Accounting Director Deputy	Lily Chiang	2024/12/18	Accounting Research and Development Foundation	Common Deficiencies in Financial Statement Review and Practical Analysis of Key Internal Control Regulations			6.0
	Internal Audit Director	Angel Tsai	2024/03/16~30	The Institute of Internal Auditors	(CIA Part 1) Core Knowledge and Skills Series for Internal Auditors: The Nature of Internal Auditing			18.0
	Corporate Governance Officer	Cindy Hsieh	2024/11/14	Accounting Research and Development Foundation	Latest ESG Sustainability Policies and Regulations Related to Annual Report Preparation, and Practical Analysis of Net-Zero Carbon Emission Impacts on Financial Reporting			6.0
	Corporate Governance	Cindy Hsieh	2024/09/20	Securities and futures institute	2024 Seminar on Preventing Insider Trading			3.0

Item to be assessed				Operational status (note 1)		Deviations from the corporate governance code of practice of listed companies and causes
				Y	N	
Officer						
	Corporate Governance Officer	Cindy Hsieh	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
	Corporate Governance Officer	Cindy Hsieh	2024/06/26	Taiwan Corporate Governance Association	2024 Seminar on Practical Insights into Board Performance Evaluation	3.0

h. Risk management policy and levels of implementation of risk assessment standards:

1. Risk management policies and procedures

The company formulated the "Risk Management Policy" on October 30, 2015, and established the "Risk Management Committee", which was approved by the board of directors as the highest guiding principle and execution unit of the company's risk management. The risk management committee of the company regularly evaluates the frequency of internal and external risks and the severity of the impact on operations through the risk matrix (Risk Map) on a quarterly basis, and defines risk levels and priorities, hoping to respond in a cost-effective manner. At the same time, according to the latest internal audit development and standard requirements, monitor the potential risks of internal operations and implement preventive measures to strengthen risk management. Reports are presented to the Board of Directors on a quarterly basis.

Additionally, each year we assess and disclose key material topics in our ESG report based on the perspectives of internal and external stakeholders. These topics are also incorporated into our risk management processes for evaluation and discussion.

2. Risk management scope

The Risk Management Committee evaluates, controls, and supervises risks in the following areas: strategic risk, operational risk, financial risk, hazard and climate change risk, business ethics and human rights risk, as well as other potential risk factors — including material issues identified through internal and external stakeholder perspectives and disclosed in the ESG report. This enables us to effectively allocate resources, uncover potential opportunities, and mitigate major crises.

3. Organizational Development

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes							
	Y	N	Abstract								
<p>The Company's board of directors held on May 5, 2023 formulated the Company's "Risk Management Practice Code", which disclosed important company internal regulations on the company's official website.</p> <p>At the Company's board of directors meeting held on May 29, 2023, the "Risk Management Committee" was upgraded to a functional committee of the board of directors, and four independent directors were appointed as members of the first risk management committee. Independent director Vincent Lin was elected as convener and meeting chairperson of the Risk Management Committee. This committee meets at least once a year and reports to the Board of Directors.</p> <p>The Company held the first Risk Management Committee of 2023 on August 4, 2023, and formulated the company's "Rules of Organization for Risk Management Committee", which is disclosed as the important internal company rules on the Company's official website.</p> <p>On July 29, 2024, the Company held the second Risk Management Committee meeting of the year and established the "Risk Management Policies and Procedures," which have been disclosed as an important internal regulation on the Company's official website.</p>											
<p>4. Responsibilities and Operation</p> <p>The Risk Management Committee under the Board of Directors is responsible for monitoring and making recommendations to the Board of Directors. The executives in the management team who are responsible for strategy, operations, finance, hazards, climate change, business ethics, human rights, Stakeholders' engagement etc., continuously evaluate the impact of external economic, environmental, and social changes on the organization, thereby looking for opportunities, and formulating countermeasures and action plans. The report is summarized and submitted to the General Manager for approval, and then supervised by the Risk Management Committee.</p>											
<table><tr><th>Person in charge</th><th>Operation status</th></tr><tr><td>Risk Management Committee</td><td>Responsible for supervision and making recommendations to the Board of Directors</td></tr><tr><td>President</td><td>1) Identify and approve the priority of various risks 2) Supervise the improvement of risk control</td></tr><tr><td>General Director</td><td>1) Convene cross-departmental risk communication meetings 2) Risk assessment and hazard identification of recovery processes</td></tr></table>					Person in charge	Operation status	Risk Management Committee	Responsible for supervision and making recommendations to the Board of Directors	President	1) Identify and approve the priority of various risks 2) Supervise the improvement of risk control	General Director
Person in charge	Operation status										
Risk Management Committee	Responsible for supervision and making recommendations to the Board of Directors										
President	1) Identify and approve the priority of various risks 2) Supervise the improvement of risk control										
General Director	1) Convene cross-departmental risk communication meetings 2) Risk assessment and hazard identification of recovery processes										

Item to be assessed		Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
		Y	N	Abstract	
		3) Assessment and analysis of the company's available recovery resources 4) Participate in the progress planning of the recovery plan 5) Continuous monitoring of crisis risks 6) Integrate risk management reports and report to the Audit Committee and the Board of Directors			
	Executive members	1) Identify and assess risks 2) Formulate and implement risk response plans 3) Confirm implementation results and propose improvement measures			
5. Operational Situation in 2024 In 2024, the Risk Management Committee evaluated a total of six risk issues, including: Business Risk (Red Ocean Crisis), Nature-related Risks and Opportunities Assessment based on the TNFD (Taskforce on Nature-related Financial Disclosures), Operational Risk, specifically the cybersecurity risks associated with ChatGPT, Strategic Risk (Geopolitical Risks), Business Ethics-related Risks and Opportunities Assessment, Risk and Opportunity Assessment related to the Dynamic Community Issues. All responsible units have developed corresponding response plans, which have been reported to the Board of Directors. In addition, a governance implementation report on climate change risks was also presented.i. Levels of implementation of customer policies: the company designates sales and customer service to be in charge, maintain close contact on a daily basis, construe a fair communication channel with customers and satisfy their needs. Senior management will visit routinely to understand the customer's long-term needs, which will serve as the basis for the company's long-term strategy. The company will conduct customer satisfaction survey on an annual basis to understand levels of implementation and ways to improve.					
j. The Company has already purchased liability insurance for its directors. The most recent insured period is from 12:00 March 1, 2025 to 12:00 March 1, 2026. The insured amount is US\$2,000,000. The coverage covers the duties of directors and managers, company compensation liability, company securities compensation liability, and company compensation liability for employment. The liability insurance is planned to reported in the board of directors in Jul. 28, 2025.					
9. Give explanation of the improvement results according to the corporate governance assessment that issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd in the most recent year. Put forward the priority issues and measures for					

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	Y	N	Abstract	

those who have not yet improved. (Companies who are not included in the assessment do not need to fill up)

In the tenth corporate governance evaluation of year 2023, the company scored 99.66, ranking bracket of listed companies: 6%~20%. The results of the 11th Corporate Governance Evaluation in 2024 have not yet been announced. The improvement projects in 2024 are as follows:

Item	Indicator
2.5	Are the number of directors of the company who are employees of the parent company, subsidiary or Brother-sister corporation less than (inclusive) one-third of the director seats?
2.6	Does the company's board of directors include at least one female director? [One point is added to the total score If each gender of the company's directors accounts for more than one-third of the seats on the board of directors.]
3.14	Does the company's annual report disclose the linkage of performance evaluation and remuneration of directors and managers?

Priority improvement projects in the future include the following:

Item	Indicator	Improvement Items and Measures
2.7	Does the number of independent directors account for at least one-third of the total number of board seats? (If independent directors account for more than half of the board seats, an additional point will be awarded.)	A by-election for one additional independent director is planned at the 2025 Shareholders' Meeting. If successful, the number of independent directors will exceed half of the total board seats, thereby earning an additional point in total.

(F) Differences between the implementation of sustainable development and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
1. Does the company establish a governance system to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorizes senior management to handle and the board's supervision situation?	V		<p>The Company established the "ESG Sustainability Committee" on February 23, 2022. To further implement sustainable development and strengthen sustainability governance, on October 27, 2024, the Board of Directors approved the elevation of this committee to the "Sustainable Development Committee" under the Board, in accordance with Article 27, Section 3 of the Company's "Corporate Governance Best Practice Principles" and Article 9, Section 1 of the "Sustainable Development Best Practice Principles." The committee also established its organizational rules for compliance. The term of the first Sustainable Development Committee members took effect on October 27, 2024, and will end on May 17, 2026, aligning with the term of the current Board of Directors. The members unanimously selected Mr. Chiu Yi-Jia as the convener and chairman of the meetings.</p> <p>The Sustainable Development Committee is supported by the Sustainability Office, which is composed of the General Manager and the highest-ranking executives overseeing Environmental, Health & Safety, and Human</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
			<p>Resources.</p> <p>In addition, five working groups have been established under the committee: the Corporate Governance Group, Environmental Sustainability Group, Customer Rights Group, Social Inclusion Group, and Innovation & R&D Group. Each group is led by the highest-ranking executive from the relevant department. These groups integrate resources from their respective departments to formulate and implement their work plans. The Sustainability Office regularly tracks progress and reports to the Board of Directors on a quarterly basis.</p> <p>The "Sustainability Development Committee" serves as a cross-departmental communication platform for vertical integration and horizontal connection. Through quarterly meetings and task groups set up according to the issues, we identify sustainable issues related to the company's operations and stakeholders' concerns, formulate corresponding strategies and work guidelines, plan and implement annual plans, and track the implementation results to ensure sustainability development strategy is fully implemented in the company's daily operations.</p> <p>The Sustainable Development Committee regularly</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
			<p>reports to the Board of Directors on the execution results of sustainability initiatives and future work plans. In 2024, the topics reported to the Board included: (1) Sustainability strategy and short-, medium-, and long-term goals; (2) Sustainability governance structure; (3) The linkage between sustainability performance and the compensation of directors and managerial personnel.</p> <p>The board of directors regularly listens to reports from the management team, reviews the progress of the strategy, evaluates the possibility of success of the strategy, and urges the management team to strengthen or adjust when necessary.</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies	
	Y	N	Abstract (note 2)		
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations based on materiality principle and formulate relevant risk management policies or strategies accordingly?	V		<p>This disclosure covers the Company’s sustainability performance at its major sites from January 1, 2024 to December 31, 2024. The risk assessment covers the Company, two important production locations in Kunshan and Huangshi, and the Thailand factory under construction. Except for the Company, the latter's main business is PCB manufacturing services.</p> <p>Based on the materiality principle of ESG report, the relevant risk management policies or strategies for the risks after the company conducting risk assessments on important issues as follows. Please refer to the company's sustainability report for specific implementation.</p>		
Major issues			Risk assessment projects		Risk management policies and strategies
Environment			Water resource management		Maximize water use efficiency; promote process water conservation and water reuse; set up rainwater and air conditioning condensate collection systems, saving 3,600 tons of tap water each year, Reduce raw water intake per unit of production capacity; decrease wastewater discharge through water conservation, thereby lowering operational costs; actively promote ISO 46001 Water Efficiency Management System certification to enhance water risk resilience.
			Waste and harmful substances management		Continue to maintain UL2799 waste zero landfill certification, conduct compliance management, inspection and audit of waste flow, confirm that waste has undergone transformation processes such as reduction, recycling and energy use, and avoid waste of heat energy after landfill treatment and incineration; Reduce waste generation and emissions, reducing waste by 32,136 tons in 2024; increase waste recycling rates, make full use of raw materials, and use 1,518 tons of recycled copper balls in 2024. improve product yield and reduce waste of

Item to be assessed	Operational status (note 1)				Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)		
					resources; prohibit harmful substances from being illegally handled; regularly check suppliers' products for harmful substances.
				Air pollution management	Regularly maintain waste gas treatment equipment to make sure that air quality monitoring meets the standards; improve the satisfaction of neighboring residents of the plant.
				Energy and Climate Change Strategy	In addition to observing the opportunities brought about by various climate change risks, Dynamic also formulates strategies and goals that comply with the relevant requirements of environmental and energy regulations and effectively improve corporate efficiency: In terms of manufacturing process, optimize the efficiency of energy resource use, manage waste emissions, increase the proportion of renewable energy use, etc.; in terms of business, increase the proportion of revenue from green energy industries and low-carbon products to respond to the increasing demands of the public and consumers for sustainable products. Through strategic promotion in various aspects, assist each plant to achieve energy conservation and carbon reduction goals, as well as sustainable transformation and adjustment, and establish Dynamic's sustainable resilience.
			Society	Talent recruitment and retainment	Strengthen two-way communication between employees and enterprises, enhance corporate recognition, reinforce employees' cohesion and willingness to stay in the post ; build good labor relations; provide comprehensive training plans, experience and technical inheritance; establish career planning, process engineers adopt dual-channel promotion; Optimize the salary and welfare system and working environment.
			Corporate governance	Regulation compliance	Establish three lines of regulation compliance procedure for the following regulatory areas: corporate governance, insider trading, securities regulations, subsidiary supervision, document management and preservation, environmental regulations, occupational safety, labor regulations, intellectual property, confidential data protection, personal data protection, export control, etc. Thereby each responsible unit of the company can regularly identify, amend, promote and exercise the regulations on a systematic basis, to ensure the regulations are fully followed.

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
<p>3. Environmental Issue</p> <p>a. Has the company established a suitable environmental management system by referencing its industry's characteristics?</p> <p>b. Does the company strive to enhance the utility rate of every resource, and use renewable materials that pose less impact on the environment?</p>	V		<p>a. Each plant of the company has established ISO14001 environmental management system and IECQ QC 080000 hazardous substance process management system in line with industrial characteristics. In order to improve management performance related to energy and resources, Kunshan plant has passed ISO50001 energy management system certification, ISO14064-1 greenhouse gas inspection and have certified by AWS International Water Resources Management Standard. Huangshi Plant also obtained the UL2799 zero waste to landfill platinum level certification in 2023, and completed the ISO14067 certification and the establishment of a product carbon footprint trial calculation platform.</p> <p>b. In 2024, the Huangshi Plant's online energy monitoring equipment has been put into use, which monitors the plant's energy usage in real time to achieve energy efficiency optimization and equipment energy-saving design, and expands the use of renewable energy. During the year, the self-generated solar power reached 2.2 million kWh, and the purchased green electricity was approximately 91.48 million kWh, bringing the</p>	None

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
c. Does the company assess the potential risks or opportunities brought by climate change to enterprises now and in the future, and take measures to deal with climate-related issues?			<p>Huangshi Plant's green energy utilization rate to 34.42%; the roads and living areas of the Plant II have been fully converted to solar street lights, which is expected to save 25,000 kWh of electricity annually; 1,518 tons of recycled copper balls were used in 2024.</p> <p>c. The Company's sustainable development committee is the highest organization for climate change management, chaired by the chairman. It deliberates the Company's climate change strategy and goals, manages climate change risks and opportunities, and reviews the implementation status and discusses future plans every year, then report to the Board of Directors.</p> <p>Based on the Task Force on Climate-Related Financial Disclosures (TCFD), the company carries out identification of climate-related risks and opportunities, formulates management policies and countermeasures, and incorporates scenario analysis of climate change risks to reduce and transfer the impact of risks when they occur. The nine major climate change risk issues identified by the company are: raw material supply, general environmental regulations, cap</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
d. Does the company measure the amount of greenhouse gas emissions, water consumption and total weight of waste in the past two years; and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?			<p>control and carbon rights/energy trading, renewable energy, changes in customer demand, instable energy supply, changes in market demand/innovative Industrial technologies, increased extreme weather events, and the climate issues stakeholders concerned about.</p> <p>Elaboration on the above potential financial impacts, related opportunities, management policies and response measures, goal setting and implementation have been disclosed in the company's sustainability report. (https://www.dynaholding.com/csr/report.html)</p> <p>d. The greenhouse gas emissions, water consumption and total waste weight of the company's two production bases - Kunshan Plant and Huangshi Plant in the past two years are explained as follows: <u>Kunshan plant</u></p>	

Item to be assessed	Operational status (note 1)				Deviations from the Sustainable Development Best Practice Principles for listed companies	
	Y	N	Abstract (note 2)			
			Item	2023	2024	Changes in comparison with the previous year %
			Direct emissions of Greenhouse gas (tons CO ₂ e/year) Scope 1	2,836	The audit has not been completed	NA
			Indirect emissions of Greenhouse gas (tons CO ₂ e/year) Scope 2	57,433		
			Emissions of Greenhouse gas in total (tons CO ₂ e/year)	60,270		
			Annual water consumption (10,000 tons)	114		
			General industrial waste (tons)	347		
			Hazardous industrial waste (tons)	4,645		
			Weight of waste (tons)	4,992		
			In 2024, the Kunshan plant increased the reuse rate of RO concentrate by expanding the use of RO concentrate, reducing the use of 220 tons of tap water per month; adjusted the secondary pump of the chiller to the optimal operating power to avoid unnecessary energy waste; appropriately integrated the cooling tower to reduce energy consumption and water consumption; and replaced traditional street lights with solar street lights.			
			<u>Huangshi plant</u>			

Item to be assessed	Operational status (note 1)					Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)			
			Item	2023	2024	Changes in comparison with the previous year %
			Direct emissions of Greenhouse gas (tons CO ₂ e/year) Scope 1	21,147	The audit has not been completed	NA
			Indirect emissions of Greenhouse gas (tons CO ₂ e/year) Scope 2	128,664		
			Emissions of Greenhouse gas in total (tons CO ₂ e/year)	149,811		
			Annual water consumption (10,000 tons)	310		
			General industrial waste (tons)	7,065		
			Hazardous industrial waste (tons)	36,675		
			Weight of waste (tons)	43,740		
			Due to the continued expansion of the Huangshi plant in 2024, all indicators have increased. In 2024, 87.48 million kWh of green electricity has been purchased, accounting for about 32.5% of the total annual factory electricity consumption, which can offset about 49,889 tons of greenhouse gas emissions; the solar photovoltaic power generation has been continuously expanded. In May 2024, a rooftop site with an annual power generation capacity of 2 million kWh has been completed, which can reduce greenhouse gas emissions by about 1,140 tons per year; the city street lights used in the surrounding areas of the original Plant I have been transformed into (solar + wind) power generation street lights, with a total of 26 lights, which can save 9,500 kWh of electricity per year and reduce greenhouse gas emissions by 5.5 tons;			

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
			<p>in February 2024, the Plant II completed the waste etching liquid recovery equipment, which can reduce hazardous waste emissions by 6,000 tons and recycle 60 tons of copper per year.</p> <p>The Company's management goals for greenhouse gas emission reduction, water consumption reduction, and waste recycling are as follows: Greenhouse gas reduction: taking 2020 as the baseline, reduce carbon emission intensity by 4% per year; water use reduction: taking 2020 as the baseline, reduce water use intensity by 4% per year; waste recovery rate reaches 95~98%.</p> <p>Kunshan Plant ISO14001 Environmental Management System Certificate (Validity period: 2023.06.29~2026.06.28) Kunshan Plant AWS Water Resources Sustainable Management Certification (Validity period: 2022.08.09~2025.08.09) Kunshan Plant ISO14064-1 Greenhouse Gas Emission Verification Statement (Validity period: 2023.01.02~2024.01.02) Huangshi Factory ISO14001 Environmental Management System Certificate (Validity period: 2022.01.03~2025.01.02) Huangshi plant passed UL2799 zero waste to</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
			landfill certification (Validity period: 2023.06.20~2024.06.20)	
4. Society Issue a. Has the company set up management policy and procedures according to related laws and regulation and the International Human Rights Treaty?	V		a. In order to fulfill corporate social responsibility and protect the basic human rights of all colleagues and all stakeholders, Dynamic follows the international human rights principles of UN Universal Declaration of Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN International Labor Organization and The UN Human Rights Norms For Business. Formulates policies to protect human rights, and abides by the labor-related laws and regulations of the territory where the company is located. Based on the Regulatory Compliance Management Procedures and the RBA Code of Conduct - Version 7.0, the company has established policies and procedures to protect human rights, committed to safeguarding the human rights of workers, and respecting them. The content includes: free choice of occupation, young labor, working hours, wages and benefits, humanitarian treatment, non-discrimination, freedom of association. Details are posted on the company website. Man-times and man-hour of internal education and	None

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
<p>b. Does the company formulate and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?</p> <p>c. Has the company offered a safe and healthy work environment for its staff, and routinely implement safety and health education for its staff?</p>			<p>training related to "human rights" in 2024:</p> <ul style="list-style-type: none"> • Taoyuan, 3 man-times, 1.5 man-hour. • Kunshan, 1,243 man-times, 621.5 man-hours • Huangshi, 1,915 man-times, 957.5 man-hours <p>b. The company sets and implements reasonable employee welfare measures (including salary, vacation and other benefits, etc.). Please refer to the employee manual and company website for details. Article 30 of Corporate Charter specifies that if there is profit made in the year, not less than one-thousandth of the profit shall be allocated as employees' compensation, and the board of directors shall decide to grant it by shares or cash, and the objects to be paid must be an employee of the company or its subsidiary who meets certain conditions. The company's remuneration policy also states that employees' remuneration includes the company's operating performance bonuses and the bonus is calculated according to the company's operating performance achievement and the individual's performance during the year.</p> <p>c. For labor safety, the company insists on abiding by laws and regulations, fulfilling its duties, and providing employees with a healthy, safe and tidy working environment as the sole goal of implementing occupational safety policies. The</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
			<p>company's Kunshan plant and Huangshi plant established in mainland China have established and completed labor safety and health systems in accordance with the requirements of Labor Law Article 52 and Work Safety Law Article 21 of the People's Republic of China, and are staffed with full-time or part-time occupational health management personnel, and has completed the ISO45001 system verification. Each plant has a dedicated occupational safety and health management unit. The members are full-time and hold national certificates. Each unit of the production line is staffed with safety and health inspectors, and with the Industrial safety division supervising its operations. In order to encourage colleagues to further study, the Kunshan plant requires all supervisors above the team leader level to obtain the certificate qualification of safety production management personnel, and the Huangshi plant requires the supervisors of the production unit to obtain the certificate qualification.</p> <p>Kunshan Plant ISO45001 Occupational Safety and Health Management System Certificate (Validity period: 2024.02.26~2027.02.25) Huangshi Plant ISO45001 Occupational Safety and Health Management System Certificate</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
<p>d. Has the company established an effective career developmental plan for its employees?</p> <p>e. Does the company follow relevant regulations and international guidelines on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant consumer or customer rights protection policies and grievance procedures?</p>			<p>(Validity period: 2025.01.03~2028.01.02)</p> <p>d. Current employees are able to achieve enhancement in professional knowledge and skills through internal or external training. For new employees and those that have just transferred to different roles, The Company offers expertise training or internship according to the nature of their work and needs. Through career-oriented learning development structure, all employees in each rank at The Company are able to attain appropriate development training. The Company provides aids for extended studies to assist employees to accumulate professional knowledge and enhance their managerial capacity.</p> <p>The average hours of education and training in Taoyuan, Kunshan, and Huangshi in 2024 are 23.06 hours, 30.1 hours, and 25.4 hours, respectively.</p> <p>e. Throughout the product life cycle, customer health and safety and consumer rights and interests are our top priorities. We follow customer requirements, relevant regulations and international standards to protect customer privacy, marketing and labeling,. In addition, the company has relevant policies to protect consumer rights, and has a dedicated customer service department to formulate</p>	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
f. Does the company formulate supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights, and follow up the implementation?			<p>customer problem handling procedures, provide a transparent and effective customer complaint mechanism, and give customers satisfactory service.</p> <p>f. Our company stipulated the "Supplier Code of Conduct" and disclosed it on the company's website. It also has a supplier management policy that requires major raw material suppliers to promise and guarantee:</p> <ol style="list-style-type: none"> 1. Follow Dynamic's integrity policy and conflict minerals policy. 2. Conform to the requirements of the Code of Conduct Responsible Business Alliance (RBA) of electronic industry. 3. Passed ISO 9001 quality management system verification. 4. Build and maintain the operation of related systems in accordance with the spirit of ISO14001 environmental management system and ISO45001 occupational safety and health management system. 5. Comply with the international standards and regulations of no hazardous substances, such as RoHS, REACH, and Dynamic's Green Product Management Regulations. 6. Formulate Corporate Social Responsibility policies, integrity policies, and energy & 	

Item to be assessed	Operational status (note 1)			Deviations from the Sustainable Development Best Practice Principles for listed companies
	Y	N	Abstract (note 2)	
			<p>environmental safety and health policies, meanwhile promote corresponding management systems.</p> <p>7. Jointly promote a net-zero carbon emissions plan.</p> <p>The supplier signing rate is 100%.</p>	
5. Does the company prepare sustainability reports and other reports that disclose the company's non-financial information by making reference to the internationally-used report governing preparation standards or guidelines? Has the disclosed information in the report been assured, verified or certified by a third party?	V		<p>5. The company prepared the "2023 Sustainability Report" in accordance with the internationally accepted report preparation guidelines (GRI Standards), and was published by Ernst & Young in accordance with the TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation. (Set with reference to the international assurance standard ISAE3000) Independent limited assurance is conducted and published on the company website.</p> <p>(https://www.dynaholding.com/csr/report.html)</p>	None
<p>6. If the company has its own sustainable development code based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the difference between its operation and the set code:</p> <p>In August 2022, the company's board of directors approved the formulation of the company's "Corporate Social Responsibility Best Practice Principles" in order to practice corporate social responsibility and promote the balance and sustainable development of the economy, society and environmental ecology. The Company regularly reviews the implementation of the principles and makes improvements accordingly, and there has been no inconsistency in implementation so far.</p>				
7. Other important information to understand the implementation of promoting sustainable development: none				

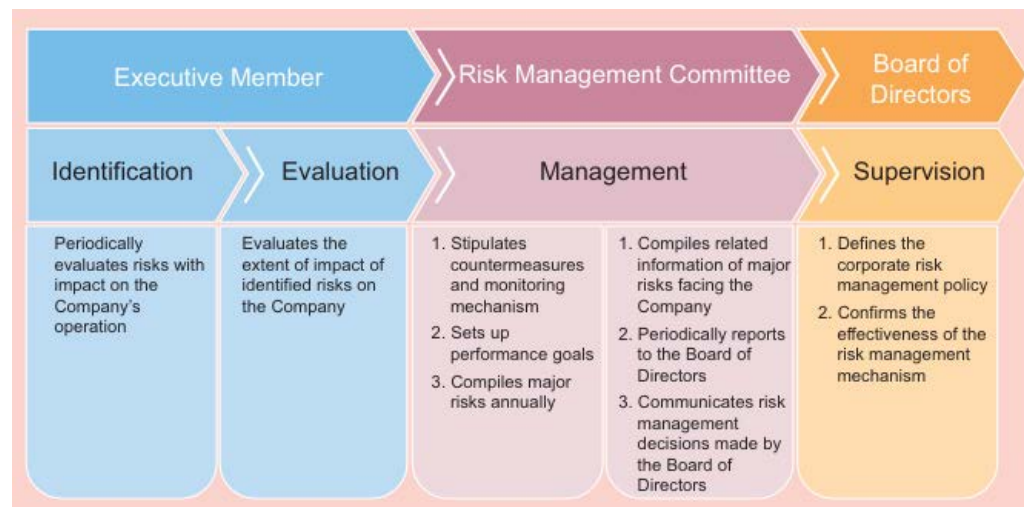
- Note 1: If "Yes" is checked for the implementation status, please specify the important policies, strategies, measures and implementation status adopted; if you check "No" is checked for the implementation status, please go to "The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" column explains the difference situation and reasons, and explains plans for adopting relevant policies, strategies and measures in the future.
However, regarding promoted items 1 and 2, listed companies should describe the governance and supervision structure for sustainable development, including but not limited to management policies, strategy and goal setting, review measures, etc. Also describe the company's risk management policies or strategies for environmental, social and corporate governance issues related to its operations, and its assessment status.
- Note 2: The principle of materiality refers to environmental, social and corporate governance issues that have a significant impact on company investors and other stakeholders.

(G) Climate related information

1. Implementation of climate-related information

The Risk Management Committee for 2024 has assessed a total of five risk topics, including: geopolitical risk assessment, Dynamic's natural-related risks, hidden cybersecurity risks from the rise of Chat-GPT, the Red Sea crisis caused by the outbreak of the Israel-Palestinian conflict, and Dynamic's business ethics risks. The responsible units have all formulated response plans, which will be reported to the board of directors after review by the audit committee and will be continuously tracked.

Item	Execution situation
1. Describe board and management's supervision and governance of climate-related risks and opportunities.	1.Dynamic's "Sustainability Committee" reports to the Board of Directors quarterly on greenhouse gas emissions intensity and water use intensity reduction performance. It also reports to the Board of Directors on the nature-related risks that may arise from the Company's activities and accepts the supervision and guidance of the Board of Directors.
2. Describe how the identified climate risks and opportunities will affect the company's business, strategy and finances (short, medium and long term).	2. Business: Increase the proportion of revenue from green energy industry and low-carbon products to respond to the public and consumers' continuous demand for strengthening sustainable products. Strategy: Through the promotion of various strategies, we assist each plant to achieve independent energy saving and carbon reduction, self-built solar power generation systems, and purchase of green electricity to reduce carbon emissions. Finance: We conducted a scenario analysis of the financial impact by climate change, including: (1) Analysis of rainfall disasters of major suppliers, the study found that the risk exposure level of major suppliers' climate risk is not large, and will have little possibility of significant financial impact; (2) Carbon fee risk analysis. The assessment results show that the impact on the company's operations is not harmful yet. However, the company pays close attention to carbon-related issues. In addition to actively introducing renewable energy equipment, it also promotes upstream carbon emission inspection, and 100% priority in purchasing raw materials with less carbon emissions per unit of product, reducing carbon emissions in each link of the product life cycle, expecting to provide customers with an environmentally friendly and low-carbon emission product.



5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained

5. (1) Dynamic Electronics takes an inventory check of the exposure to the climate risk among its Top 3 suppliers and evaluates the disasters brought about by rainfall in the locations of primary suppliers. With the difference equivalent between 2100 and 1750 of radiative forcing as the benchmark according to "Representative Concentration Pathways" (RCPs) in the Fifth Evaluation Report of the United Nations Intergovernmental Panel on Climate Change (IPCC), Dynamic Electronics adopts RCP 2.6 and RCP 8.5 as two scenarios and cites data of these two scenarios from Climate Analytics. Results of the evaluation show that the risk exposure percentage of revenue from the analysis of the simulated RCP 2.6 scenario was 0.0160 % and that of RCP8.5 was 0.0169 %. Primary suppliers of Dynamic Electronics are not exposed to significant physical risks and hence there will be no significant financial impacts.

<p>6. If there is a transformation plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.</p> <p>8. If there are climate-related goals set, the covered activities, scope of greenhouse gas emissions, scheduled timeline, annual</p>	<p>(2) The overall greenhouse gas emissions of Dynamic Electronics throughout 2020 came to 217,322.5717 tones (only Scopes 1 and 2). With 2020 as the baseline, the annual carbon reduction ratio is forecast according to Dynamic Electronics' carbon reduction goal of 4 % linear reduction a year and the five criteria of carbon prices, namely "EPA-recommended rate", "EU-estimated carbon tax rate", "IEA-estimated rate", Greenpeace-recommended rate", and "carbon price trend survey of the China Carbon Forum" and is calculated according to the current actual carbon credit trade ratio while Dynamic Electronics is evaluated for its extent of risk exposure under different scenarios in the future and up to 2050. Results of the evaluation show that under each of the five estimated rates by 2050, financial impacts are the most significant applying the EU carbon tax and the Greenpeace-estimated rate and the minimal with the EPA-recommended rate. Although analysis findings do not impact the operations of Dynamic Electronics to a hazardous extent, Dynamic Electronics is highly concerned about related issues. Besides proactively introducing renewable energy equipment, it communicates with upstream suppliers on getting approvals for carbon emissions and prioritizing 100 % the purchase of raw materials and regular materials with fewer carbon emissions per unit product to reduce emissions at each segment of the product's life cycle and to hopefully provide customers with environmentally-friendly and low-carbon-emission products.</p> <p>6. (1) Develop low-carbon raw materials, (2) Accelerate clean production and carry out low-carbon transformation, (3) Increase the percentage of green energy products.</p> <p>7. We are currently planning the possibility of using internal carbon pricing as a planning tool and will entrust professional consultants to provide guidance.</p> <p>8. (1) Greenhouse gas emission intensity reduction target: Taking 2020 as the baseline, the greenhouse gas emission intensity (based on revenue) is reduced by 4% per year, and by 2025 it will be reduced by at least 20%.</p>
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<p>progress and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information of the source and quantity of carbon reduction credits to be exchanged or the quantity of RECs should be stated.</p> <p>9. The greenhouse gas inspection and confirmation status are shown in the table 1-1 and 1-2 below.</p>	(2) Activities and greenhouse gas emissions in 2024:			
	Activities range	Scope	Description	Plant site
	Wind and solar powered street lights are installed in the factory area	2	Replace traditional street lamps year by year	All plants
	Switching to low-carbon fuels and improving energy efficiency	1	Boilers are fully converted to natural gas fuel	All plants
	Energy saving and carbon reduction in the manufacturing process, introducing high-efficiency power equipment	2	Adjust the secondary pump of the chiller to the optimal operating power to avoid unnecessary energy waste; appropriately integrate the cooling tower.	Kunshan
	Self-built solar power generation	2	continuously expand solar photovoltaic power generation has been ed. In May 2024, a rooftop site with an annual power generation capacity of 2 million kWh has been completed, which can reduce greenhouse gas emissions by about 1,140 tons per year.	Huangshi
	Actively	2	In 2024, 87.48 million	Huangshi

		purchase green electricity		kWh of green electricity has been purchased, accounting for about 32.5% of the total annual factory electricity consumption, which can offset about 49,889 tons of greenhouse gas emissions		
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1-1 Company GHG Inventory and Assurance in the last two years

Scope1	2024 total emission (tons CO2e)	2024 intensity (tons CO2e/million NTD)	2023 total emission (tons CO2e)	2023 intensity (tons CO2e/million NTD)	Verifying Institute	Description of the verifying situation
The Company	The audit has not been completed	The audit has not been completed	11.2646	NA (revenue is 0)	DQS	In 2023, the external audit was commissioned by DQS, with the certificate number 50600533 GHG-2. The audit in 2024 is expected to be commissioned by DQS German System Certification Group in early May 2024 (the audit has not been completed before the annual report is published)
Kunshan Plant	The audit has not been completed	The audit has not been completed	2,836.2657	0.8607	WIT	In 2023, the external audit was commissioned to WIT, with certificate number 15/WIT GHG 113035; the external audit for 2024 was conducted by WIT Assessment in late March 2025 (the audit has not been completed before the annual report is published).
Huangshi Plant	The audit has not been completed	The audit has not been completed	21,147.5190	1.7118	BSI	The external audit for 2023 was commissioned by BSI, with the certificate number CFV 806551 09052024; the audit for 2024 was commissioned by BSI to complete the external audit in late March 2025 (no written certificate has been obtained before the publication of the annual report)
Total			23,995.0493	1.5333		

Scope 2	2024 total emission (tons CO2e)	2024 intensity (tons CO2e/million NTD)	2023 total emission (tons CO2e)	2023 intensity (tons CO2e/million NTD)	Verifying Institute	Description of the verifying situation
The Company	The audit has not been completed	The audit has not been completed	58.0173	NA (Revenue is 0.)	DQS	Same as above.
Kunshan Plant	The audit has not been completed	The audit has not been completed	57,433.2352	17.4279	WIT	
Huangshi Plant	The audit has not been completed	The audit has not been completed	128,663.6698	10.4149	BSI	
Total			186,154.9223	11.8954		

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

Climate-related goals	Scope of activities	Scope of greenhouse gas emissions	Implementation plan	Scheduled timeline
Greenhouse gas emission intensity reduction target: Taking 2020 as the baseline, the greenhouse gas emission intensity (based on revenue) is reduced by 4% per year, and by 2025 it will be reduced by at least 20%.	Installing electric vehicle charging piles in the plant area	Scope 1	Charging piles were fully built in the parking lot of Huangshi plant.	As of 2023, carbon emission intensity per million revenue has been reduced by 21.96%.
	Converting to low-carbon fuels, improving energy efficiency	Scope 1	All plants have completely replaced oil boilers with natural gas boilers.	
	Energy-saving and carbon-reducing processes, and introducing high-efficiency power equipment	Scope 2	Building D2 wastewater treatment system, the aeration fans will all use high-efficiency and energy-saving air suspension fans to replace Roots blowers. Two units have been purchased in 2023 and one unit will be purchased in 2024. Kunshan plant has properly integrated the cooling towers for the chilled water system and removed the chilled water pipelines in the production area that have been out of service, saving 65,700 kwh of electricity annually. Adjust the chiller's secondary pump to the optimal operating power to avoid unnecessary energy waste.	
	Self-built solar power generation	Scope 2	Continuously expand solar photovoltaic power generation has been ed. In May 2024, a rooftop site with an annual power generation capacity of 2 million kWh has been completed, which can reduce greenhouse gas emissions by about 1,140 tons per year.	
	Switching to solar and wind energy self-generated street lights	Scope 2	In 2024, the Huangshi plant replaced 20 aging and damaged traditional street lamps with solar street lights; the Kunshan plant replaced 29 lights, saving 357,700 kwh of electricity last year.	
	Actively purchasing green electricity.	Scope 2	In 2024, 87.48 million kWh of green electricity has been purchased, accounting for about 32.5% of the total annual electricity consumption of Huangshi plant, which can offset about 49,889 tons of greenhouse gas emissions.	

(H) Implementation of performing Ethical management and differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
<p>1. Establish ethical operational policy and program</p> <p>a. Does the company formulate the integrity management policy approved by the board of directors, and have the policy and practice of the integrity management explicitly stated in the regulations and external documents as well as the board and senior management's commitment to implement the operation policy proactively?</p> <p>b. Does the company establish an assessment mechanism for the risk of dishonesty, regularly analyze and evaluate business activities with a high</p>	V		<p>a. The Company's corporate culture: integrity, enthusiasm, customer's trust and innovation after passed by board meeting are well shown in the primary documents that the company issues internally and externally. The company referred to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and formulated the company's "Ethical Corporate Management Best Practice Principles" on August 25, 2022, which has been implemented after being approved by the board of directors. It was also revised on February 27, 2024, to include environmental, health and safety provisions for anti-discrimination and employee protection. This code is disclosed on the company's website, and the board of directors and senior management actively implement their commitment to the business policy.</p> <p>b. The company's risk assessment mechanism includes an dishonest/unethical behavior item for a periodic analysis and evaluation on</p>	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
<p>risk of dishonesty in the business scope, and accordingly formulate a plan to prevent dishonesty, and at least covers the measures to prevent the behaviors stated in the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” Article 7 - second paragraph?</p> <p>c. Does the company clearly specify the operating procedures, behavior guidelines, disciplinary and punishment and appeal system in unethical conduct prevention plan, and implement it, and regularly review and revise the pre-disclosed plan?</p>			<p>business activities with a high risk of dishonesty in the business scope, and devise a measure accordingly to prevent dishonesty. Prior to conducting business, the Company always takes the licensors, suppliers, clients, or other business partners' legality and whether they have committed any unethical conducts into consideration, to avoid trading with unethical individuals. Moreover, The Company signs contracts with trading partners, in which compliance to ethical business policy is included. Should a trading partner exhibit unethical behavior, The Company can terminate the contract immediately.</p> <p>c. To encourage employees and vendors and suppliers to voluntarily provide information pertaining to corruption, The company has set a “Reward Operating Measures of Reporting”, and set up CEO email (ceo@dynamicpcb.com) which is devoted to handling reporting on The Company's staff or vendors/suppliers' illegal activities from all sources. Every email will be personally read by the Chairman, and if the suspected crime is significant, it will be verified by the Legal Office. If proven to be true, the</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
			suspect will be handed over to police and prosecutors. The whistleblower will receive definite rewards. To increase reporting access in year 2016, new exclusive mobile lines were added in both Taoyuan Operational Center and Kunshan plant, and all the suppliers were informed; meanwhile, adding the integrity provisions that are added to all external documents, and send an e-mail to notify the corresponding company employees. Manager of Legal Office is responsible to receive calls and messages. All reported information will be reported to the chairman for further investigation. The investigation results will be handled according to the above measures. The above measures were implemented simultaneously after the establishment of Huangshi Plant. It is scheduled to be promoted to the Thailand factory and implemented in 2025.	
2. Implementation of ethical business operations a. Has the company assessed the integrity records of its business partners, and specified ethical business policy in contracts with its trading partners?	√		a. The Company always assesses the integrity records of its trading partners and clearly specifies ethical business policy in contracts signed. The Company always signs quality assurance contract, purchasing commitment,	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
b. Does the company establish a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board on its integrity management policies, unethical conduct prevention plan and implementation of supervision?			<p>honesty commitment, and warranty for prohibiting the usage of toxic matters etc. with its trading partners.</p> <p>b. To strengthen the management of ethical business operations, the 【Legal Office】 , directly under the Board of Directors, is responsible for setting up and supervising the execution of the ethical business policy and preventative measures. Report to the board of directors at least once a year. The 2024 report date is April 29. Its responsibilities include:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values in the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities 	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
c. Has the company set up policies to prevent conflict of interest, offer and implement appropriate			<p>and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at higher risk for unethical conduct.</p> <p>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>Implementation in year 2024</p> <p>1. Education and training: Conducting education on integrity promotion, with a total of 3,161 person-times and 1,580.5 hours.</p> <p>2. CEO mailbox received reports of cases: No complaint letter was received from the CEO mailbox in 2024.</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
reporting channels?			<p>c.</p> <p>1. Any director, manager and other interested parties present and in attendance as observer without voting rights in the board of directors or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. Directors should also exercise self-discipline and refrain from inappropriate mutual support. In 2024, there were three proposals before the Board of Directors in which the Chairperson and certain directors had a conflict of interest; therefore, they recused themselves from discussion and voting. After consultation with the acting chairman Chia-Yi Chiu and independent directors, the remaining directors present had no objections and the proposal was approved.</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
			<p>2. When engaging in commercial activities, directors, managers, employees, and mandataries of the company or persons having substantial control over such companies shall not directly or indirectly offer, promise to offer, request or accept any improper benefits. No such matter happened in 2024.</p> <p>3. The seller of the company agrees that the shareholders, managers and employees of the seller and its affiliated companies and their relatives shall not offer treats, gifts, private kickbacks, commissions, securities, physical things or any other form of benefits etc. to employees or their relatives of Dynamic and its affiliated companies for business, settlement, and other matters, etc. Regardless of the amount, once discovered, the seller shall compensate NT\$2.5 million, or 30% of the total business amount incurred as liquidated damages (whichever is higher), and the seller shall be deemed to have breached the contract. Dynamic may terminate this contract and handle based on the liability for breach of contract. If the seller discovers that a Dynamic employee has made the above request, he or she must take</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
<p>d. Have the company established an effective accounting system and internal control system for the implementation of integrity management and have the internal audit unit formulate the relevant audit plan based on the assessment results of the risk of dishonesty, and monitor the compliance with the plan to prevent dishonesty, or appoint accountant to perform the audit?</p> <p>e. Does the company host routine internal and external ethical business operations training?</p>			<p>the initiative to report it to Dynamic, or report it to Dynamic's whistleblower hotline 0980-051-059 or email ceo@dynamicpcb.com.tw. No such matter happened in 2023.</p> <p>d. The Company attaches great importance to ensuring the accuracy and completeness of the financial reporting process and its controls, and has set up relevant internal control systems for operating procedures with potentially higher risks of dishonest conduct. The internal audit unit also conducts various audits based on the annual audit plan drawn up based on the risk assessment results, and reports the audit results and subsequent improvement plans to the management, audit committee and board of directors to implement the audit results. In addition, through annual corporate internal control self-assessment, all units and subsidiaries within the company are required to self-examine the effectiveness of the design and implementation of the internal control system.</p> <p>e. All new employees of the company are required to receive internal integrity education training. The relevant personnel</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
			are also scheduled to participate in Internal and external training related to integrity-related courses.	
<p>3. Operations of the company's reporting system</p> <p>a. Has the company established a material reporting and rewarding system, set up a convenient reporting channel, and designates appropriate personnel to be in charge of investigating the case, depending on the identity of the person being reported?</p>	V		<p>a. The Company amended the "Rewards Operation of Violation Reporting" on March 13th 2023 and disclosed on the Company's website. The detailed information of specific reporting and reward system is as follows:</p> <p>1. Reporting channels: Chairman's independent reporting mailbox (ceo@dynamicpcb.com); dedicated telephone line (+886-980-051-059); or write to the company's unreasonable mailbox, email to the company's supervisor's mailbox, etc.</p> <p>2. Information to be provided by the informant: The content of the report should include the name of the reported person or other information sufficient to identify the identity of the reported person, specific evidence to be investigated, and relevant evidence and proof of dishonesty or misconduct ; The matter of reporting should be objective and true, and the whistleblower is responsible for the authenticity of the content of the report, and must not fabricate or distort facts, and must not make false accusations or frames.</p>	None

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
			<p>Reporters who have only heard rumors will not be accepted for investigation.</p> <p>3. Acceptance level of different reporting objects: The chairman's mailbox is received by the chairman himself, and the case is submitted to the legal office for investigation after the acceptance is confirmed; the remaining reporting sent to other mailboxes are passed to the chairman by the recipient and then handed over to the legal office for acceptance and investigation according to instructions. If the report involves ordinary employees, it should be reported to the head of the department; if it involves a director or senior executive, it should be reported to the independent directors.</p> <p>4. Reward system</p> <p>(1) Reward will be given out after the case has been closed and the amount has been quantified.</p> <p>(2) Real-name whistleblower reports with evidence will be rewarded 50% of the restored amount, but no more than NT\$ 10 million.</p> <p>(3) Real-name whistleblower reports without evidence will be rewarded 25% of the restored amount, but no more than NT\$ 5</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
<p>b. Does the company establish the standard operating procedures for the investigation of the complaint report, the follow-up measures after the investigation is completed and the relevant confidentiality mechanism?</p> <p>c. Has the company set up protection for the reporting individual to prevent the person being subjected to inappropriate measures from reporting on the case?</p>			<p>million.</p> <p>(4) With permission from the Chairman, the monetary reward for reporting personnel who offer extra significant service can exceed the above limit.</p> <p>b. Operating procedures and relevant confidentiality mechanism The chairman receives and reads the case, instructs the legal affairs to investigate, contact/protect the whistleblower, and then the legal affairs report the investigation results to the chairman and advise on the handling of the case (bonus adjustment, disciplinary action, improvement direction of the unit) and the results of the investigation shall be stored in written or electronic form for a period of at least five years. During the processing process, the case and the informant are kept strictly confidential.</p> <p>c. The Company set the “Whistleblower Channel and Protection Regulation Operating Procedure”, passed by the board of directors on August 25, 2022, setting the whistleblower channel, encourage the whistleblower to report on crimes, and protect the whistleblower from being treated inimically by reporting on violations. The</p>	

Item to be assessed	Operational status (note 1)			Deviations from the corporate governance code of practice of listed companies and causes
	(Y)	(N)	Abstract	
			procedure book is disclosed on the Company's website.	
4. Enhance information disclosure Has the Company disclosed the contents and effectiveness of implementing its ethical corporate policy on its website and MOPS?	V		Both the Company's website and the MOPS contain information disclosure pertaining to the content of The Company's "Integrity Management Code". The promotion results are detailed in the sustainability report and the company website.	None
5. If the company has set Code of Ethical Business Conduct according to the Code of Practice for Listed Companies, please elaborate on the deviations of its operations from the policy: none.				
6. Other important information to understanding the operations of the company's ethical business operations (for instance, if the company has made revisions to its previously established ethical business policy etc.): On February 27, 2024, the Company revised its Code of Ethical Conduct to include provisions on anti-discrimination and the protection of employees' environmental, health, and safety rights. Furthermore, to prevent bribery and corruption and to support and align with the anti-bribery and anti-corruption policies of international organizations and various countries, the Company established an Anti-Bribery and Anti-Corruption Policy on December 16, 2024, which was implemented following the approval by the Board of Directors.				

- (H) For details on The Company's Corporate Governance Code of Practice and other relevant policies, please see:
1. MOPS/corporate governance/corporate governance structure/formulation of relevant regulations and rules for corporate governance
(http://mops.twse.com.tw/mops/web/t100sb04_1)
 2. Dynamic Company Website/Corporate Sustainability/Corporate Governance/Important Company Internal Regulations
(<https://www.dynaholding.com/csr/rule.html#s6>)
- (I) Other important information that can strengthen the understanding of the operations of the company's corporate governance: none
- (J) The follows should be disclosed concerning the conditions of carrying out the internal control system:
1. Please refer to the Internal control statement of this handbook.
 2. Those who entrust accountants to verify internal control system, should disclose the accountants' evaluation report: none.
- (K) From the most recent year up until the date stated on this report, explain the conditions in which the company and its personnel have been punished by law, the company has punished its personnel for breaching internal control system, and primary failures and revisions: none.
- (L) Important decisions from the shareholder's meeting and the Board of Directors, from the most recent year to the date on the Annual Report

Board of Directors / Shareholder's meeting	Date of Board of Directors / Interim meeting	Important Resolutions
Board of Directors	1st BoD in 2024 (2024.02.27)	1.Proposal to amend the Company's internal control-related regulations. 2.Issuance of the "Statement on Internal Control System." 3.2023 Annual Business Report, Standalone Financial Statements, and Consolidated Financial Statements. 4.2023 Earnings Distribution Proposal. 5.Proposal for the Company's 2024 Annual Budget . 6.Proposal to apply for group corporate bank credit lines. 7.Proposal for the Company to provide endorsements and guarantees for group corporate financing. 8.Reconfirmation of the Company's "General Policy for Pre-Approval of Non-Assurance Services." 9.Proposal to amend the Company's "Code of Ethical Conduct." 10.Nomination and qualification review of independent director candidates. 11.Proposal regarding the date, venue, method of convening the 2024 Annual General Shareholders' Meeting, and matters related to the acceptance of shareholder proposals and nominations. 12.2023 Employee Compensation and Director Remuneration Distribution Plan. 13.Actual distribution of 2023 compensation for directors and managerial personnel. 14.Review of 2023 performance evaluation indicators for managerial personnel. 15.Review of salary and benefits for senior management personnel changes.
Board of Directors	2nd BoD in 2024 (2024.03.26)	1.Proposal to establish the Company's "Insider Trading Prevention Operating Procedures." 2.2023 Internal and External Board Performance Evaluation Results.
Board of Directors	3rd BoD in 2024 (2024.04.29)	1.2024 Q1 Consolidated Financial Statements. 2.Proposal for the Company to provide an endorsement and guarantee for Chaoying Electronic Circuit Co., Ltd. in securing a syndicated loan arranged by Shanghai Commercial & Savings Bank, Ltd. 3.Proposal for the Company to provide an endorsement and guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd. in applying for a medium-term credit line from SinoPac Commercial Bank.

Board of Directors / Shareholders meeting	Date of Board of Directors / Interim meeting	Important Resolutions
		4.Allocation of weightings for director compensation in 2023, including other significant contributions. 5.Amendment to the “Director Compensation Management Guidelines.” 6.Review of 2024 Q1 performance evaluation indicators for managerial personnel.
Board of Directors	4th BoD in 2024 (2024.07.29)	1.2024 Q2 Consolidated Financial Statements. 2.Proposal for the Company to provide an endorsement and guarantee for Chaoying Electronic Circuit Co., Ltd. in applying for a short-term credit line from Shanghai Commercial & Savings Bank. 3.Proposal to establish the Company's “Risk Management Policies and Procedures.” 4.Proposal to establish the Company's “Sustainability Practices Guidelines.” 5.Amendment to the “Director Compensation Management Guidelines.” 6.Review of 2024 Q2 performance evaluation indicators for managerial personnel.
Board of Directors	5th BoD in 2024 (2024.08.19)	1.2023 Sustainability Report of Dynamic Electronics.
Board of Directors	6th BoD in 2024 (2024.10.01)	1.Proposal on Additional Commitments Issued by the Company's Subsidiary, Chaoying Electronic Circuit Co., Ltd., for Its Intended Listing on a Stock Exchange in Mainland China.
Board of Directors	7th BoD in 2024 (2024.10.27)	1.2024 Q3 Consolidated Financial Statements. 2.Proposal for the Company to provide an endorsement and guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd. in applying for a medium-term credit line from Shanghai Commercial & Savings Bank. 3.Proposal for the Company to provide an endorsement and guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd. in applying for a short-term credit line from DBS Bank (Taiwan). 4.Proposal for the Company to provide an endorsement and guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd. in applying for a short-term credit line from Cathay United Bank. 5.Proposal to amend the Company's “Corporate Governance Best Practice Principles.” 6.Proposal to establish the Company's “Sustainable Development Committee” and formulate its “Organizational Charter.” 7.Proposal to appoint the 1st-term members of the Sustainable Development Committee and elect the Committee Convener and Meeting Chair. 8.Review of 2024 Q3 performance evaluation indicators for managerial personnel.
Board of Directors	8th BoD in 2024 (2024.12.16)	1.Proposal to amend the Company's internal control-related regulations. 2.2025 Annual Audit Plan. 3.Proposal to revise the Company's 2024 Budget. 4.Proposal for the Company's “2025 Business Plan.” 5.Proposal for the Company's “Corporate Value Enhancement Plan.” 6.Evaluation of the appointed auditors and their independence. 7.Proposal for the Company to provide an endorsement and guarantee for Chaoying Electronic Circuit Co., Ltd. for a syndicated loan arranged by Shanghai Commercial & Savings Bank. 8.Proposal for the Company to provide an endorsement and guarantee for Chaoying Electronic Circuit Co., Ltd. in applying for a short-term credit line from KGI Commercial Bank. 9.Proposal to apply for group corporate bank credit lines. 10.Proposal to amend the Company's “Audit Committee Charter.” 11.Proposal to amend the Company's “Board Meeting Procedures.” 12.Proposal to establish the Company's “Anti-Bribery and Anti-Corruption Policy.” 13.Amendment to the “Managerial Performance Evaluation Guidelines.” 14.Amendment to the “Director Compensation Management Guidelines.” 15.2025 Work Plan of the Company's Remuneration Committee. 16.2024 Director and Employee Remuneration Distribution Plan. 17.Review of proposed salary and compensation items to be implemented in 2025. 18.Update on the Group's Succession Planning.
Board of Directors	1st BoD in 2025 (2025.01.13)	1.Results of the 2024 Board Internal Performance Evaluation. 2.Proposal to not pre-allocate monthly social welfare funds at each plant for 2025.
Board of Directors	2nd BoD in 2025 (2025.02.26)	1.2024 Business Report, Standalone Financial Statements, and Consolidated Financial Statements. 2.2024 Earnings Distribution and Cash Dividend Payment Proposal. 3.Proposal for the Company's 2025 Budget. 4.Proposal for the Company to provide an endorsement and guarantee for Dynamic Technology Manufacturing (Thailand) Co., Ltd. for a syndicated loan arranged by Bank SinoPac. 5.Proposal to reconfirm the Company's “General Policy for Pre-approval of Non-assurance Services.” 6.Proposal on Additional Commitments by the Company's Subsidiary, Chaoying Electronic Circuit Co., Ltd., for Its Planned Listing on a Stock Exchange in Mainland China. 7.Proposal to Amend the Company's Articles of Incorporation. 8.Proposal to Elect One Additional Independent Director. 9.Nomination and Qualification Review of Independent Director Candidates.

Board of Directors / Shareholders' meeting	Date of Board of Directors / Interim meeting	Important Resolutions
		10. Proposal on the Date, Location, and Method of Convening the 2025 (Year 114) Annual General Shareholders' Meeting, Including Procedures for Shareholder Proposals and Nominations. 11. Definition of the Scope of Entry-level Employees. 12. Proposal to Issue the "Internal Control System Statement." 13. Proposal to Amend the Company's Internal Control System. 14. 2024 (Year 113) Employee and Director Remuneration Distribution Plan. 15. Review of 2024 Performance Evaluation Indicators for Managerial Personnel. 16. Report on Actual Payment of Salaries and Remuneration to Directors and Managerial Personnel for 2024.
Board of Directors	3rd BoD in 2025 (2025.04.01)	1. Proposal to Amend the "Compensation Committee Charter". 2. Revision of the 2025 Shareholders' Meeting Agenda – Reporting Items.
Board of Directors	4rd Interim BoD in 2025 (2025.04.09)	1. Proposal for the Company's First Treasury Stock Buyback Program. 2. Revision of the 2025 (Year 114) Shareholders' Meeting Agenda – Reporting Items.
Shareholders' meeting	2024 (2024.05.16)	1. Acknowledgment of the 2023 Business Report, Standalone Financial Statements, and Consolidated Financial Statements. Implementation Review: Announced and filed in accordance with regulations. 2. Acknowledgment of the 2023 Earnings Distribution Table. Implementation Review: Cash dividends were distributed on August 8, 2024. 3. Election Item: Proposal for By-election of One Independent Director. Implementation Review: One independent director was elected according to law and the change in registration was duly filed with the Ministry of Economic Affairs within 15 days. Approval was obtained on June 6, 2024.

- (M) From the most recent year to the date on the annual report, the director that holds different opinions from the Board's decision and has documented this opinion, the main content of this opinion is: From year 2024 to the date on the annual report, there was no different opinion held by the directors from the Board's decision.
- (N) From the most recent year to the date on the annual report, a summary of the resignation and dismissal of company personnel:
Independent director Vincent Lin tendered his resignation on February 16, 2024, and his term will be until May 15, 2024. Independent director Heng-Hsin Liu tendered his resignation on May 20, 2024, and a by-election proposal for an independent director will be proposed at the company's 2025 general meeting of shareholders.

E. Accountant Public Expense Information

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Remarks
Ernst & Young Taiwan	Hsiao-Chin Lo	Chi-Ming Chang	2024/1~2024/12/31	-

Unit: NTD thousands

Fee range		Fee items	Audit Fee	Non-audit Fee	Total
1	Less than 2,000 thousand NTD			v	1,680
2	2,000 thousands (inclusive) ~ 4,000 thousand				
3	4,000 thousand (inclusive) ~ 6,000 thousand		v		5,880
4	6,000 thousand (inclusive) ~ 8,000 thousand				
5	8,000 thousand (inclusive) ~ 10,000 thousand				
6	Over 10,000 thousand (inclusive)				

Accounting firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System design	Industrial/commercial registration	Human resources	Others	Sum		
Ernst & Young Taiwan	Hsiao-Chin Lo	5,880	0	30	0	650	680	2024/1/1~2024/12/31	
	Chi-Ming Chang								

- (A) For companies whose non-audit shared expenses account for 1/4 or more of the audit shared expenses paid to CPA, audit firms of the CPA, or its affiliated firms, should disclose the amount of audit and non-audit shared expenses, and the service details of non-audit expenses: none
- (B) Companies that have switched accounting firms and whose annual audit shared expenses are less than that of the previous year prior to the switch: none.
- (C) For companies whose audit shared expenses have decreased by 15% or more, the ratio of the decrease in audit shared expense and the reason should be disclosed: none.

F. Replacement of CPA

If the company has changed accountants in the most recent two years and subsequent period, the explanation is as follows:

(A) About the former accountant

Date of replacement	Aug. 4th, 2023		
Reason for replacement and explanation	Internal rotation of accountants in the accounting firm		
Explaining whether the appointor terminated the cooperation or the accountant did not accept the appointment	Party involved	Accountant	Appointer
	Situation		
	Termination by appointer	Not applicable	Not applicable
	Accountant no longer accept (continue) appointment	Not applicable	Not applicable
Opinions and reasons for the issued audit reports in addition to unqualified opinion within the latest two years	No such circumstance		
Different opinion from the issuer	Yes		Accounting Principles and Practices
			Disclosure of financial report
			Audit Scope and Procedure
			Other
	No	V	
	Explanation		
Other disclosures (Article 10, Paragraph 6, Item 1-4 to 7 of the Guidelines shall be disclosed)	No		

(B) About the successive accountant

Name of the Firm	Ernst & Young
Name of the Accountant	Hsiao-Chin Lo Chi-Ming Chang
Date of Appointment	Aug. 4th, 2023
Consultation matters and results regarding the accounting handling methods or accounting principles of specific transactions and issuance of financial reports before his appointment	No
Successive accountants' written opinion on the issues that are dissenting from former accountant	No

(C) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2-3 of this Guideline: none.

G. Have any of the company's Chairman, President, or manager responsible for finance or accounting duties served in a CPA accounting firm or its affiliated company in the last year: none.

H. Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

(A) Changes in Shareholding of Directors, Managers and Major Shareholders

Unit: Shares

Title	Name	2024		As of Mar. 24, 2025	
		Increase/decrease in shares held	Increase/decrease in equity pledges	Increase/decrease in shares held	Increase/decrease in equity pledges
Chairman	Ken Huang	0	(1,450,000)	0	0
Corporate Director	Hung-Li Investments Co., Ltd.	0	0	0	0
Representative of Corporate Director	Tiffany Tsan	0	0	0	0
Representative of Corporate Director	Bill Nee(dismissal date:2024/11/04)	0	0	NA	NA
Corporate Director	Chien-Hung Investments Co., Ltd.	0	0	0	0
Representative of Corporate Director	Stephen Tsai(dismissal date:2024/11/04)	0	0	NA	NA
Representative of Corporate Director	Kelly Liu	0	0	1,000	0
General manager	Jean Liu	20,000	0	0	0
VP	Lily Chiang	(30,000)	0	0	0
Independent Director	Yi-chia Chiu	0	0	0	0
Independent Director	Vincent Lin(dismissal date:2024/05/15)	0	0	NA	NA
Independent Director	Vincent Weng	0	0	0	0
Independent Director	Cheryl Chien	0	0	0	0
Independent Director	Heng-Hsin Liu (Dismissal date:2024/05/20)	0	0	NA	NA
Financial Director	Cathy Ni	0	0	0	0
Accounting Director	Cathy Ni	0	0	0	0
Auditing Director	Hsin-Yi Tsai	0	0	0	0
Corporate Governance Director	Cindy Hsieh	0	0	0	0

(B) Shares Trading with Related Parties: none.

(C) Shares Pledge with Related Parties: none

I. Information of the Relationship among the Top Ten Shareholders

As of Mar. 24, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Ken Huang	11,162,071	4.02%	185,736	0.07%	0	0.00%	Hung-Li Investment Co., Ltd. Chien-Hung Investment Co., Ltd.	Company Chairperson is the spouse of this individual.	
Hung-Li Investment Co., Ltd. Representative: Tiffany Tsan	9,497,735	3.42%	0	0.00%	0	0.00%	Ken Huang	Spouse is the company Chairperson.	
	185,736	0.07%	11,162,071	4.02%	0	0.00%	Chien-Hung Investment Co., Ltd.	Chairperson and the company Chairperson is the same person.	
Hsiu-Ching Chen	4,485,896	1.62%	0	0.00%	0	0.00%	Ming Ji Investment Co., Ltd.	Company Chairperson is this individual.	
Chien-Hung Investment Co., Ltd. Representative: Tiffany Tsan	3,069,023	1.11%	0	0.00%	0	0.00%	Ken Huang	Spouse is the company Chairperson.	
	185,736	0.07%	11,162,071	4.02%	0	0.00%	Hung-Li Investment Co., Ltd.	Chairperson and the company Chairperson is the same person.	
Taipei Fubon Commercial Bank Co., Ltd. serves as the custodian for the segregated account of the Nomura High-Tech Securities Investment Trust Fund.	2,594,000	0.93%	0	0.00%	0	0.00%	None	None	
The Business Department of Standard Chartered International Commercial Bank acts as the custodian for the investment account of the Advanced Global Equity Index Fund, a sub-fund under the fund series of Advanced Starlight Fund Management Company.	2,539,365	0.91%	0	0.00%	0	0.00%	None	None	
Ming Ji Investment Co., Ltd. Representative: Hsiu-Ching Chen	2,127,037	0.77%	0	0.00%	0	0.00%	Hsiu-Ching Chen	Is the Chairperson of the company.	
	4,485,896	1.62%	0	0.00%	0	0.00%	Hsiu-Ching Chen	Is this individual.	
The Business Department of Standard Chartered International Commercial Bank acts as the custodian for the investment account of the Institutional Fully Global Equity Market Index Trust II, managed by Advanced Trust Corporation.	2,052,108	0.74%	0	0.00%	0	0.00%	None	None	
The Business Department of Standard Chartered International Commercial Bank acts as the custodian for the investment account of the Vanguard Emerging Markets Stock Index Fund, managed by Vanguard Group.	1,853,533	0.67%	0	0.00%	0	0.00%	None	None	
Nomura e-Technology Fund Segregated Account	1,443,000	0.52%	0	0.00%	0	0.00%	None	None	

- J. The number of shares held by the Company, the Company's directors, managers and the companies directly or indirectly controlled by the Company in the same investment business, and combined to calculate the comprehensive shareholding ratio

Unit: share; %

Affiliated Enterprises (Note 1)	Ownership by the Company		the Company's directors, managers and the companies directly or indirectly controlled by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
Dynamic Electronics Co., Ltd.	367,197,240	100.00%	-	-	367,197,240	100.00%
Chianan Technology Co., Ltd.	7	70%	-	-	7	70%
Cheng Chong Technology Co., Ltd.	7	70%	-	-	7	70%
WINTEK (MAURITIUS) CO., LTD.	-	-	8,596,000	100.00%	8,596,000	100.00%
Dynamic Electronics Holding Pte. Ltd.	-	-	142,067,000	100.00%	142,067,000	100.00%
Dynamic Electronics Co.,Ltd.	-	-	376,277,619	97.8541%	376,277,619	97.8541%
Dynamic PCB Electronics Co., Ltd.	-	-	(Note2)	(Note2)	(Note2)	(Note2)
Dynamic Electronics Co.,Ltd. (Seychelles)	-	-	48,927	97.8541%	48,927	97.8541%
Dynamic Electronics Overseas Investment Holding Pte. Ltd.	-	-	116,691,014	97.8541%	116,691,014	97.8541%
Dynamic Electronics (Kunshan) Co.,Ltd.	-	-	(Note 3)	97.8541%	(Note 3)	97.8541%
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	-	-	41,098,722	97.8541%	41,098,722	97.8541%

Note 1: The above refers to long-term investment made by the Company through utilizing the equity method.

Note 2: The liquidation procedure was completed on 2024/10/3.

Note 3: As it is a limited company, there is no number of shares.

IV. Capital Overview

A. Capital and Shares

(A) Source of equity

1. Issued Shares

Unit: NTD thousands; 1,000 shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1988/08	1,000	12	12,000	12	12,000	Setup capital	-	
1996/11	1,000	28	28,000	28	28,000	Cash capital increase 16,000 thousand NTD	-	Note 1
1998/04	10	9,800	98,000	9,800	98,000	Cash capital increase 70,000 thousand NTD	-	Note 2
1998/12	10	13,800	138,000	13,800	138,000	Reinvested profit 40,000 thousand NTD	-	Note 3
2001/12	10	25,100	251,000	25,100	251,000	Reinvested profit 113,000 thousand NTD	-	Note 4
2002/04	10	42,000	420,000	42,000	420,000	Cash capital increase 40,000 thousand; reinvested profit 129,000 thousand NTD	-	Note 5
2003/09	10	80,000	800,000	56,000	560,000	Reinvested profit 126,000 thousand; reinvested employee dividend 14,000 thousand NTD	-	Note 6
2004/11	10	80,000	800,000	62,000	620,000	Reinvested profit 56,000 thousand; reinvested employee dividend 4,000 thousand NTD	-	Note 7
2004/12	10	80,000	800,000	65,000	650,000	Reinvested capital reserve 30,000 thousand NTD	-	Note 8
2005/02	25	80,000	800,000	80,000	800,000	Cash capital increase 150,000 thousand NTD	-	Note 9
2005/08	10	170,000	1,700,000	103,563	1,035,632	Reinvested profit 235,632 thousand NTD	-	Note 10
2005/11	28	170,000	1,700,000	121,163	1,211,632	Cash capital increase 176,000 thousand NTD	-	Note 11
2006/09	10	300,000	3,000,000	160,550	1,605,499	Reinvested profit 363,490 thousand; reinvested employee dividend 30,377 thousand NTD	-	Note 12
2006/10	36	300,000	3,000,000	177,425	1,774,249	Cash capital increase 168,750 thousand NTD	-	Note 13
2007/09	10	300,000	3,000,000	215,194	2,151,940	Reinvested profit 354,850 thousand; reinvested employee dividend 22,841 thousand NTD	-	Note 14
2008/10	10	300,000	3,000,000	238,468	2,384,678	Reinvested profit 215,194 thousand; reinvested employee dividend 17,543 thousand NTD	-	Note 15
2009/03	10	300,000	3,000,000	261,468	2,614,678	Cash capital increase 230,000 thousand NTD	-	Note 16
2010/02	10	300,000	3,000,000	262,402	2,624,023	Employee stock option certificate 9,345 thousand NTD	-	Note 17
2010/05	10	300,000	3,000,000	262,760	2,627,603	Employee stock option certificate 3,580 thousand NTD	-	Note 18

2010/08	10	300,000	3,000,000	262,775	2,627,753	Employee stock option certificate 150 thousand NTD	-	Note 19
2010/11	10	400,000	4,000,000	262,785	2,627,853	Employee stock option certificate 100 thousand NTD	-	Note 20
2011/8	10	400,000	4,000,000	286,436	2,864,360	Reinvested profit 236,507 thousand NTD	-	Note 21
2012/10	10	400,000	4,000,000	293,559	2,935,594	Reinvested profit 71,234 thousand NTD	-	Note 22
2013/07	10	400,000	4,000,000	287,559	2,875,594	Treasury shares decrease by 60,000 thousand NTD	-	Note 23
2013/12	10	400,000	4,000,000	286,059	2,860,594	Treasury shares decrease by 15,000 thousand NTD	-	Note 24
2015/11	10	400,000	4,000,000	281,059	2,810,594	Treasury shares decrease by 50,000 thousand NTD	-	Note 25
2020/06	16	400,000	4,000,000	311,059	3,110,594	Cash capital increase 300,000 thousand NTD	-	Note 26
2020/11	10	400,000	4,000,000	277,514	2,775,140	Capital reduction to make up for losses 335,453 thousand NTD	-	Note 27
2022/01	10	400,000	4,000,000	277,518	2,775,183	Issuing new shares by Convertible Bond	-	Note 28
2022/05	10	400,000	4,000,000	277,540	2,775,400	Issuing new shares by Convertible Bond	-	Note 29
2022/08	10	400,000	4,000,000	277,548	2,775,490	Issuing new shares by Convertible Bond	-	Note 29 、 30
2023/08	10	400,000	4,000,000	277,617	2,776,170	Issuing new shares by Convertible Bond	-	Note 31
2023/11	10	400,000	4,000,000	277,675	2,776,746	Issuing new shares by Convertible Bond	-	Note 32

Note 1: 1996/11/13; approval document no. 85 Chien San Keng Tzu 710053.

Note 2: 1998/04/04; approval document no. 87 Chien San Yi Tzu 143958.

Note 3: 2001/12/02; approval document no. Ching 87 Shang 142895.

Note 4: 2001/12/14; approval document no. Ching (090) Shang 09001487720.

Note 5: 2002/04/29; approval document no. Ching Shou Shang Tzu 09101147450.

Note 6: 2003/09/04; approval document no. Ching Shou Shang Tzu 09201259500;

2003/07/09; approval document no. Tai Tsai Cheng Yi Tzu 0920130533.

Note 7: 2004/11/02; approval document no. Ching Shou Shang Tzu 09301206230 ;

2004/10/20; approval document no. Chin Kuan Cheng Yi Tzu 0930147189.

Note 8: 2004/12/08; approval document no. Ching Shou Shang Tzu 09301232510 ;

2004/10/20; approval document no. Chin Kuan Cheng Yi Tzu 0930147189.

Note 9: 2005/02/17; approval document no. Ching Shou Shang Tzu 09401024410 ;

2004/12/24; approval document no. Chin Kuan Cheng Yi Tzu 0930146065.

Note 10: 2005/08/24; approval document no. Ching Shou Shang Tzu 09401164480 ;

2005/06/28; approval document no. Chin Kuan Cheng Yi Tzu 0940125941.

Note 11: 2005/11/21; approval document no. Ching Shou Shang Tzu 09401233030 ;

2005/08/25; approval document no. Chin Kuan Cheng Yi Tzu 0940135458.

Note 12: 2006/09/25; approval document no. Ching Shou Shang Tzu 09501215550 ;

2006/07/21; approval document no. Chin Kuan Cheng Yi Tzu 0950131965.

Note 13: 2006/10/13; approval document no. Ching Shou Shang Tzu 09501231670 ;

2006/08/07; approval document no. Chin Kuan Cheng Yi Tzu 0950135357.

Note 14: 2007/09/26; approval document no. Ching Shou Shang Tzu 09601233900 ;

2007/07/30; approval document no. Chin Kuan Cheng Yi Tzu 0960040075.

Note 15: 2008/10/15; approval document no. Ching Shou Shang Tzu 09701262170 ;

2007/07/29; approval document no. Chin Kuan Cheng Yi Tzu 0970038054.

Note 16: 2009/03/30; approval document no. Ching Shou Shang Tzu 09801059010 ;

2008/11/18; approval document no. Chin Kuan Cheng Yi Tzu 0970059731.

Note 17: 2010/02/09; approval document no. Ching Shou Shang Tzu 09901029760.

Note 18: 2010/05/04; approval document no. Ching Shou Shang Tzu 09901089700.

Note 19: 2010/08/02; approval document no. Ching Shou Shang Tzu 09901174390.
 Note 20: 2010/11/02; approval document no. Ching Shou Shang Tzu 09901245330.
 Note 21: 2011/08/29; approval document no. Ching Shou Shang Tzu 10001199020.
 Note 22: 2012/10/16; approval document no. Ching Shou Shang Tzu 10101211780.
 Note 23: 2013/07/18; approval document no. Ching Shou Shang Tzu 10201122700.
 Note 24: 2013/12/17; approval document no. Ching Shou Shang Tzu 10201255080.
 Note 25: 2015/11/25; approval document no. Ching Shou Shang Tzu 10401247230.
 Note 26: 2020/06/30; approval document no. Ching Shou Shang Tzu 10901112310.
 Note 27: 2020/11/25; approval document no. Ching Shou Shang Tzu 10901224790.
 Note 28: 2021/01/25; approval document no. Ching Shou Shang Tzu 11101008270.
 Note 29: 2022/08/19; approval document no. Ching Shou Shang Tzu 11101161440.
 Note 30: The shareholders' meeting of Dynamic Electronics Co., Ltd. on May 20, 2022 resolved to approve the establishment of the new company "Dynamic Holding Co., Ltd." (hereinafter referred to as Dynamic Holding) by way of share swap. Dynamic Electronics Co., Ltd. becomes a 100% subsidiary of Dynamic Holding.
 Note 31: 2023/09/04 approval document no. Ching Shou Shang Tzu 11230167080
 Note 32: 2023/12/25 approval document no. Ching Shou Shang Tzu 11230223790

2. Type of Stock

Type of Share	Authorized capital			Remarks
	Issued Shares	Un-issued shares	Total	
Registered Common stock	277,674,584	122,325,416	400,000,000	-

3. Information for Shelf Registration: not applicable.

(B) List of Major Shareholders (Top 10 in shareholding ratio)

Name	Shareholding	Shares	Percentage
Ken Huang		11,162,071	4.02%
Hung-Li Investment Co., Ltd.		9,497,735	3.42%
Hsiu-Ching Chen		4,485,896	1.62%
Chien-Hung Investment Co., Ltd.		3,069,023	1.11%
Taipei Fubon Commercial Bank Co., Ltd. serves as the custodian for the segregated account of the Nomura High-Tech Securities Investment Trust Fund.		2,594,000	0.93%
The Business Department of Standard Chartered International Commercial Bank acts as the custodian for the investment account of the Advanced Global Equity Index Fund, a sub-fund under the fund series of Advanced Starlight Fund Management Company.		2,593,365	0.91%
Ming Ji Investment Co., Ltd.		2,127,037	0.77%
The Business Department of Standard Chartered International Commercial Bank acts as the custodian for the investment account of the Institutional Fully Global Equity Market Index Trust II, managed by Advanced Trust Corporation.		2,052,108	0.74%
The Business Department of Standard Chartered International Commercial Bank acts as the custodian for the investment account of the Vanguard Emerging Markets Stock Index Fund, managed by Vanguard Group.		1,853,533	0.67%
Nomura e-Technology Fund Segregated Account		1,443,000	0.52%

(C) Dividend Policy and Implementation Status

1. Dividend policy

If the Company's annual closing shows any profit, taxes should be paid first.
 Then past losses shall be compensated. Then 10% shall be provided as legal

reserve, unless the accumulated legal reserve has reached the level of the total capital amount of the Company. Then a special reserve shall be provided or reversed in accordance with law or the requirements of the competent authority. The remaining profit, if any, combines with the accumulated retained earnings, a proposal for distribution of profits will be drafted by the board, then the shareholders' meeting will make a resolution to distribute the bonus to the shareholders.

Company may, follow the provisions of Articles 240 and 241 of the Company Law, authorize the Board of Directors to issue cash dividends and bonuses under special resolutions, and to issue the capital stock or the legal surplus that is in accordance with the provisions of the Company Law in cash, and report in the most recent shareholder meeting.

To counter fluctuations in the economy and to strengthen the company's financial structure, the Company utilizes balanced dividend policy, and the policy of dividend payout is the following:

- (1) Because the Company is in a growth phase, dividend policy is primarily concerned about the Company's various investment funding needs in the future, financial structure, and profit etc., in each year, the Board of Directors will draw up an allocation plan based on that year's profit, and carry out the plan after the shareholders have reached a decision.
- (2) In consideration of a balanced dividend policy, the Company will use investment needs and the level of dilution of profit in each share as basis, and pay out dividends in shares or cash accordingly, in which the pay out of cash dividend will use a limit of no less than 10% of the total dividend amount in that year. The dividend of divisible surplus ratio is zero to seventy-five percent.

2. Implementation Status

The Company's Board of Directors on Feb. 26, 2025 has decided to forward Earnings Distribution Table as follows to the shareholder's meeting in 2025:

Unit: NTD	
Items	Amount
Opening undistributed earnings	459,261,908
Net profit of 2024	1,050,738,829
Less: Legal reserve	(105,073,883)
Plus: Special reserve reversal	90,287,337
Earnings available for appropriation	1,495,214,191
Distribution items:	
Cash dividends in 2024 (NT\$1.5 per share)	(416,511,876)
Closing unappropriated earnings	1,078,702,315

3. Anticipated changes in dividend policy: none

(D) The impacts of issuing stock grants in this shareholder's meeting on the company's operational performance and dividend per share: none

(E) Remuneration for Employees and Directors

1. Company regulation specified in the Article of Corporation on the number or range of remuneration for employees and directors:

If the Company has annual profit, The provision requires a provision of no less than 0.1% for employee remuneration. The board will decide whether to grant the employees with stock or cash. The personnel who receive the remuneration include the employees of subsidiaries who meet certain qualifications. According to the above mentioned annual profit, the board will make a resolution of granting the directors no higher than 3 percent of the profit as the director remuneration. This distribution among the employees and directors should be reported in the shareholders' meeting.

But when there are accumulated losses, it should be reserved in advance to make up the amount, and then draw the mentioned proportion as the remuneration for the employees and directors.

2. In this period, when there is a difference between estimated column of employee and director's remuneration, basis for calculating shares for the purpose of paying out share dividends and actual payout figure, and the estimated column are different, what is the accounting procedure to handle this: The remuneration of employees and directors in 2024 is estimated at no less than 0.1% and no more than 3% respectively, and all are paid in cash. If the amount varies after the release of the annual financial statements, it will be treated according to the changes in accounting estimates. The adjustment will be recorded in the account in the next year.

3. Information on the Board of Directors passing the proposal to pay out employee and director's remuneration: The proposed distribution of employee compensation and directors' compensation approved by the board of directors for the year 2024 were 6,862 thousand NTD and 16,455 thousand NTD, respectively.

4. Actual allocations of employee and directors' remuneration in previous year: There is no significant difference between the actual amount of remuneration distributed to employees and directors by the Company in 2024 and the amount stated as expenses in the 2024 annual financial report.

(F) Buyback of Treasury Stock: none.

B. Corporate bonds processing: none.

C. Preferred stock handling: none.

D. Global depository receipts handling: none.

E. Employee stock option and new restricted employee share rights handling: none.

F. Mergers or transferee to other companies and issuance of new shares: none.

G. Implementation on fund utilization planning: none.

V. Operations Overview

A. Business Content

(A) Scope of Business

1. Primary business focus and its ratio to the overall business

Unit: NTD thousands

Major Products	Consolidated for 2024	
	Sales Amount	Sales Ratio
Printed Circuit Board	17,734,162	99.7
Others	52,842	0.3
Total	17,787,004	100.00

- Dynamic concentrates on PCB products including multilayer board, high-end multilayer board, high density interconnected board, thick copper board, built-in copper high heat sinking board and high-frequency microwave board. Dynamic will continue developing in this area. However, in terms of product applications, it's planned to develop AI Server, GPU, ASIC, High-end Switch, Networking Communication, Auto Pilot, Smart cockpit, Domain Controller, BMS, ADAS, mmWave Radar, Camera module, High-end High-speed Storage devices, Robot, 5G mmWave 28GHz/39GHz communication high-frequency base station, terminal transceiver, High and low orbit satellite ground receiver, and aerospace/military etc. with high reliability requirements.

(B) Industry Overview

1. The industry's current situation and development

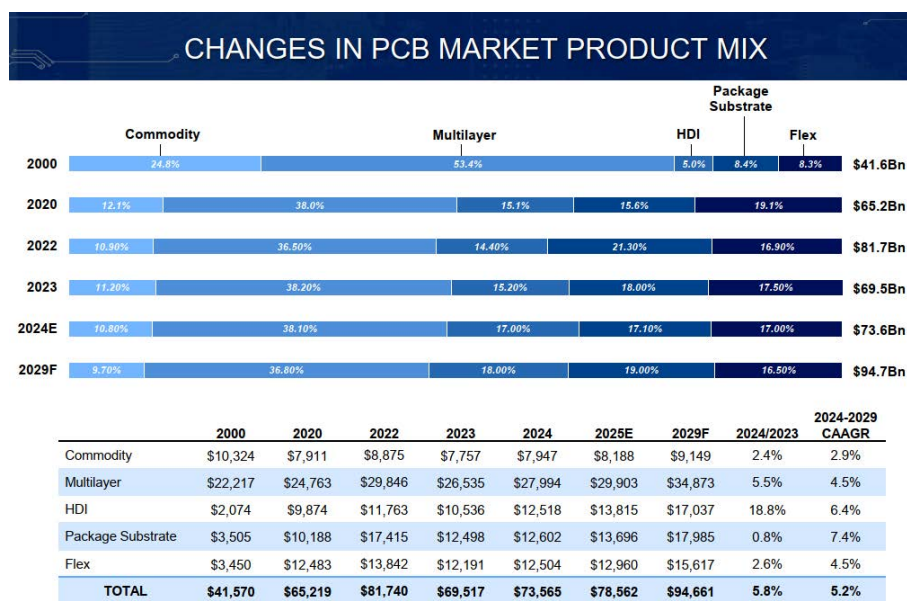
PCB (Printed Circuit Board, abbreviated PCB) is the base board before electronic components are assembled, and through the PCB, electrical routes are formed, and various electronic components can be connected to exert its overall capacity and to reach the objective of relay transmission. Its application is widespread, almost everything that uses electronic components would need to use a PCB. Therefore, PCB is known as "Mother of electronic products" Within Taiwan, the PCB industry has been developing for over 40 years, and not only does the industry structure include a comprehensive vertically integrated production chain, its affiliated industry system is also healthy. However, because of the factors of manpower supply and labor costs, the proportion of Taiwan's domestic production continued to decrease. Below is an explanation on the global and local PCB industry current situation and future trends:

(1) Global current situation and development

The rapid progress of artificial intelligence (AI) technology continued to stimulate demand growth in related supply chains in 2024, but the global economy still faced many challenges. These challenges include the ongoing Russia-Ukraine conflict, tensions in the Middle East, and complex geopolitical risks, which together have weakened consumer confidence and led to fluctuations in global market demand. Entering 2025, global economic

uncertainties remain, including global tariff issues, geopolitical risks, etc. It is expected that artificial intelligence (AI), moderate growth in the automotive industry, satellites and AI PCs will become the main driving forces for market demand. However, existing uncertainties still require close attention to respond to potential economic fluctuations.

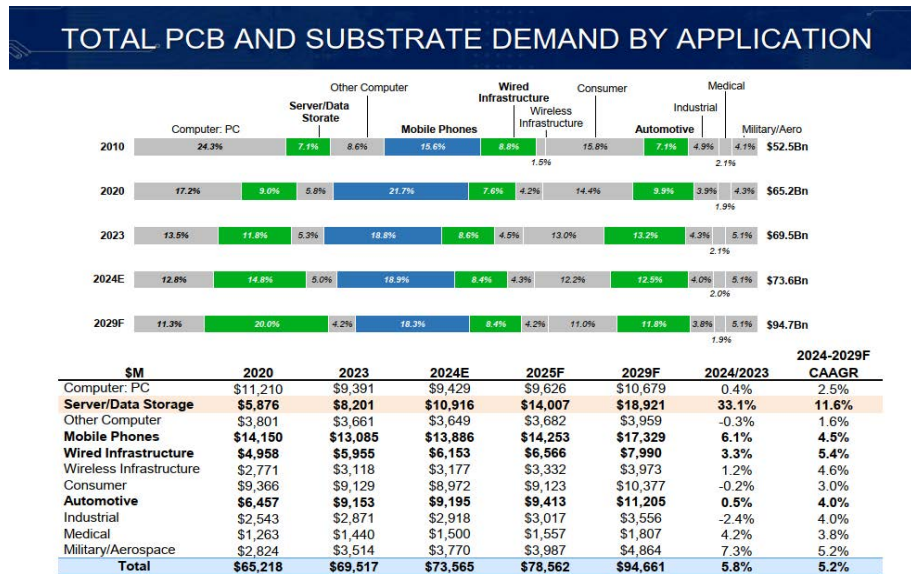
Overview of the world's major PCB output value



Source: PRISMARK Mar. 2025

According to a research report issued by PRISMARK in March 2025, the output value of PCB in 2024 is US\$73.5 billion, a 5.8% increase compared to 2023. The output value of PCB in 2025 is currently predicted to grow by 6.8% from US\$73.5 billion to US\$78.5 billion, and the compound growth rate from 2024 to 2029 is 5.2%.

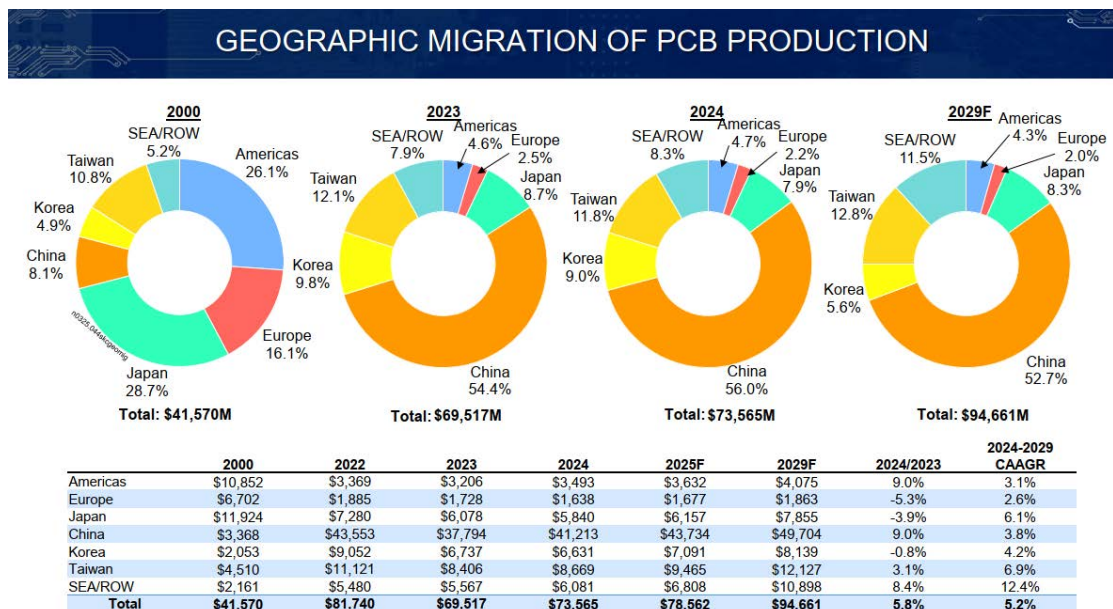
The global proportion of PCB distribution in application



Source: PRISMARK Mar. 2025

According to a research report issued by PRISMARK in March 2025, among various types of global PCB products, the compound growth rate of server/data storage from 2024 to 2029 is the highest at 11.6%..

Market share of the major PCB manufacture countries



Source: PRISMARK Mar. 2025

Among the global PCB industry producers, China accounts for the highest market share of 56%, followed by Taiwan at 11.8%. China has advantages in supply chain integrity and labor resources, while Southeast Asia is rapidly

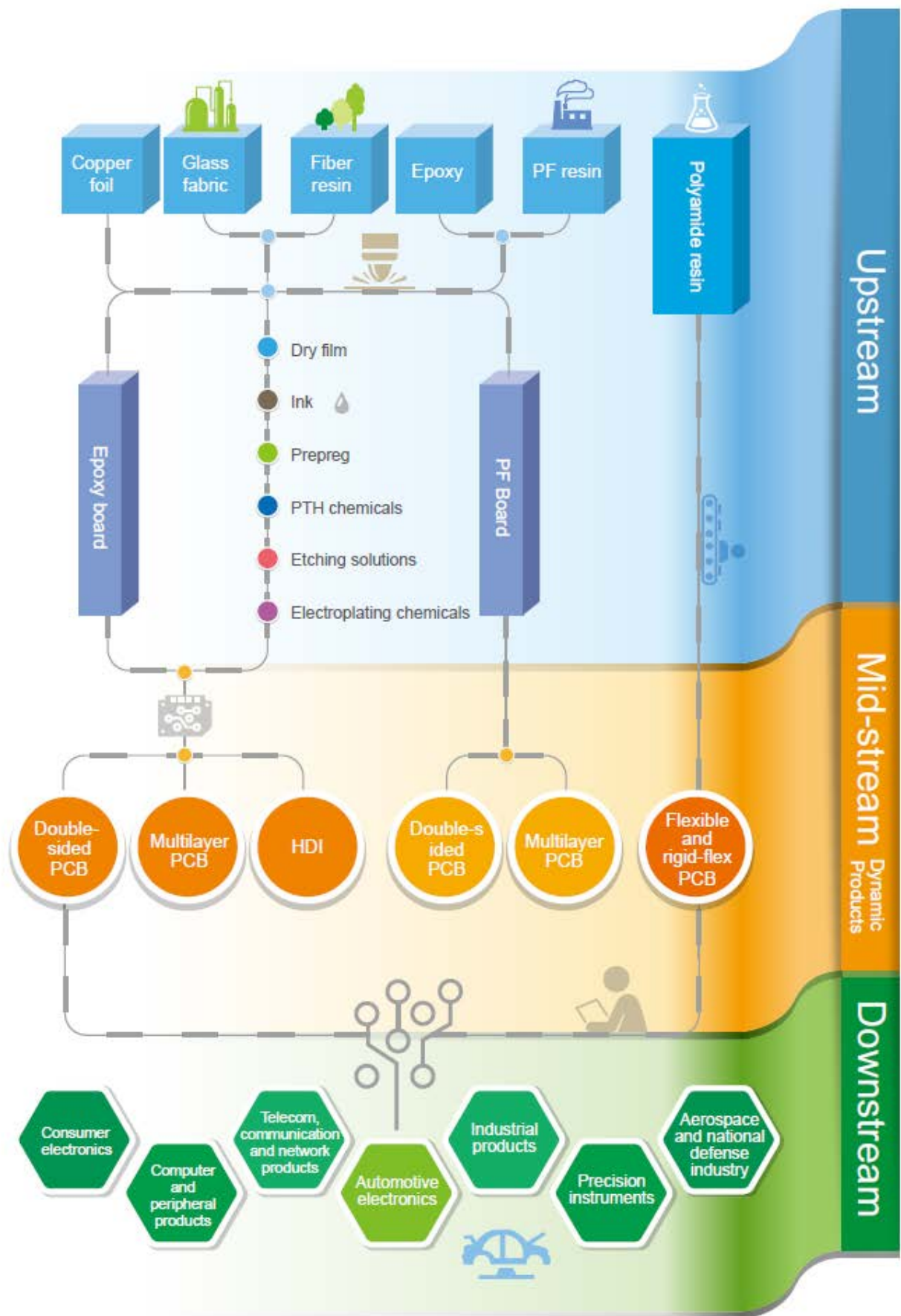
becoming an important emerging investment hotspot for the PCB industry due to factors such as geopolitical risks.

(2) The Current Status and Development of Taiwan

According to the Taiwan Printed Circuit Association (TPCA) report analysis, Taiwan's PCB output value was forecast to be NT\$816.8 billion in 2024, a year-on-year increase of 6.1%, with AI servers and satellites as the main growth drivers. It is estimated that Taiwan's PCB output value will reach NT\$854.1 billion in 2025, a year-on-year increase of 4.6%. The growth of artificial intelligence (AI), automotive industry, and the application of satellite technology are expected to be the major drivers driving the market demand. However, changes in global tariff issues still need to be closely monitored in response to potential economic fluctuations.

2. Relevance of upstream, middle, and downstream businesses in the industry

The PCB that produced by the Company include the following upstream main raw materials: copper foil, substrate, resin, dry film, ink, etching fluid and other chemical materials. Industry covers petrochemical and metal ; downstream clients include consumer electronics, computer and peripheral products, telecommunications and Internet, automotive electronics, industrial products, precision instruments and air defense etc. Hereby listed the company's associated chart with up-and-down stream industrial structure as below:



3. Product development trends and competitive situation

(1) Product development trends

In recent years, there are two major trends in the development of electronic products. First, all products are gradually becoming lighter and easy to carry. Second, high frequency millimeter wave and high speed technology is being developed, so that in addition to stronger heat dissipation, when the current passes, it should not be subjected to too much interference. Hence, PCB with micro via, thread, small pore, thin and multilayer structure, micro via lining and high electrical characteristics are the necessary trends to current product development. To cater to the development of 5G generation and the request from system vendors, boards using low DK, low DF, Ultra Low Loss, Teflon, Ceramic substrates and flexible materials Modify PI/LCP (Liquid Crystal Polymer) are also gradually increasing. The development of environmentally friendly green vehicles PHEV/EV is also growing rapidly, and various tie-in products such as high-voltage products, fast charging, and battery management have also taken spots at the table. The 5G high-reliability products used in medical, satellite, aerospace and military industries are also booming.

(2) Competitive situation

Since PCB has been in a position of oversupply for a long time, the development of global economy has entered a slow-growing phase, price competition has always been fierce, especially for customers who require large quantities, who tend to dominate over the extent of lowering price and time. The oversupply situation has accelerated the price decline of low-end technology products. In addition, the prices of raw materials (copper foil, glass fiber) are rising fiercely, and the supply is very tight, which severely reduce the profit margin. Taiwanese business is bound to tend to the high-tech, high-quality, high-reliability product segment.

(C) Technology and R&D Overview

1. R&D expenses from the most recent year to the date on the annual report

Unit: NTD thousands

Year	2023	2024
R&D Expenses	618,511	733,369

2. Technology or products that have been successfully developed from the most recent year to the date of the annual report:

Here we summarized our major R&D projects and results of 2024 in the following six points:

- (1) The technical capability certification project for important domestic customers has been upgraded to a higher level, with the technical capability at the customer end being upgraded from 18 layers to 26 layers. In terms of product structure: for high layer count, the factory has also completed 32-layer technical certification, and 50-layer product technical certification is also in active progress. For multi-step HDI, the production and reliability confirmation

of 20L any-layer and 6+12+6 have been completed. In terms of product technical capabilities: back drilling 5+/-3mil has been put into trial run production, step gold finger, N+M, N+M+N, and in-board gold plating processes have completed sample certification; back drilling 4+/-2mil, 0 stub process is also being steadily developed.

- (2) For high-end HDI, we have completed the development of 24-layer 8+8(B)+8 server HDI and the successful mass production of 16-layer Anylayer HDI, PCS size>550mm LCD/LED size control motherboard completed successful mass production, 12-layer Anylayer Cavity high-end laptop motherboard certification and mass production. Completed the development and mass production of 12-layer Anylayer automotive central control motherboards, and mass-produced 14-layer 3oz inner-outer design smart grid control HDI boards. Successfully developed and mass-produced 8+8 HDI PCS size>580mm, 1pc/panel test module products. Completed the development and mass production of finished lens module of any-layer with board thickness <0.3mm, and the aperture diameter of the blind hole that can be produced is capable of achieving 3mil. In addition, the investigation and standardization of materials that can withstand multiple laminations have been completed, so that the materials used by Anylayer can be more diverse and stable. The thinner product Mini-LED with a thickness of 0.2mm has been certified and started production. The focus of research and development in 2023 is to invest in process capabilities to improve the development and production of BT material products such as thinner thickness (0.15-0.1mm).
- (3) Mini-LED display products: Currently developing towards higher resolution to meet product design and development with minimum pad gap design of 0.04mm, board thickness as thin as 0.2mm, and reflectivity as high as 90%. The development of outdoor screen display panels designed with mixed-laminated of BT-like materials and FR4 materials has been completed.
- (4) High-frequency millimeter wave (mmWave) products: The shipment volume of automotive millimeter wave radar 60GHz/77GHz continues to rise, and related customers continue to be developed. The antenna performance autonomous test probe platform has been put into trial operation and can autonomously test S parameters near the 77GHz frequency band. In the development of new antenna technology, for 4D imaging radar, we have cooperated with many customers and launched a variety of forward-facing and corner-imaging automotive radars. At the same time, the waveguide radar developed in cooperation with well-known Tier-1 and chip companies has been recognized for its performance.
- (5) Embedded copper technology continues to follow the automotive and communications user end to assist in design and sample build-up. For the heat dissipation application of heavy copper 3oz or above, we can effectively provide design suggestions and development for customers' heat dissipation needs; 12oz products have entered the sample production stage. In the evaluation and development of high thermal conductivity materials, we are currently evaluating high thermal conductivity CCLs with a thermal conductivity of 2.0W/m-k or above. At the same time, the thermal paste has

also completed internal certification and is being tested with customer samples. In response to the demand for IMS materials from automotive board customers, we have also started the development process for materials and technologies; the electroplating pre-treatment processing technology and equipment for the highly thermally conductive ceramic material aluminum nitride have also entered the development and evaluation stage. Overall, a complete product and process service technology will be established for the cooling technology needs that customers are concerned about.

- (6) Embedded active and passive component products: Using embedded component technology, we jointly developed embedded component 48V integrated belt starter generator (iBSG) products with customers. The products have completed certification; embedded MOSFET development started. Through the capability improvement of embedded copper technology and equipment testing, the minimum size capability of embedded components has been improved to 2X2mm, and the operation of smaller sizes continues to be improved. Regarding the processing technology of magnetic materials and corresponding product design technology, we conduct sample co-development stages with customers and strengthen the compatibility between materials and product processing technology.

3. Intellectual Property Management

(1) Intellectual Property Management

Participating in the early-stage development of customer products with professional technical services is one of the company's missions which makes intellectual property management one of the company's key tasks. The company values its own intellectual property and respects the intellectual property of others (such as customers, suppliers, etc.) and prevents the occurrence of infringement or disclosure. Therefore, the company launched a conjoined-business project, which is to establish and control the knowledge management system to protect intellectual property. The company encourages employees to innovate and develop high-quality intellectual property to strengthen competitiveness and improve profitability.

The company's main business model is to participate in customers' product development and to manufacture printed circuit boards for customers, therefore, keep intellectual property related affairs confidential is our main job, followed by patents.

1) Confidentiality management:

- Access control management: Each employee of the company is provided with an access control card and is given appropriate access permissions based on departments and ranks. Non-employee personnel should fill in personal information before entering and be limited to the area of activities during the visit, and should be accompanied by company's employee at all time.

- Document management: The company uses a knowledge management system to manage internal and external documents. Appropriate reading permissions will be granted based on departments and ranks. The technical information related to customers is only allowed to be used on the project leader computer.
- Information security management: Each computer of the company must be identified and logged on by the user's account and password of an employee, and the password is changed every two months.
- Confidentiality propaganda: In addition to signing confidentiality agreements with all employees, the company also regularly reminds them of the confidentiality with a special topic to effectively establish the awareness of law-abiding and confidentiality.

2) Patent management:

- Standardization: The company establishes patent management regulations to standardize patent management. The incentives system and the implementation of education and training are used to ensure the company's research and development results.
- Proposals: All employees of the company can submit patent proposals after the internal search and evaluation. The proposals will be processed in accordance with the operating procedures after reviewing by the responsible supervisor and the approval by the R&D director or ranks above.
- Management: The company builds a patent database on the knowledge management system after the patent being applied, sets reading permissions based on departments and ranks, and manages the confidentiality of relevant information. Providing the required list according to the needs of the department/employee based on the authority and responsibility. Publishing the patent quarterly report on the company's knowledge management system homepage.
- Usage: The use of the company's patent rights can only be authorized or cross-authorized externally after the chairman's approval. If a notice of infringement dispute is received, the legal department and related departments will handle it.

(2) Implementation

- 1) Link with operational goals: The R&D headquarters sets a KPI for the number of patent applications on a quarterly basis, and reviews quarterly.
- 2) The achievement and list of intellectual property obtained: As of the year 2024, the company has filed a total of 129 patent applications in Taiwan and mainland China, of which 98 have been granted and are currently maintained.
- 3) Report the implementation results to the board of directors at least once a year, and report to the board of directors on December 16, 2024.

(D) Short and Long-term Business Development Plan

1. Short-term business plan

(1) Marketing plan

- Continuing to Develop high margin products such as HDI, high-frequency high-speed related applications, AI server, GPU, ASIC, high-end switch, ADAS, smart cockpit etc.
- Strengthen the ties with overseas locations and agents, grasp business opportunities, and cultivate customers.
- Strengthen the customer support for timely delivery, quality, technicality, and service.

(2) Production plan

- Huangshi Plant is a highly automated, intelligent and efficient factory. It is the priority to meet the production capacity Huangshi I and II, while the Kunshan plant is making flexible allocation based on customer needs.
- Thailand Plant has started mass production in the third quarter of 2024 and has obtained LOI (letter of compliance) for ISO 9001, QC080000, ISO14001, and IATF16949. Other system certifications will be obtained according to schedule.
- Take advantage of automation, intelligence, and information capabilities to integrate real-time vertical information from design, planning to production. Optimize the use of manpower, energy, and resources, and configure flexible production lines, thereby achieving the benefits of quick response to market demands. Practical action strategies can be developed through big data insights, from machine data interconnection to intelligent decision-making automation, to meet the needs of different management levels. Improve production efficiency and product quality and realize quality traceability and production transparency. Effectively improve the accuracy of products and management and achieve efficient and accurate operational performance.

2. Long-term business plan

(1) Marketing plan

- Searching for highly niche products
- Establishing long-term relationship with customers
- Participating in major international events, to open up the specific strategic markets.
- Cooperating and exchanging professional resources with foreign PCB companies who possess technical competence and patent, in order to obtain recognition from the end customer.

(2) Production plan

- Expand the HDI production capacity of Huangshi Plant.
- Expand the production base in Southeast Asia.
- Thailand factory started mass production in third quarter of 2024.

- Promote environmental protection, energy saving and circular economy projects. Continue to classify and find recycling pipelines for process outputs that cannot be recycled and reused at present. Set up recycling equipment on the production line to recover valuable substances and chemicals, and introduce incineration waste reduction equipment to reduce the output of incineration waste; continue to cooperate with government regulations to reduce the discharge of harmful pollutants and ensure that the water quality of the discharge meets the regulations.
- Work with our suppliers to promote various policies such as labor, health and safety, environment, ethics and management systems, and implement corporate social responsibility.
-

(3) R&D plan

- 40um mil SLP fine line process development
- Low warpage laminate technology process development
- Embedded active and passive components
- SiP Substrate module
- millimeter wave high frequency alternative new material process development
- 12oz heavy copper high heat dissipation material process development
- New products and new processes of environmental protection, waste reduction and energy-saving
- High layer count development

B. Market and Production/Sales Conditions

(A) Market Analysis

1. Sales Locations for Major Products

Unit: NTD thousands

Sales Location \ Year		2024 Consolidated	
		Sales Amount	Ratio %
Domestic		1,054,332	5.93%
Export	China	6,432,253	36.16%
	Mexico	1,449,890	8.15%
	Korea	1,097,394	6.17%
	Malaysia	1,076,201	6.05%
	Other countries	6,676,934	37.54%
Total		17,787,004	100.00%

Note: Revenue is categorized based on the location of the client who placed sales order.

2. Market Share

Unit: NTD 100million

Item \ Year		2023	2024
Value of cross-strait Taiwanese businesses in PCB industry		7,783	8,168
Dynamic Electronics' consolidated revenue		157	177
Dynamic Electronics' consolidated revenue/value of cross-strait Taiwanese businesses in PCB industry (%)		2.02%	2.2%

Source: IEK of ITRI

3. Future Market Supply and Demand Conditions and Possibility of Growth

Inflation is gradually under control and consumer demand is expected to slowly recover. In the next five years, it is estimated that fast-growing products will revolve around AI, servers, GPU, ASIC and electric vehicles, including the Internet of Things, autonomous vehicles, ADAS, Robot, High-speed transmission, and low orbit satellites, etc.

4. Niche Competitiveness

Niche competitiveness of the Company includes:

- (1) Fulfilling ESG as its core of corporate culture enables Dynamic to bring customers the value of long-term stability.
- (2) Satisfying customers by meeting their needs of integration services of business flow, logistics, and information flow.
- (3) Providing a comprehensive product line, one stop solution, including: High layer count, HDI, High speed high frequency board, Heavy Copper, Rigid-Flex, Semi-Flex, etc.

- (4) Strengthen the functions of FAE, deeply involve and participate in customers' early product development and design, and support customers' long-term success.
 - (5) Equipped with global technical support and after-sales service network.
 - (6) The management of Dynamic is formed with people from different countries who are possessed of extensive experience in certain fields.
5. Favorable and Unfavorable Factors for Future Development and the Countermeasures
- (1) Favorable factors
- a. With the widespread popularity of the Internet and the development of wireless communication market and products, the personal mobile devices and their peripheral industries have developed throughout the world. Plus the rise of 5G related applications, cloud computing, Big Data, IoT etc. products continuing to innovate, the demand for PCB will continue to rise.
 - b. The increase in electronic products for automobiles, green energy vehicles and the development of electric vehicles and auto-driving technologies are bringing forth new market and opportunities for the PCB.
- (2) Unfavorable factors and countermeasures
- a. Oversupply, many competitors, and competitors wage price wars
Countermeasure: develop potentially niche products, avoid price wars in existing products, and actively attain various certifications, enter different fields and expand new business opportunities.
 - b. Clients demand routine price reduction, hurting profit
Countermeasure: exert labor efficiency, strengthen production management, enhance production yield, and lower production cost, making the most of the benefits of automation. Seeking long-term cooperation with excellent suppliers, signing long-term strategic partnership agreements, develop new customers, select suitable products, restructure product structure, and optimize product portfolio.
 - c. Labor shortage and labor cost is steadily rising over the years
Countermeasures: Regularly collect and update the salary and benefit policy information of the industry. Review and modify the salary and benefit measures of corporate optimization. Enhance the company's competitiveness and strength among the peers in the industry. Cultivate and enhance the professional skills of all employees. Create corporate humanities to increase the stability of employees' retention at the post. Optimize production and the method of efficient working to reduce manpower.
 - d. A lack of technical talent
Countermeasures: Recruit and cultivate college and undergraduate talents, salary determined based on education level, in addition to monthly performance incentive bonuses, set excellent skill allowances,

long-tenured employee rewards, and launch a promotion and salary increase mechanism every year; at the same time, encourage employees to further pursue the education to improve the overall academic standard of all staff, which is a necessity for the company's continuous development.

- e. Environmental cost is steadily rising

Countermeasures: Promoting clean production enhances market competitiveness, shapes the company's positive image, and wins recognition from international customers; improving the company's power consumption efficiency not only reduces production costs, but also enables continuous operation under limited power supply.

- f. Fluctuations in exchange rates affect the Company's operations and profitability

Countermeasures: maintain close contact with the foreign exchange units of banks, attain information pertaining to fluctuations in exchange rates and suggestions on ways to hedge these risks at any given time. Reasonably adjust the accounts that consist of solely foreign currency to lower the risk of fluctuations in exchange rates.

- g. The debt ratio is too high

Countermeasures: Proactively improve profitability, effectively control cash flow and reduce operational cost.

- h. Valuing work safety awareness

Countermeasures: effectively implement safety education and training for five minutes before shifts, carry out regular safety training and drills, and enhance the safety awareness of all employees in the factory; implement hierarchical management and control of areas with greater risks; strengthen the management and control of dangerous operations in the factory, implement in accordance with the "12345" requirements, and strengthen the safety of foreign manufacturers. safety awareness; every year, the plant president leads a team to conduct 4 major inspections of safety production of the entire factory, and implement the main responsibility of the company's safety production.

- i. Raw material shortage and price increase

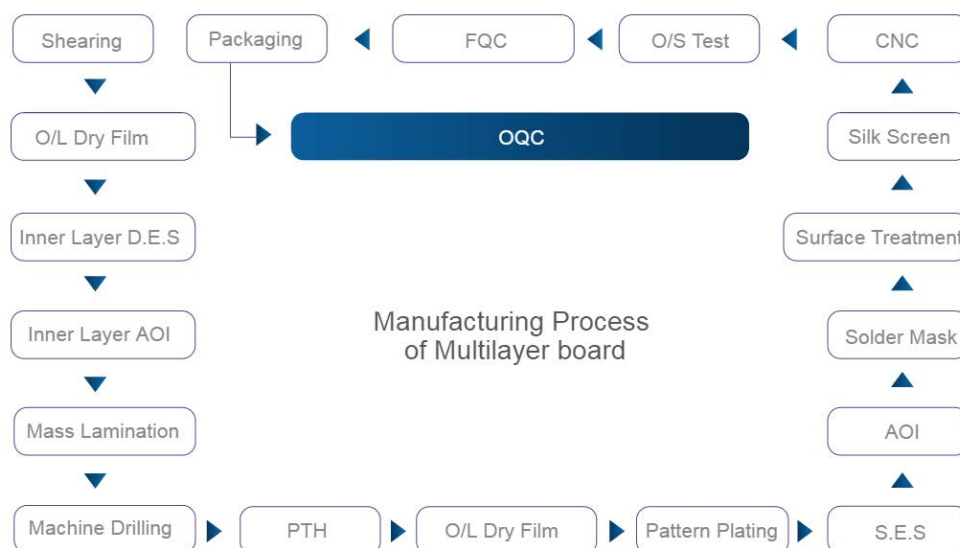
Countermeasures: Maintain long-term transaction with strategic suppliers and also maintain active interaction between the high-level managements of both parties to avoid material interruption crisis and maintain cost advantages, continue to develop new suppliers, increase material selection manufacturers and create healthy competition. Strengthen internal cost management system, reduce idle material and the waste of it, adjust and remain sufficient inventory according to the order-placing situation of the market. Maintain a stable and close cooperative relationship with the major suppliers and obtain the fluctuating price information of upstream and downstream raw materials and the changes in production capacity at any time, so as to adjust the inventory level in advance to reduce the impact brought from price increases.

1. Important Applications of Major Products

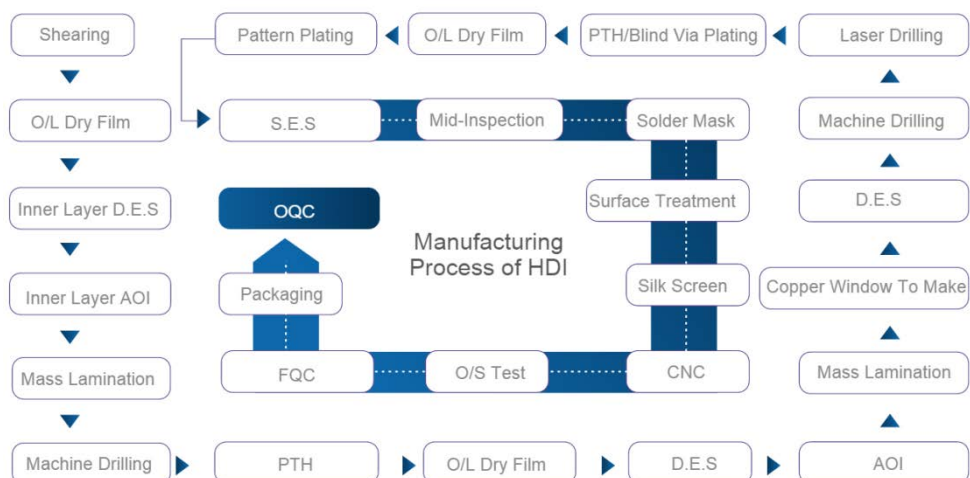
Product Type	Major Applications
Multilayer PCB	Automotive, Display, Storage devices, Communication board, Server, Industrial computers etc.
HDI	AI server, Camera module, ADAS, Area controller, Smart cockpit, Autonomous driving, Display panels, Solid state drives, Memory modules, Wearable devices, Communication modules, Robots, Medical products, etc.
High-frequency PCB	Car radar, Power amplifiers, Filters, Smart road networks, Antennas, Macro site, Micro site, Satellite receiver etc.

2. Manufacturing Process

(1) Conventional



(2) HDI



(C) Supply Status of Major Raw Materials

The Company's primary raw materials include laminate, copper foil, and prepreg etc. Primary purchasing sources are domestic vendors that have all established long-term, stable relationships with the Company to assure quality, price, delivery date, service, and stable availability.

Continue to ensure the balance between supply and demand for internal and external procurement. During the period affected by the shortage of materials and workers in the general environment, the supply, cost and delivery date of the main raw material manufacturers have been adjusted to different extend.

We concentrated our resources to ensure the total amount as the priority, at the same time, coordinating emergency needs. Up to now, the materials can satisfy the total production needs of the group, keeping the deliveries stable. Purchasing costs are negotiated based on the total amount of the group, and the bargaining chips include Thailand factory expansion plans and strategic cooperation intentions to reduce the purchasing cost. The primary vendors of each of the primary raw material are listed below:

Major Raw Material	Major Supplier
Core	Sheng-yi, Iteq, Nanya, EMC, Jinbao, Wazam
PP	Sheng-yi, Iteq, Nanya, EMC, Jinbao, Wazam
Dry Film	Eternal Materials, Chang Chun, First
Copper Foil	Nanya, Shandong Jindu, Co-Tech, Huitong, Jiangxi Copper

- (D) For the recent two years, please list all vendors/ customers who have exceeded 10% of the Company's total purchasing/ selling for any given year, including the amount of its purchase/ sales amount and ratio, and explain the reasons of the changes in decreases/ increases.

1. Major vendors for the most recent two years:

Unit: NTD thousands

Item	2023 Consolidated				2024 Consolidated			
	Name	Amount	% of that year's net purchasing	Relationship with the issuer	Name	Amount	% of that year's net purchasing	Relationship with the issuer
1	A	898,684	11.75	None	A	1,216,560	13.02	None
2	Others	6,748,916	88.25	None	Others	8,130,489	86.98	None
	Net purchasing	7,647,601	100		Net purchasing	7,647,601	100	

Analysis: The company's main purchases are substrates, glass fiber films, copper foil, etc. In the past two years, only one supplier accounted for more than 10% of the annual net purchases. The proportion of purchases from specific manufacturers increased in 2024, mainly due to changes in product structure.

2. Major customers for the most recent two years:

Unit: NTD thousands

Item	2023 Consolidated				2024 Consolidated			
	Name	Amount	% of that	Relations	Name	Amount	% of that	Relations

			year's net sales	hip with the issuer			year's net sales	hip with the issuer
1	C	2,808,606	17.87	None	B	2,552,989	14.35	None
2	D	2,046,976	13.03	None	C	1,745,457	9.81	None
	Others	10,858,372	69.10	None	Others	13,488,558	75.84	None
	Net sales	15,713,954	100		Net sales	17,787,004	100	

Analysis: The company mainly sells automotive boards to customers B and C. Due to the market demand, the sales proportion to these two customers has decreased in recent years.

(E) Production output quantity and value for the past two years

Unit: thousands square feet; thousands piece; NTD thousands

Year qty/value	2023			2024		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Major products						
Printed Circuit Board	33,600	29,781	10,932,514	34,950	32,354	13,219,414

Note 1: Production capacity means after factoring necessary halts and holidays, the quantity that the Company is capable of producing under normal operations with present production equipment.

Note 2: Since production of each layer of product can replace and support each other, hence the overall production capacity is disclosed.

(F) Sales volume for the past two years

Unit: thousands piece; NTD thousands

Year qty/value	2023				2024			
	Domestic sales		Export		Domestic sales		Export	
	Q'ty	Value	Q'ty	Value	Q'ty	Value	Q'ty	Value
Major products								
Printed Circuit Board	693	593,359	30,029	15,044,837	901	1,001,490	30,634	16,727,855
Module	-	64,673	-	-	-	52,842	-	-
Others		-	-	11,085		-	-	4,817
Total	693	658,032	30,029	15,055,922	901	1,054,332	30,634	16,732,672

C. From the most recent two years to the date on the annual report, the number of workers, average years of service, average age, and distribution ratios of education

Year - consolidated		2023/12/31	2024/12/31	2025/3/31
Number of workers	Direct workers	3,090	5,275	5,217
	Indirect workers	1,719	833	961
	Total	4,809	6,108	6,178
Average age		33.28	32.77	32.95
Average years of service		3.68	3.29	3.27
Distribution of education	Master	0.40%	0.62%	0.63%
	University	52.19%	59.69%	57.41%
	High school	11.25%	9.14%	13.84%
	Below high school	36.16%	30.55%	28.12%

D. Environmental Expenditure Information

(A) Total amount of Environmental Expenditure

Kunshan plant: Total environmental expenditure of year 2024 was RMB 16.23 mil.

Huangshi plant: Total environmental expenditure of year 2024 was RMB 51.80 mil.

Thailand Plant (Construction stage): The total environmental protection expenditure in 2024 is RMB 118.67 million.

In the most recent year and as of the publication date of the annual report, the losses caused due to environmental pollution and the future countermeasures against it: None

E. Employer and Employee Relations

(A) List out various employee welfare measures, advanced studies, training, retirement plan and its implementation, as well as negotiations between the employers and employees and steps taken to maintain various employee benefits

1. Employee welfare measures

Employees are important company assets. To provide adequate care to the employees, in addition to full compliance to the Labor Law, the Company has various other measures to take care of its employees.

- (1) Offers free meals.
- (2) Refined kitchenette with fair trade coffee.
- (3) Free uniform.
- (4) Free parking lot.
- (5) The Company sponsors and encourages students to participate in healthy activities such as marathon.
- (6) Set up suggestion box for unfair treatment and ensures that suggestions are answered.
- (7) Employee group insurance.
- (8) Implement year-end bonus, holiday bonuses, performance bonus, and dividend structure.
- (9) Whenever an employee of the Company gets married, gives birth, dies or becomes amputated, there is always aid or pension etc.
- (10) Employee health check-up on a routine basis every year.
- (11) Set up medical grade blood pressure and sphygmometers to help employees monitor their health.
- (12) Set up library and employees can borrow books for free.
- (13) On-site and external skills training program for employees.
- (14) Foreign language classes for employees.
- (15) Aid for continuing education training for employees, and professional class for senior management.
- (16) Various employee activities such as tourism and staff gatherings.
- (17) Employees self-organizing clubs of their references, the company grants subsidies, enriches life after work and enhances horizontal communication channels.

2. Continuing studies and training system

Our primary training plan includes educational training for new recruits, managerial capacity training, professional skills training, quality enhancement training, liberal arts class training etc. And the Company also conducts transferred personnel job training and employee job rotation, so that employees can be familiar with different kinds of work and learn different techniques. In 2023,

the actual hours of education and training per person are as the following: Taoyuan Operation Center 23.06 hours, Kunshan Plant 30.1 hours, and Huangshi Plant 25.4 hours.

3. Retirement Structure

- (1) Since Jul. 1, 2005, The Company has implemented labor retirement policy, and utilizes a defined contribution system. Upon implementation, an employee is able to choose from between retirement policies in the Labor Standards Act, or to use this policy and to keep the working years prior to its implementation. After July 2005, complying with the government policy of using individual retirement reserved fund accounts, the Company sets 6% of labor salary as labor retirement reserved funds, and saves this amount in the individual labor retirement reserved fund account.
- (2) In order to offer employees more flexibility in planning their career and life, the Company has successfully established the management policy for the golden handshake, and reported this to the authorities for approval.
- (3) Under the planning of the remuneration committee in year 2010, the Company will entrust the manager retirement management policy, in order to establish a more comprehensive personnel retaining system.
- (4) Regulations for the Management of the Workers' Retirement

a. Voluntary retirement

A worker may apply for voluntary retirement under any of the following conditions:

- Those who have worked in the company for more than fifteen years and have reached the age of fifty-five.
- Those who have worked in the company for more than 25 years.
- Those who have worked for more than ten years and have reached the age of sixty.

b. Mandatory retirement

A worker shall be forced to retire under any of the following conditions:

- Those who are 65 years of age or older.
- Loss of mind or physical disability to perform the job.
- According to the Labor Standards Act Article 55, Paragraph 1, Subparagraph 2, an additional 20% shall be given to workers forced to retire due to disability incurred from the execution of their duties.

c. Preferential retirement conditions

Employee whose age and job tenure total more than 60 can apply to the company for preferential retirement and apply for retirement pensions in accordance with the old retirement system of Labor Law.

d. Employee pension payment standard is as follows:

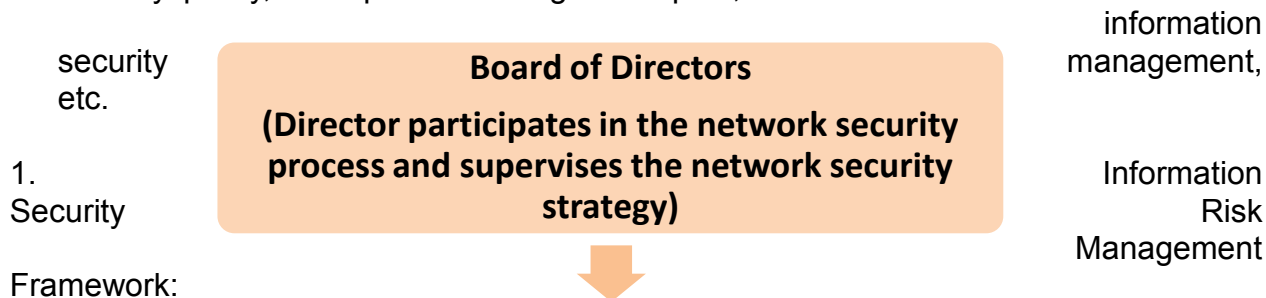
The job tenure that is applicable before and after the Labor Standards Act and the choice of remaining with the "Labor Standards Act" pension regulation according to the Labor Pension Act or keeping the job tenure that is applicable before the Labor Pension Act, the pensions are issued in accordance with Article 84-2 and Article 55 of the Labor Standards Act.

- For the workers by the old retirement system who voluntarily retire or forced to retire, the pension payment standards are as follows:
Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.
 - $(1\sim 15 \text{ years}) \times 2 \text{ base} + (16 \text{ years} \sim) \times 1 \text{ base} \leq 45 \text{ base}$.
 - For employees who are eligible for the new labor retirement system, the company will contribute 6% (or more) of their monthly wages to their employees' retirement pensions on monthly basis.
- e. Voluntary retirees should fill out an employee retirement application form for approval before applying for the pension.
- f. The retirement pension of the resigned employee shall be paid within 30 days from the date of retirement; the pension application that meets the job tenure of the new retirement system shall be processed in accordance with the new system of labor retirement regulations.
4. Other important agreements and various measures to protect employee benefit
- (1) The employers and employees of the Company mostly utilize communications to solve various problems and maintain positive communication channels, in order to build mutual understanding and effectively enhance the coherence of all employees.
 - (2) The Company routinely hosts employer-employee meetings, including various departmental meetings, employee benefit committee meetings, employer-employee meetings, retirement fund supervisory committee, Occupational Safety and Health Committee, and Industrial Safety Conference etc., with the objective of understanding employee needs and attaining mutual understanding.
 - (3) The Kunshan factory has set up a personnel dispute mediation room in the factory. Any personnel disputes are first mediated in the factory. If the mediation is unsuccessful, then apply to labor arbitration for a ruling. If the parties involved are not satisfied with the ruling, they can appeal to the people's court for a ruling. The Kunshan plant was awarded of Harmonious Labor Relations Enterprise by the Suzhou City in 2021, and in July 2023, it was rated as a 2022 Kunshan City A-level labor security credit unit.
- (B) Clearly list out losses sustained from employee-related disputes from the most recent year to the date on the annual report, and disclose estimates (in dollar amount) of what could happen currently and in the future and their countermeasures. If unable to provide a reasonable estimate, a company should explain the facts that it is unable to rationally estimate.
1. Neither Kunshan Factory nor Huangshi Factory had loss for labor disputes in 2024.
 2. In the future, the Company will continue to maintain positive employer-employee relationship through emphasizing employee benefit measures and providing

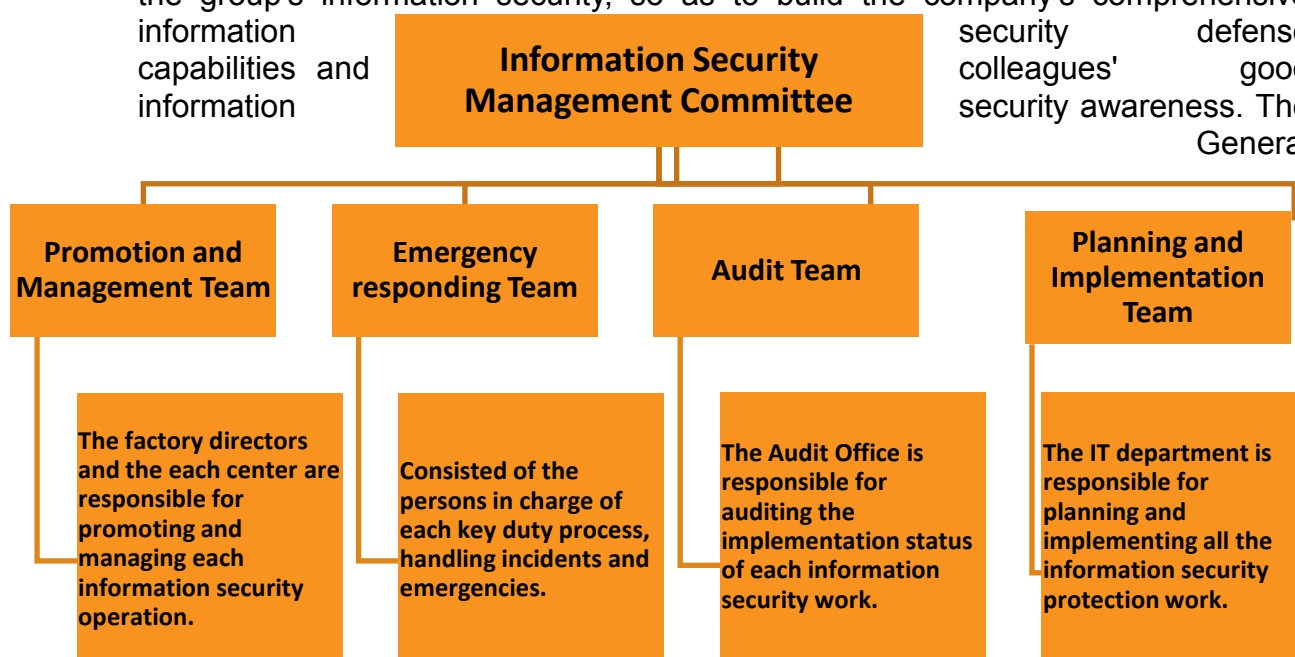
smooth communication channels. The Company does not anticipate that any significant employee-related disputes will occur, nor will it lead to any significant losses in the future.

F. Information security management

(A) Elaboration on the information security risk management framework, the information security policy, the specific management plan, and the resources invested in the information



(1) The company established the "Information Security Management Committee" on August 5, 2020, which is responsible for the governance, planning and promotion of the group's information security, so as to build the company's comprehensive information capabilities and information security defense colleagues' good security awareness. The General



Manager of the Information Technology Center serves as the chairman and reports to the President. Information security risks are regularly assessed and reported to the board of directors.

- (2) The president of the Information Technology Center will serve as the chairman, report to the General Manager of the Company, and regularly assess information security risks and report to the board of directors.

2. Information Security Policy:

- (1) The information security policy of Dynamic Holding Co., Ltd. applies to the company and its domestic and overseas subsidiaries.
- (2) Comply with international information security standards and local information security laws and regulations.
- (3) Provide customer information and important information assets of the company with appropriate protection measures to maintain normal and continuous operation of the company.
- (4) Establish information security management standards that comply with laws and regulations and customer needs.

3. Specific management plan:

- Automatically perform website and system vulnerability scans on a regular basis.
- Sign regular contracts with external security companies to ensure that all software services installed on end systems, including IT and OT equipment, are kept up to date and all vulnerabilities have been patched.
- Manage and monitor movable company equipment.
- Import the bastion host and perform multi-factor authentication for maintenance personnel.
- Firewall integration and replacement to improve protection.
- Information security management system certification ISO 27001:2013 has been revised to ISO 27001:2022.
- Daily tape offline backup, weekly cloud offline backup; regular restore drills every six months to avoid blackmail.
- Regularly review the legality of account permissions, remove account permissions of resigned employees, and regularly change internal passwords.
- Provide regular information security training to senior managers and lower-level employees to effectively establish information security defense lines.
- Regularly conduct information security incident response drills.
- Use Sangfor Internet Behavior Management System for web page filtering, behavior control, traffic management, prevention of intranet leaks, prevention of regulatory risks, Internet security, etc.; set up firewalls and anti-virus walls to block malicious attacks and viruses from spreading to the internal network, and prevent Unauthorized users enter the system; use the WhatsUp system to monitor the network status of servers, switches and other equipment.
- Reported to the board of directors on December 15, 2023 and December 16, 2024.
- No data breaches in 2023 and 2024.

4. Investing in the resources of information security management:

- There are currently 8 people in charge of information security, and we are continuing to add more people.
- The current construction cost of information security software and hardware equipment is approximately NT\$44.2 million.
- The budget for information security in 2025 is approximately NT\$17.11 million.

5. Number of personnel receiving information security education and training, and their hours:

- Course name: Information security and confidentiality awareness training
- In 2024, 170 people received information security education and training, with a total of 2,174 hours.

(B) List the losses, possible impacts and countermeasures suffered by major information security incidents in the most recent year as of the date of publication of the annual report. If it is impossible to estimate reasonably, the fact that it cannot be reasonably estimated shall be stated: None

G. Important Contracts: none.

VI. Review and Analysis of Financial Conditions and Performance, and Risk Management

A. Analysis of Financial Conditions

Unit: NTD thousands

Item \ Year	2023 (Consolidated)	2024 (Consolidated)	Variance	
			Amount	%
Current Assets	10,975,113	12,686,696	1,711,583	16.00%
Property, Plant and Equipment	10,917,047	17,603,500	6,686,453	61.25%
Other Assets and Intangible Assets (Including Funds and Investments)	546,919	612,138	65,219	11.92%
Total Assets	22,439,079	30,902,334	8,463,255	37.72%
Current Liabilities	10,005,721	17,571,317	7,565,596	75.61%
Non-current liabilities	5,526,094	5,250,680	-275,414	-4.98%
Total Liabilities	15,531,815	22,821,997	7,290,182	46.94%
Common Stock	2,776,746	2,776,746	0	0.00%
Capital Surplus	2,981,296	2,987,714	6,418	0.22%
Retained Earnings	1,382,276	2,016,503	634,227	45.88%
Other Equity	-233,054	299,374	532,428	-228.46%
Total Equity	6,907,264	8,080,337	1,173,073	16.98%

Analysis and explanation of the increase and decrease in the ratios:

1. Increase in current assets: mainly due to increase in accounts receivable and inventory.
2. Increase in real estate, plant and equipment: mainly due to the construction of a new factory in Thailand.
3. Other assets and intangible assets (including funds and investments): mainly due to the increase of intangible assets.
4. Increase in total assets: mainly due to the increase in accounts receivable, inventory and real estate and plant equipment.
5. Increase in current liabilities: mainly due to the increase in short-term loans, accounts payable and other payables.
6. Increase in total liabilities: mainly due to the increase in short-term loans, accounts payable and other payables.
7. Increase in retained earnings: mainly due to profits in 2024.
8. Increase in other items of shareholders' equity: mainly due to the increase in exchange differences in the translation of financial statements of foreign operating entities.
9. Increase in total shareholders' equity: mainly due to profit in 2024.

B. Analysis of Financial Performance

(1) Main reasons of major changes in revenue, net operating profit and net profit before tax in the most recent two years

Unit: NTD thousands

Item \ Year	2023	2024	Variance	
			Amount	%
Net Operating Revenue	15,713,954	17,787,004	2,073,050	13.19%
Operating Cost	11,928,381	13,676,707	1,748,326	14.66%
Gross Profit	3,785,573	4,110,297	324,724	8.58%
Operating Expense	2,144,307	2,573,101	428,794	20.00%
Operating Income (Loss)	1,641,266	1,537,196	-104,070	-6.34%
Non-Operating Income and Expenses	-175,743	30,392	206,135	-117.29%
Income Before Tax (Loss)	1,465,523	1,567,588	102,065	6.96%
Income Tax (Fee) Interests	-434,870	-492,049	-57,179	13.15%
Net Income (Loss)	1,030,653	1,075,539	44,886	4.36%
Other Comprehensive Income (Net Income After Tax)	-67,213	507,487	574,700	-855.04%
Total Comprehensive Income	963,440	1,583,026	619,586	64.31%
Analysis and explanation of the increase and decrease ratio:				
1. Operating income: mainly due to the increase in market demand.				
2. Operating costs: mainly due to the increase in revenue.				
3. Operating expenses: mainly due to the increase in operating expenses of the Thailand factory.				
4. Non-operating income and expenses: mainly due to the increase in exchange gains.				
5. Income tax expense: mainly due to the increase in net profit before tax.				
6. Other comprehensive gains and losses for the current period: mainly due to the exchange rate fluctuations.				
7. Total comprehensive profit or loss for the period: mainly due to the exchange rate fluctuations and the increase in net profit for the period.				

(2) Sales Forecast and its basis. Possible impact on the company's future financial business and response plans. Due to the many uncertainties in the environmental aspects in 2025, the company has set the main direction for 2025 by integrating the evaluation of the company's strengths and market trends:

Production capacity: According to customer demand, The Thailand factory starts to mass production in July 2024, continuing to expand high-end process capacity of the Thailand factory in 2025.

Technology type: Including multi-layer boards, high-density interconnect boards, high-frequency boards, thick copper boards, and semi-flex boards.

Product application type:

(1) Automotive boards: Customer demand is relatively stable, and there are continued new product and part numbers. We collaborate deeply with customers in the direction of advanced driver assistance systems, smart cabins, and autonomous driving.

(2) Networking and servers: Including cloud and enterprise servers and AI server.

(3) Storage devices: Demand for memory modules is increasing.

C. Cash Flow

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

Item \ Year	2023	2024	Increase (Decrease) %
Cash flow percentage	30.58%	9.68%	-68.35%
Cash flow adequacy ratio	67.82%	47.30%	-30.25%
Cash reinvestment ratio	14.53%	5.91%	-59.33%
Analysis of changes in increase (decrease) percentage: This is mainly due to the increase in operating volume and the decrease in cash flow from			

(2) Improvement plan for insufficient cash flow: not applicable

(3) Analysis of cash liquidity for the coming Year

Cash amount from beginning of the period (A)	Projected Net Cash Flow from the Year's Operation (B)	Projected Cash Outflow for the Entire Year (C)	Projected Cash Balance (A + B - C)	Contingency Plans for Projected Insufficient Cash Position	
				Investment Plan	Financial Management Plan
\$2,849,250	\$2,844,750	-\$2,010,117	\$3,683,883	-	-

D. Impacts of Major Capital Expenditures in the Most Recent Year on Financial Operation:

(1) Use of major capital expenditures and sources of funds

The Group's capital expenditure in 2024 is NT\$5,196,975 thousand, which was mainly for the expansion construction of the Thailand factory and Huangshi factory. The source of funds was mainly from its own funds or bank borrowings; this capital expenditure will help the Group's overall production capacity and output in the future. If the Group has a capital other expenditure plan, the financial situation at the time and the expected return in the future will be taken into consideration, which is unlikely to affect the financial business of the Group.

(2) Expected benefit

In order to strengthen the competitiveness of quality and cost, Huangshi Plant has transformed its production and manufacturing processes to automation, intelligence and informatization, improving automated production capabilities through information collection, analysis and control. Continues to build an automated production factory in Thailand with the experience of setting up Huangshi Plant. Keep expanding business in domestic and overseas markets and enhance the company's future competitiveness.

E. Reinvestment Policies, Main Reasons of Profit and Loss and Improvement Plans in the Most Recent Year and Investment Plans for the Coming Year

Unit: NTD thousands

Item \ Description	Amount of reinvestment profit (loss)	Policy	Major reasons of profit or loss	Improvement plan	Investment plan for the coming year
Dynamic Electronic Co., Ltd.	1,109,195	Investment holdings	Recognition of investment income	-	-
WINTEK(MAURITIUS) CO., LTD.	1,392,930	Investment holdings	Recognition of reinvestment income	-	-
Dynamic Electronics Holding Pte. Ltd.	1,393,522	Investment business	Recognition of reinvestment income	-	-
Dynamic Electronic Co., Ltd.	1,201,347	Production site	Operating profit	-	-
Dynamic Electronic (Kunshan) Co., Ltd.	369,567	Production site	Operating profit	-	-
Dynamic Electronics Co., Ltd. (Seychelles)	643,918	Trading business	Operating profit	-	-
Dynamic PCB Electronics Co., Ltd.	(22)	Triangle Trade	Recognition of Consultation fee	The liquidation process was completed on 2024/10/3	-
Dynamic Electronics Overseas Investment Holding Pte. Ltd.	(480,350)	Management operation and investment business	Recognition of reinvestment losses	-	-
CHIANAN TECHNOLOGY CO., LTD.	(4,263)	Mockup manufacture	Affected by market demand, revenue declined	1. Actively develop new customers 2. Cost expenditure control 3. Improved processing efficiency	-
CHENG CHONG TECHNOLOGY CO., LTD.	1,377	Mockup manufacture	Operating profit	-	-
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	(480,700)	Production site	Operational loss	The company is not profitable in the early stage of mass production, but is expected to become profitable in the future as the learning curve improves.	-

F. Sources of Risk

(A) Impacts of interest rate, currency exchange rate fluctuation and inflation on the Company's income and response measures in the future

Unit: NTD thousands

Item	Impacts on Company's profit/loss			Response Measures
	Year Item	2023	2024	
Interest Rate	Interest Income	43,720	37,095	The Company periodically observes market interest trends and evaluates capital sources according to bank deposit savings and applicable capital planning to reduce operation risks.
	Interest Expense	410,993	465,396	
Changes in Exchange Rate	Net profit/loss from Exchange	45,383	266,002	<p>1. The sales of the Group's products are mainly for export, mainly receiving U.S. dollars. In terms of procurement, except for some raw materials purchased abroad, the purchase of raw materials in China is paid in RMB. Therefore, exchange rate fluctuations still have a certain degree of impact on the Group.</p> <p>2. In order to avoid company's profit being slashed by excessive fluctuations in exchange rates, the Company strengthened the exchange rate risk control, and to take the following measures:</p> <p>A. Collect daily exchange rate information in order to fully grasp the exchange rate trend and make timely decision on converting or holding foreign currency to reduce exchange rate risks.</p> <p>B. In terms of foreign exchange capital allocation, exchange rate risk can be reduced by the offset of foreign currency claims and liabilities through regular export and imported goods transaction.</p> <p>C. For payables denominated in foreign currencies, determine the exchange rate movements and analyze exchange gains and losses, decide whether to repay early or to pay with a bank loan, in order to avoid the risk of exchange rate fluctuations, and to achieve the purpose of cost savings.</p> <p>D. Consult with bank foreign exchange sector about hedging strategy, make decision for foreign currency according to funding requirements and the exchange rate situation, in order to reduce operational risk.</p> <p>E. When the exchange rate has a greater volatility, use other tools to avoid exchange risks, such as the transaction of forward foreign exchange and other manipulations, in order to avoid the risk of changes in exchange rates.</p>
Inflation	-	-	-	In recent years, domestic and foreign markets are facing the problem of inflation, although both have a negative impact on the overall economy and individual; the company may have the relative change in the product cost, selling price and market demand, The Group keeps track of the fluctuations in the market price of upstream raw materials and maintains a good interaction with suppliers. In the future, the Group will continue to closely observe changes in the price index, analyze the impact of inflation on the company, and adjust raw material

Item	Impacts on Company's profit/loss			Response Measures
	Year Item	2023	2024	
				inventory in a timely manner to tackle the pressure from inflation.

(B) Major Reasons for Transaction Policies, Profit or Loss from Engaging in High-risk and Hyper-leveraged Investments, Fund Lending, Endorsement/ Guarantee and Derivatives and Correspondent Procedures and Response Measures

The Group does not engage in high-risk, high-leverage investments, and conducts fund allocation and hedging activities based on the principle of conservativeness and stability.

The company complies with relevant operating procedures, it also regularly make announcements and declarations in accordance with the regulations of the competent authority when engages in fund loans, endorsement guarantees and derivative commodity transactions.

- a. Loan funds to others: As of the date of publication of the annual report, the Group's fund loans have been limited to the company and its subsidiaries.
- b. Endorsement guarantee: As of the date of publication of the annual report, the objects of endorsement guarantee provided by the Group have been limited to the company and its subsidiaries.
- c. Situation of the Company's Derivatives Trading:

The Group's current derivatives transactions are mainly forward foreign exchange transactions to reduce the Group's foreign exchange risk. On the basis of the consolidated financial statements, the forward foreign exchange derivatives and foreign currency exchange gains and losses measured at fair value in 2024 were classified under the current profit and loss, with a net profit of NT\$265,179 thousand, the hedging effect is adequate. The Group regularly assesses risks and reports them to the Board of Directors on a quarterly basis. Continues to observe foreign currency exchange rate trends and operate pre-sold forward foreign exchange appropriately within the limits approved by the Board of Directors to reduce the Group's risks in holding U.S. dollar assets.

(C) R&D Plans and Estimated Expenses in Coming Years

- a. The R&D plan for 2025 includes: 5G telecom/datacom small cell process capability build up and samples, High-end Server, Switch, Mini LED Display process capability establishment and sample production, embedded component products, heat dissipation management products (Coin, Cavity, Edge plating, copper paste) , 6oz up thick copper) process capability establishment and sample, high frequency base station, satellite antenna product process capability establishment.
- b. It is expected that the R&D budget to be invested in 2025 will be NTD941,986 thousand.

(D) Effects of domestic/foreign policy changes and law amendments on the Company's finance and response measures

- a. In terms of Taiwan's regulatory environment, Income Tax Act, Money Laundering Control Act, Labor Standards Act (mandatory retirement), Electronic Signatures Act, and Securities and Exchange Act (financial reporting)...None of the above amendments are of major impact. We shall just follow the new revised principles and regulations. We always pay attention to the amendments to laws, regulations and policies as well as the company's long-term development and daily operations, and incorporate them into the company's governance and management development strategies in a timely manner.
- b. In terms of China's regulatory environment, The main focuses of social labor-related areas such as: Interim Regulations on Carbon Emission Trading Management, Regulations on Water Conservation, Company Law-Registered Capital Registration Management System Regulations, Network Data Security Management Regulations, and National Holidays and Anniversary Holidays (adding New Year's Eve holiday). In addition, in terms of provincial local regulations, Jiangsu Province amended: Regulations on Prevention and Control of Occupational Diseases, Regulations on Ecological and Environmental Protection, Regulations on Safety Risk Management of Production and Operation Units, Regulations on Prevention and Control of Environmental Pollution by Solid Waste, and Regulations on Groundwater Management; Hubei Province amended: Regulations on Scientific and Technological Progress, Regulations on Quality Promotion, Regulations on promoting and protecting Intellectual Property Rights, and Regulations on Labor Law Supervision by Trade Unions. The above amendments focus on people's livelihood, industry and technological development, and provide a series of supporting measures for the new quality productivity planning.

(E) Effects of technology development (including information security) and industry changes on the Company's finance and response measures

Following the electronic technology expanding to communications, personal mobile devices and Internet communities, the company's PCB have also been successfully extended to 5G communications, server, satellite communication and networking product, storage devices, electric vehicle, internet, wearable devices and medical equipment and other fields. The company pays close attention to the changes in technology and industry, while constantly sophisticated our technology development and process capabilities, also to adjust the strategy to cope with the changes in the market at all time. The company continues to expand the security software and hardware equipment to maintain the company's information security, protect the company's important confidential information, and ensure no interruption in production and no leakage of internal and customer confidential information.

(F) Effects of changes of corporate images on the Company's crisis management and response measures: Not applicable

- (G) Expected Benefits, Risks and Response Measures in Mergers and Acquisitions: None
- (H) Possible risks and response measures and expected benefits from plant expansion: Construction of Thailand factory:
1. Expected benefits: The Thailand factory is a highly intelligent and automated smart factory with a more advanced and innovative design than the Huangshi No. 2 factory. It focuses on high-end multilayer boards and HDI technology, including the application of high-frequency and high-speed materials. The products will be used in servers, network communications, storage devices, automobiles and other fields, and will become an important breakthrough for us to enter the high-end artificial intelligence server and switch market.
 2. Possible risks and countermeasures:
 - (1) Risk: Debt ratio is too high and financing is difficult
Countermeasures: Improve high-end process capabilities and increase gross profit margins; reduce scrap rates and increase profits.
 - (2) Risk: long-term funding gap, affecting subsequent investment planning
Response measures: joint loan financing planning and strengthening budget control.
- (I) Risks and Response Measures in Concentration in Purchase and Sales
In the recent two years, only one of the company's suppliers account for over 10% of the company's purchasing net amount, and the highest percentage is 13.02% of the company's total purchase amount, so there is no risk caused by excessive concentration. In the recent two years, Two of the company's customers accounts for over 10% of the company's sales net amount, and the highest percentage is 17.87% mainly because the company is committed to improving the product portfolio of automotive boards, but there is no situation where the sales are too concentrated that might lead to risks.
- (J) Impacts, Risks and Response Measures in Changes or Transfer in Directors, Supervisors and Substantial Shareholders with Shareholdings Greater than 10%: Not applicable.
- (K) Impact, Risks and Response Measures in Changes of Ownership: Not applicable.
- (L) With regard to litigation or non-litigation events, the name of its board directors, supervisors, Presidents, major shareholders holding greater than 10% of outstanding shares and the Company's subsidiaries should be stated. With regard to litigation (whether pending or for which a verdict has been reached), non-litigation or administrative appeals involving the Company, and the results may greatly affect the rights of its shareholders and bond prices, the Company shall disclose the details of the disputes, the amount involved, the litigation starting dates, primary litigants, and the status as of the publishing date of the annual report:
None of the Company's directors, president and subsidiaries - Kunshan Plant and Huangshi Plant is in a lawsuit, non-litigation and administrative disputes whose

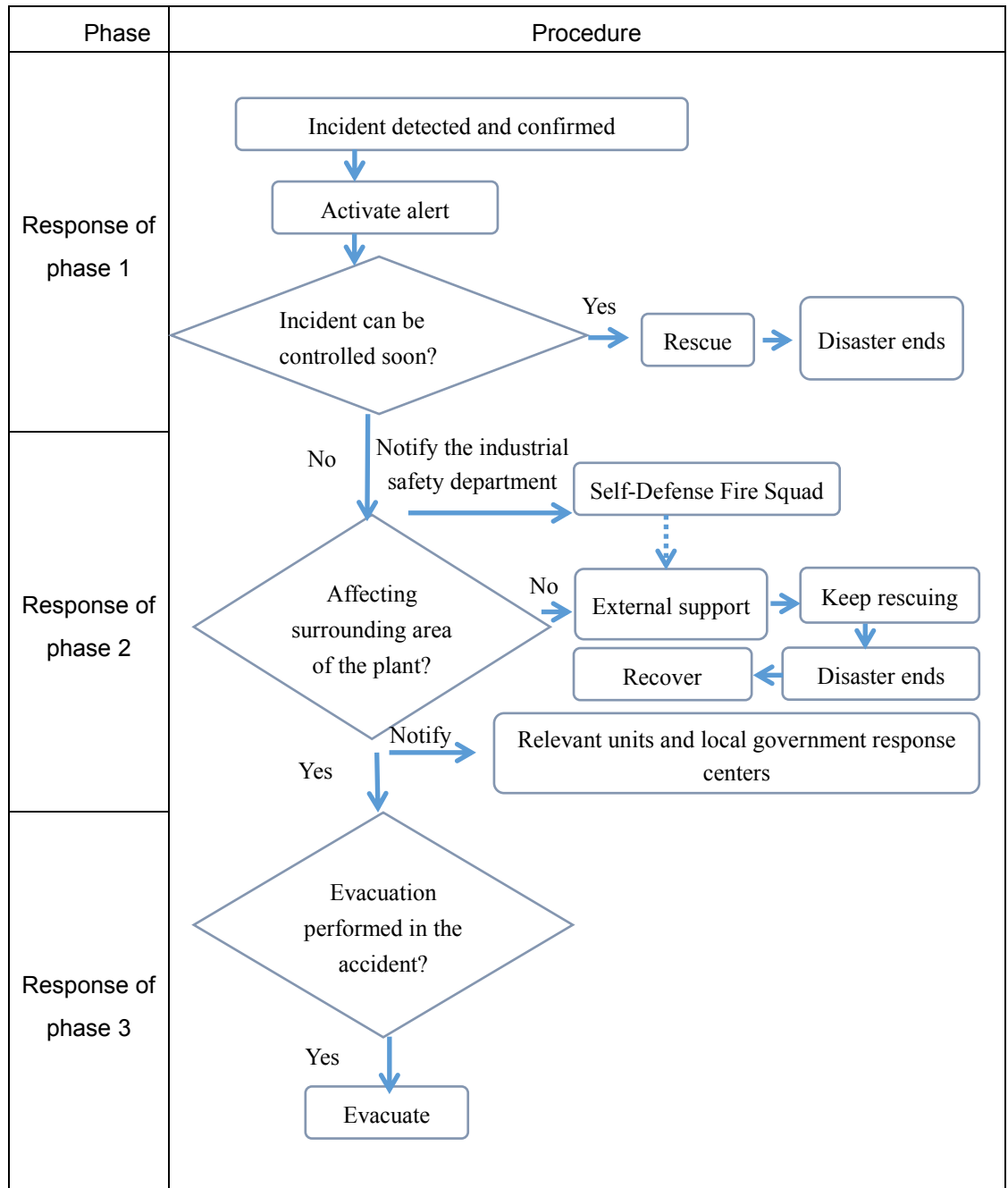
results may have a significant impact on the company's shareholders' equity or prices of securities.

(M) Other Major Risks and Response Measures:

1. Assessment of Risk Issues

The Risk Management Committee for 2024 has assessed a total of five risk topics, including: geopolitical risk assessment, Dynamic's natural-related risks, hidden cybersecurity risks from the rise of Chat-GPT, the Red Sea crisis caused by the outbreak of the Israel-Palestinian conflict, and Dynamic's business ethics risks. The responsible units have all formulated response plans, which will be reported to the board of directors after review by the audit committee and will be continuously tracked.

2. Preparations and Response Procedures for Emergency Situations



3. Other incidents impacting normal operation:

Department	Operational functions	Incident handling	Acceptable recovery time	Operational function ranks
Corporate Operational Risk Office	<ul style="list-style-type: none"> • External spokesperson for crisis events • Risk assessment and hazard identification of recovery process • Assessment and analysis of Corporate's available recovery resources • Participate in recovery plan progress planning • Risk analysis for recovery decisions • Continuous monitoring of crisis risks 	Formulate and announce relevant press releases on recovery work, provide relevant recovery information to customers, manufacturers, investors, news media and government units in a unified manner, and supervise and control the progress of the recovery plan.	24 hours	Extremely important
Human Resources	Production Line Operation (Maintain stable and sufficient production manpower)	<p>1) Short term:</p> <p>i. Through flexible allocation of personnel between production lines</p> <p>ii. Establish recovery shift schedule and group operation process</p> <p>iii. Activating the mechanism for deputy</p> <p>iv. Urgent recruitment of new manpower</p> <p>v. Condolences to injured colleagues and help deal with the aftermath</p> <p>vi. Assist in the payment of allowances and consolation payments</p> <p>2) Mid-term: Continue to strengthen employee relationships through retaining employees, reducing turnover rates, adjusting promotion channels etc., and at the same time continue to expand external recruitment channels, including internal referral, internal recruitment, Internet, school recruitment, headhunter, etc., to achieve stable acquisition. The manpower required to achieve operational goals.</p> <p>3) Long-term: Improve the overall quality of personnel and achieve a high degree of equipment automation and information automation.</p>	<p>short term: 24 hours</p> <p>Mid-term : 1 month</p> <p>Long-term: 1 year</p>	Important
Official affairs	Production line operation (Maintain the operation of the equipment)	<p>1) Confirmation of loss of facilities in the factory</p> <p>2) Recovering the equipment planning and installation of the site</p> <p>3) Develop recovery production schedule</p> <p>4) Activate emergency maintenance of material preparation system</p>	8 hours	Important

		5) Equipment recovery test 6) Online trial operation		
Factory Affairs	Water, gas and electricity supply (water outage, power outage, etc.)	1) Dispatch temporary power generation facilities to maintain the operation of important equipment. 2) Add temporary storage tanks and dispatch water trucks for temporary use by important production lines. 3) Complete the restoration of public facilities as soon as possible.	8 hours	extremely important
Procurement	Raw material supply (Supplier emergencies)	1) Urgently contact relevant suppliers to confirm the damage to upstream and downstream suppliers 2) Check the inventory in plant and supplier's available inventory. 3) Find other ways to purchase backup resources and conduct related emergency procurement operations 4) Collect manufacturer information of substitute raw materials, maintain normal supply of customer products by purchasing substitute materials when necessary. 5) Smooth procurement processes and channels 6) Order new equipment or parts to replace damaged equipment 7) Assist in clearing and transporting damaged equipment	24 hours	Important
Environmental safety	Environmental safety issues (Response to sudden environmental pollution accidents)	1) Activate emergency preparation plan and reserve emergency response materials and personnel. 2) Activate the emergency wastewater storage tank to ensure that contaminated wastewater does not affect the external environment and normal production capacity of the factory. 3) Plan separate storage and clearance for waste and discarded equipment after a disaster	4 hours	Extremely important
Environmental safety	Environmental safety issues (Emergency response to sudden fires and safety incidents)	1) Activate corresponding emergency preparation plans and safe operating practices for recovery work. 2) Establish a temporary medical station during the recovery period 3) Strengthen the control of people entering and exiting the rebuilt area 4) Strengthen safety and health promotion work during recovery work 5) Activate the safety and health audit during the recovery work	0.5 hour	Extremely important
Environmental safety	In-plant blockage from pandemic	1) Analysis and evaluation of business trips to epidemic areas. 2) Activate epidemic prevention measures of the factories and customer service centers in epidemic areas.	1 week	Important
Information technology	Information security issues (Virus infected)	1) Check the host computer for damage 2) If it is a hacker or virus, IT will	12 hours	Important

	devices, response to hacker's hacking)	<p>immediately isolate the network segment and find out the cause of the infection.</p> <p>3) When information leakage is discovered, the unit to which the data belongs will evaluate the importance of the leaked information and notify legal affairs to handle it in accordance with the law.</p> <p>4) Confirm that the hardware facilities are restored and back online</p> <p>5) Off-site backup data recovery</p> <p>6) Assist various departments to restore interrupted computer systems</p> <p>7) Activate temporary information management center</p>		
Management	Public disaster (Handling of employee injuries and food poisoning, operation of general affairs)	<p>1) Cross-department communication within the company</p> <p>2) Organization and allocation of useful corporate recovery resources</p> <p>3) Take photos and record the restoration process</p> <p>4) Assist in insurance claim filing</p> <p>5) Provide daily living and catering supplies for employees</p> <p>6) Construction and planning of temporary work spaces</p> <p>7) Meeting minutes related to the recovery plan</p>	24 hours	Important
Finance Department	Support post-disaster financial needs	<p>1) Raising and allocation of recovery funds</p> <p>2) Maintain normal salary payment</p> <p>3) Investigation of property losses caused by disasters and accidents</p> <p>4) Assist in insurance claims settlement</p> <p>5) Establish a strategy to stabilize the company's stock price after a disaster</p>	1 week	Important
Production and marketing	Maintain production schedule operations	<p>1) Check abnormal production and sales needs</p> <p>2) Activate partner-Factory supports production and distribution.</p> <p>3) Make arrangements for off-site support.</p>	24 hours	Important
Sales Department	Stability of existing business	<p>1) Continuously communicate with customers</p> <p>2) Pacify customers and stabilize the market</p> <p>3) Survey and analysis of post-disaster market share</p> <p>4) Competitor market dynamics survey</p>	1 week	Important
Customer Service	After-sales product quality maintenance	<p>1) Establish a post-disaster product maintenance and warranty mechanism</p> <p>2) Establish a temporary customer service center</p> <p>3) Keep customer service communication channels open and</p>	1 month	Minor

		smooth 4) Provision of reliable product information		
legal office	Handling of legal affairs	1) Handle penalties and lawsuits caused by disasters and accidents 2) Assist the company in handling complaints from relevant stakeholders	1 month	Minor

D. Other Important Matters: none.

VII. Affiliated Companies and Other Special Disclosures

A. Related Information on Affiliated Companies

(A) Subsidiaries and Affiliated Companies Business Organization Structure

Submitted to TWSE, (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(B) Basic Information of Subsidiary and Affiliated Companies:

Submitted to TWSE, (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(C) Information about Directors, Supervisors, and Managers of Subsidiary and Affiliates:

Submitted to TWSE, (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(D) Operation Results of Affiliated Companies

Submitted to TWSE, (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(E) The most recent year's report is prepared according to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". The Company's 2024 report (starting from January 1st, 2024 to December 31st, 2024) "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" should include consolidated business reports and consolidated financial statements of affiliated enterprises, and according to Article 27 of International Accounting Standards, the parent and subsidiary companies' consolidated financial statements should be identical, the consolidated business reports and consolidated financial statements of affiliated enterprises are already stated within the consolidated financial statements for the parent and subsidiary companies, therefore there will be no separate preparation for consolidated business reports and financial statements of affiliated enterprises.

- B. Private Placement Securities in the Most Recent Year and as of the Publishing Date of the Annual Report: none.
- C. Company's Shares Held or Transferred by Subsidiaries in the Most Recent Year and as of the Publishing Date of the Annual Report: none.
- D. Other Supplementary Information: none.
- E. Pursuant to the Article 36-2-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Most Recent Year and as of the Publishing Date of the Annual Report: none.

VIII. Other Information Disclosures

A. Precautionary Measures for a Safe Working Environment and Personnel Security

(A) Occupational safety measures for Taoyuan Operations Center in 2024

1. In order to ensure a comfortable and bright office space for employees, an examination agency is appointed to examine indoor carbon dioxide and illumination every year, and environmental improvements are made based on the monitoring results.
2. Conduct firefighting seminars and drills every six months to help colleagues familiarize with the use of firefighting equipment and the escape routes. Hold health management lectures from time to time to provide colleagues with workplace health care knowledge.
3. Every two years, a medical institution approved by the Occupational Safety and Health Administration will conduct health checkup for all employees. In addition to legal items, additional abdominal ultrasound and liver function related tests will be added.
4. Low-fat, low-salt healthy lunch boxes are provided for lunch every day on work days, enabling colleagues to gradually change their eating habits.

(B) Occupational safety measures for Kunshan plant in 2024

1. The number of cases in 2023 is 7 (5 people were injured at work and 2 people in traffic accidents), and the number of cases in 2024 is 6 (3 people were injured at work and 3 people in traffic accidents), a decrease of 14%.
2. The five accidents that occurred in 2023 all involved employees serving in Dynamic with more than five years . These employees have been performing their duties at their posts for a long time and should be less likely to suffer work-related injury accidents. Analysis showed that they were all caused by overconfidence and negligence. After strengthening the SOP of on-site actions, no similar work-related injuries have occurred.
3. The three non-traffic accidents in 2024 were all caused by slips and collisions due to distraction while walking. The use of mobile phones by employees has been restricted and the requirements for walking within the factory have been promoted.

(C) Occupational safety measures for Huangshi plant in 2024

1. There were 14 work-related injury cases in 2023 and 11 cases in 2024, a decrease of 21%.
2. Analysis of the main causes of work-related injuries in 2024 shows that in addition to two traffic accidents, there are two other major situations: insufficient equipment maintenance and people not wearing safety protective gear.
3. In addition to the safety personnel taking turns to conduct safety education and safety case presentations in each department during the daily morning meeting

and developing safety training plans, relevant maintenance items are also included in the equipment inspection items of the engineering department, and regular inspections and maintenance are carried out.

(D) Both Kunshan Factory and Huangshi Factory successfully passed the ISO14001 & ISO45001 supervision and audit to ensure the effective operation of the environmental and industrial safety management systems of the two factories.

B. Material Insider Information Non-Disclosure Procedure

The Company has established the “Material Insider Information Non-Disclosure Procedure”, the authority 【Chairman Office】should notify supervisors and employees to be aware of whether there is important information to be disclosed according to law regulations. Furthermore, in order to reduce risks of inside trading, 【Chairman Office】should annually promote awareness to the supervisors and employees, and request all personnel above the level of management, related personnel of financial and audit departments signing the “Material Information Confidentiality Agreement”.

IX. Statement on Internal Control System

Dynamic Holding Co., Ltd.

Statement on Internal Control System

Date: Feb. 26, 2025

According to self-inspected results, the Company's internal control system of 2024 is stated in the following:

1. The Company understands the board of directors and Presidents' responsibility to establish, implement and maintain the Company's internal control system. The Company has established such regulations, intending to achieve objectives regarding effectiveness and efficiency (including profit, performance and ensuring asset security etc.) of operations, reliability, timeliness, transparency, and regulatory compliance of reporting, as well as compliance with applicable laws, regulations, and bylaws, providing reasonable guarantee.
2. The internal control system has its intrinsic limits, no matter how complete the design, effective internal control can only provide reasonable guarantee for meeting the three aforementioned objectives; along with environmental and conditional changes, effectiveness of internal control regulations may change also. However, self-inspection mechanisms have been established into the Company's internal control system, the Company will take actions to fix a deficiency once it has been identified.
3. According to the "Regulations Governing Establishment of Internal Control Systems by Public Companies", (hereafter referred to as the Guideline) regulating the criteria for internal control systems effectiveness, the Company has assessed the effectiveness of the design and implementation of its internal control system. Intended for management and control processes, the Guideline's criteria for assessing internal control systems is comprised of five constituent elements: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, and 5. Monitoring activities. Every element is comprised of further constituents. Please see "the Guideline" for the aforementioned elements.
4. The Company has assessed the effectiveness of the design and effectiveness of its internal control system according to the aforementioned internal control system criteria.
5. The assessment results show that as of December 31st, 2024, the Company's internal control system (including inspection and management of its subsidiaries), is effective in its design and implementation, meeting objectives including its effectiveness and efficiency (including profit, performance and ensuring asset security etc.) of operations, reliability, timeliness, transparency, and regulatory compliance of reporting, as well as compliance with applicable laws, regulations, and bylaws, providing reasonable guarantee in achieving the aforementioned objectives.
6. This Statement will become a main content item in the Company's Annual Report and its public announcements, and will be made public. Contents described above containing fraudulent materials, undisclosed items, or other illegalities, will incur legal responsibility under Articles 20, 32, 171, and 174 of the Securities Transaction Law.
7. This Statement was approved by the directors attending the Company's Board of Directors meeting on Feb. 26, 2025, among the 6 attendees, there were 0 dissenting opinions.

Dynamic Holding Co., Ltd.

Chairman: Ken Huang Signature

President: Jean Liu Signature

X. Auditor's Report and 2024 Financial Statements

Audit Committee's Review Report

It is agreed to and resolved by the Audit Committee and the Board of Directors that the company's 2024 Financial Statement was audited and certified by Ernest & Young, who is designated by the Board of Directors; and an audit report which refers to the Financial Statement was issued.

In addition, the Company's business report, financial statement and Earnings Distribution Table of 2024 which were submitted by The Board of Directors have been considered to be compliant with the relevant regulations of Company Law after having them reviewed by the Audit Committee of Dynamic Holding Co., Ltd. According to article 219 of Company Law, we hereby submit this report.

To
2025 Annual Meeting of Shareholders of Dynamic Holding Co., Ltd.

Chairman of the Audit Committee: Yi-chia Chiu

February 26th, 2025

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Dynamic Holding Co., Ltd. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Accounting Standard No. 27, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Dynamic Electronics Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

DYNAMIC HOLDING CO., LTD.

By



KEN HUANG

Chairman

Feb. 26, 2025

English Translation of a Report Originally Issued in Chinese
AUDIT REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors
Dynamic Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Dynamic Holding Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

The Company's consolidated revenue amounted to NT\$17,787,004 thousand for the year ended December 31, 2024. The Group has conducted these sale activities in multi-marketplace, including Taiwan, China, Asia and Europe, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the appropriateness of accounting policy for revenue recognition, the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to check if the terms and conditions are consistent with the fulfillment timing, performing analytical review procedures on monthly sale revenues, and executing sale cut-off tests, etc. In addition, we evaluated the adequacy of disclosures regarding revenue in Note 4 and 6 to the consolidated financial statements.

Provision against inventory

The Company and its subsidiaries' inventory amounted to NT\$3,226,752 thousand, representing 10% of consolidated total assets as of December 31, 2024. The application market of the Group's main products, PCB, has been developing and changing rapidly and influenced significantly by end-customers' preference. The management therefore has to closely monitor the status of new products development and market demand for evaluating any significant impairment, including loss from market decline and slow-movement, incurred toward inventory. Also there was significant management judgement involved in determining the sufficiency of inventory loss provision. With respect to the key audit matter – provision against inventory, our audit procedures include, but not limit to, evaluating the appropriateness of inventory provision policy including how to identify the phased-out or slow-moving items, testing the correctness of inventory aging report, analyzing the reasons for slow-moving inventory, performing observation on the Company and its subsidiaries' inventory physical taking, and looking into the status of inventory utilization. In addition, we evaluated the adequacy of the disclosures regarding inventory in Note 5 and 6 to the consolidated financial statements.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Others

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company for the year ended December 31, 2024 and an unqualified opinion including an Emphasis of Matter Paragraph on the parent-company-only financial statements of the Company for the year ended December 31, 2023.

/s/Lo, Hsiao Chin

/s/Chang, Chih Ming

Ernst & Young
February 26th, 2025
Taipei, Taiwan,
Republic of China

Notices to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$2,849,250	9	\$3,374,862	15
1110	Financial assets at fair value through profit or loss	4, 6(2)	-	-	800	-
1136	Financial assets measured at amortized cost	4, 6(3), 8	-	-	29,046	-
1150	Notes receivable, net	4, 6(4), 8	408,424	1	341,528	2
1170	Accounts receivable, net	4, 6(5)	5,252,665	17	4,448,885	20
1200	Other receivables		171,679	2	97,898	-
1310	Inventories, net	4, 6(6)	3,226,752	10	2,260,382	10
1410	Prepayments		749,882	2	410,077	2
1470	Other current assets		28,044	-	11,635	-
	Total current assets		12,686,696	41	10,975,113	49
15xx	Non-current assets					
1600	Property, plant and equipment	4, 6(7), 8, 9	15,475,105	50	10,627,101	48
1755	Right-of-use assets	4, 6(21), 8	398,381	1	384,723	2
1780	Intangible assets	4, 6(8), 6(9)	78,857	-	47,652	-
1840	Deferred tax assets	4, 6(25)	107,191	1	103,667	-
1900	Other non-current assets	6(10)	27,709	-	10,877	-
1915	Prepayment for equipment		2,128,395	7	289,946	1
	Total non-current assets		18,215,638	59	11,463,966	51
	Total Assets		\$30,902,334	100	\$22,439,079	100

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

As of December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term loans	6(11), 8	\$7,988,526	26	\$3,906,953	18
2130	Contract liabilities	4, 6(19)	850	-	23,132	-
2150	Notes payable		189	-	168	-
2170	Accounts payable		3,852,344	13	2,991,560	13
2200	Other payables	6(12)	5,092,349	16	2,431,561	11
2230	Current tax liabilities	4, 6(25)	74,720	-	62,351	-
2280	Lease liabilities	4, 6(21)	2,719	-	1,833	-
2300	Other current liabilities		41,739	-	40,175	-
2322	Current portion of long-term loans	6(13), 8	141,343	1	219,903	1
2365	Refund liabilities	4, 6(14)	376,538	1	328,085	1
	Total current liabilities		<u>17,571,317</u>	<u>57</u>	<u>10,005,721</u>	<u>44</u>
25xx	Non-current liabilities					
2540	Long-term loans	6(13), 8	3,562,179	12	4,129,166	18
2570	Deferred tax liabilities	4, 6(25)	974,456	3	664,756	3
2580	Lease liabilities	4, 6(21)	2,776	-	741	-
2630	Long-term deferred revenue	4, 6(15)	634,997	2	589,994	3
2645	Guarantee deposits		76,272	-	141,437	1
	Total non-current liabilities		<u>5,250,680</u>	<u>17</u>	<u>5,526,094</u>	<u>25</u>
	Total liabilities		<u>22,821,997</u>	<u>74</u>	<u>15,531,815</u>	<u>69</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(17)				
3110	Common stock		2,776,746	9	2,776,746	13
3200	Capital surplus	6(17)	2,987,714	10	2,981,296	13
3300	Retained earnings	6(17)				
3310	Legal reserve		116,549	-	16,209	-
3320	Special reserve		389,953	1	324,242	1
3350	Accumulated profit or loss		1,510,001	5	1,041,825	5
3400	Other components of equity		106,440	-	(389,953)	(2)
36xx	Non-controlling interests	6(17)	192,934	1	156,899	1
	Total equity		<u>8,080,337</u>	<u>26</u>	<u>6,907,264</u>	<u>31</u>
	Total liabilities and equity		<u>\$30,902,334</u>	<u>100</u>	<u>\$22,439,079</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(19)	\$17,787,004	100	\$15,713,954	100
5000	Operating costs	6(6)	(13,676,707)	(77)	(11,928,381)	(76)
5900	Gross profit		4,110,297	23	3,785,573	24
6000	Operating expenses					
6100	Sales and marketing expenses		(588,050)	(3)	(592,594)	(4)
6200	General and administrative expenses		(1,252,031)	(7)	(953,893)	(6)
6300	Research and development expenses		(733,369)	(4)	(618,511)	(3)
6450	Expected credit gains (losses)	4, 6(20)	349	-	20,691	-
	Operating expenses total		(2,573,101)	(14)	(2,144,307)	(13)
6900	Operating income		1,537,196	9	1,641,266	11
7000	Non-operating income and expenses	6(23)				
7100	Interest income		37,095	-	43,720	-
7010	Other income		250,128	2	274,922	2
7020	Other gains and losses		208,565	1	(83,392)	-
7050	Finance costs		(465,396)	(3)	(410,993)	(3)
	Non-operating income and expenses total		30,392	-	(175,743)	(1)
7900	Income from continuing operations before income tax		1,567,588	9	1,465,523	10
7950	Income tax expense	4, 6(25)	(492,049)	(3)	(434,870)	(3)
8200	Net income		1,075,539	6	1,030,653	7
8300	Other comprehensive income (loss)	6(24)				
8360	May be reclassified to profit or loss in subsequent periods					
8361	Exchange differences arising on translation of foreign operations		507,487	3	(67,213)	-
	Total other comprehensive income (loss), net of tax		507,487	3	(67,213)	-
8500	Total comprehensive income (loss)		\$1,583,026	9	\$963,440	7
8600	Net income attributable to:					
8610	Shareholders of the parent		\$1,050,739	6	\$1,003,398	7
8620	Non-controlling interests		24,800	-	27,255	-
			\$1,075,539	6	\$1,030,653	7
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent		\$1,547,132	9	\$937,687	7
8720	Non-controlling interests		35,894	-	25,753	-
			\$1,583,026	9	\$963,440	7
9750	Earnings per share - basic (in NT\$)	6(26)	\$3.78		\$3.61	
9850	Earnings per share - diluted (in NT\$)	6(26)	\$3.78		\$3.61	

(The accompanying notes are an integral part of the consolidated financial statements.)

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent							Non-controlling Interests	Total equity
		Capital	Capital surplus	Retained Earnings			Other Components of equity	Total		
				Legal reserve	Special reserve	Accumulated profit or loss	Exchange differences arising on translation of foreign operations			
		3100	3200	3310	3320	3350	3410	31XX	36XX	3XXX
A1	Balance as of January 1, 2023	\$2,775,490	\$2,970,307	\$-	\$438,825	\$162,092	\$(324,242)	\$6,022,472	\$130,930	\$6,153,402
	Appropriation and distribution of 2022 earnings									
B1	Legal reserve			16,209		(16,209)		-		-
B3	Special reserve				(114,583)	114,583		-		-
B5	Cash dividends-common shares					(222,039)		(222,039)		(222,039)
D1	Net income for 2023					1,003,398		1,003,398	27,255	1,030,653
D3	Other comprehensive income (loss) for 2023						(65,711)	(65,711)	(1,502)	(67,213)
D5	Total comprehensive income (loss)	-	-	-	-	1,003,398	(65,711)	937,687	25,753	963,440
I1	Conversion of convertible bonds	1,256	1,130					2,386		2,386
M7	Charges in ownership interest in subsidiaries		9,859					9,859	216	10,075
Z1	Balance as of December 31, 2023	<u>\$2,776,746</u>	<u>\$2,981,296</u>	<u>\$16,209</u>	<u>\$324,242</u>	<u>\$1,041,825</u>	<u>\$(389,953)</u>	<u>\$6,750,365</u>	<u>\$156,899</u>	<u>\$6,907,264</u>
A1	Balance as of January 1, 2024	\$2,776,746	\$2,981,296	\$16,209	\$324,242	\$1,041,825	\$(389,953)	\$6,750,365	\$156,899	\$6,907,264
	Appropriation and distribution of 2023 earnings									
B1	Legal reserve			100,340		(100,340)		-		-
B3	Special reserve				65,711	(65,711)		-		-
B5	Cash dividends-common shares					(416,512)		(416,512)		(416,512)
D1	Net income for 2024					1,050,739		1,050,739	24,800	1,075,539
D3	Other comprehensive income (loss) for 2024						496,393	496,393	11,094	507,487
D5	Total comprehensive income (loss)	-	-	-	-	1,050,739	496,393	1,547,132	35,894	1,583,026
M7	Charges in ownership interest in subsidiaries		6,418					6,418	141	6,559
Z1	Balance as of December 31, 2024	<u>\$2,776,746</u>	<u>\$2,987,714</u>	<u>\$116,549</u>	<u>\$389,953</u>	<u>\$1,510,001</u>	<u>\$106,440</u>	<u>\$7,887,403</u>	<u>\$192,934</u>	<u>\$8,080,337</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,567,588	\$1,465,523	B00040	Disposal (acquisition) of financial assets measured at amortized cost	29,046	133,395
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(5,196,975)	(3,083,521)
A20010	Income and expense adjustments:			B02800	Proceeds from disposal of property, plant and equipment	25,803	15,381
A20100	Depreciation (including right-of-use assets)	1,247,407	1,363,163	B03700	Decrease (increase) in refundable deposits	(18,035)	(839)
A20200	Amortization	18,088	20,928	B04500	Acquisition of intangible assets	(56,750)	(1,037)
A20300	Expected credit losses (gain)	(349)	(20,691)	B05350	Acquisition of right-of-use assets	(205)	-
A20400	Net loss (gain) of financial assets at fair value through profit or loss	823	(888)	B06700	Increase in other non-current assets	1,537	(10,843)
A20900	Interest expense	465,396	410,993	B09900	Proceeds from disposal of right-of-use assets	-	74,727
A21200	Interest income	(37,095)	(43,720)	B09900	Increase (decrease) in long-term deferred revenue	69,035	49,986
A21900	Share-based payment expenses	6,559	10,075	BBBB	Net cash provided by (used in) investing activities	(5,146,544)	(2,822,751)
A22500	Loss on disposal of property, plant and equipment	2,455	103,574				
A23700	Impairment loss on non-financial assets	21,565	609				
A29900	Gains on disposal of right-of-use assets	-	(71,588)				
A29900	Gain on government grants	(53,540)	(50,082)	CCCC	Cash flows from financing activities:		
A30000	Changes in operating assets and liabilities:			C00100	Increase in (repayment of) short-term loans	4,081,573	(11,609)
A31130	Notes receivable	(66,896)	(301,363)	C01600	Increase in long-term loans	1,859,241	1,897,509
A31150	Accounts receivable	(804,616)	(63,071)	C01700	Repayment of long-term loans	(2,731,121)	(293,627)
A31180	Other receivables	(73,554)	(13,542)	C03000	Increase (decrease) in guarantee deposits	(65,165)	63,314
A31200	Inventories	(966,370)	446,488	C04020	Payments of lease liabilities	(4,160)	(5,149)
A31230	Prepayments	(340,443)	29,060	C04500	Cash dividends	(416,512)	(222,039)
A31240	Other current assets	(16,409)	(9,532)	CCCC	Net cash provided by (used in) financing activities	2,723,856	1,428,399
A32125	Contract liabilities	(22,282)	21,773				
A32130	Notes payable	21	(1,043)				
A32150	Accounts payable	860,784	(30,875)				
A32180	Other payables	455,976	261,454	DDDD	Effect of exchange rate changes on cash and cash equivalents	196,139	31,410
A32230	Other current liabilities	1,564	(21,370)				
A32990	Refund liabilities	48,453	67,176				
A32000	Cash generated from operations	2,315,125	3,573,051				
A33100	Interest received	37,095	43,720				
A33300	Interest paid	(473,934)	(397,708)	EEEE	Net Increase (decrease) in cash and cash equivalents	(525,612)	1,696,975
A33500	Income tax paid	(177,349)	(159,146)	E00100	Cash and cash equivalents at beginning of period	3,374,862	1,677,887
AAAA	Net cash provided by (used in) operating activities	1,700,937	3,059,917	E00200	Cash and cash equivalents at end of period	\$2,849,250	\$3,374,862

(The accompanying notes are an integral part of the consolidated financial statements.)

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2024 and 2023 and for the years then ended

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Dynamic Holding Co., Ltd. (hereinafter referred to as “the Company”) was approved and established on August 25, 2022 and listed for trading on the Taiwan Stock Exchange.

Dynamic Electronics (Taoyuan) Co., Ltd. (hereinafter referred to as “Dynamic Electronics (Taoyuan)”) applied for the establishment of Dynamic Holding Co., Ltd. by the board of directors on March 31, 2022 and the shareholder’s meeting on May 20, 2022 to acquire 100% equity of Dynamic Electronics (Taoyuan). The share swap is to exchange 1 common share of Dynamic Electronics (Taoyuan) for 1 common share of the Company and has been completed on August 25, 2022. On the same day, Dynamic Electronics (Taoyuan) became a 100% subsidiary of the Company and terminated the stock listing and public offering. The Company’s common stock was listed and traded under the stock code “3715” from the same day. The aforementioned share swap was an organizational restructuring under common control. The Company was actually the continuation of Dynamic Electronics (Taoyuan) Co., Ltd., and the parent company only financial statements for the comparative period were prepared as if the entities had been combined from the beginning.

The main activities of the Company and its subsidiaries (“the Group”) are mainly the manufacturing and processing of various electronic components, the design of microcomputers and peripheral equipment, the manufacturing and processing of integrated circuits and substrates, the manufacturing and processing of various circuit boards, the quotation, bidding, and distribution of products from domestic and foreign manufacturers as an agent, and the import and export trading business of the aforementioned products. The Company’s registered office and the main business location is at 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on February 26, 2025.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(A) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Group.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 “Insurance Contracts”	January 1, 2023
C	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
D	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
E	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
F	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
G	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

- (A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(B) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 “Presentation of Financial Statements”. The main changes are as follows:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(D) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(E) Amendments to the Classification and Measurement of Financial Instruments
(Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(F) Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

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(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(G) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a Group’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (C), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

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4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (A) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (B) Exposure, or rights, to variable returns from its involvement with the investee, and
- (C) The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (A) The contractual arrangement with the other vote holders of the investee
- (B) Rights arising from other contractual arrangements
- (C) The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- (A) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (B) Derecognizes the carrying amount of any non-controlling interest;
- (C) Recognizes the fair value of the consideration received;
- (D) Recognizes the fair value of any investment retained;
- (E) Recognizes any surplus or deficit in profit or loss; and
- (F) Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings.

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The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Dec. 31, 2024	Dec. 31, 2023	Note
The Company	Dynamic Electronics (Taoyuan) Co., Ltd.	Investing activities	100.00%	100.00%	
The Company	CHIANAN TECHNOLOGY CO., LTD.	Mockup manufacture	70.00%	70.00%	Note 4
The Company	CHENG CHONG TECHNOLOGY CO., LTD	Mockup manufacture	70.00%	70.00%	Note 5
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Investing activities	100.00%	100.00%	
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	Investing activities	100.00%	100.00%	
Dynamic Electronics Holding Pte. Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	97.8541%	97.8541%	Note 1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	100.00%	100.00%	

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Dec. 31, 2024	Dec. 31, 2023	Note
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic PCB Electronics Co., Ltd.	PCB and business which relates to import and export	100.00%	100.00%	Note 7
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	PCB and business which relates to import and export	100.00%	100.00%	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Overseas Investment Holding Pte. Ltd. (referred to: Dynamic Overseas Investment)	Management operations services	100.00%	100.00%	Note 2
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology Manufacturing (Thailand) Co., Ltd (referred to: Dynamic Technology (Thailand))	Manufacturing and selling of PCB	0.01%	0.01%	Note 6

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Investor	Subsidiary	Main businesses	Percentage of Ownership (%)		
			Dec. 31, 2024	Dec. 31, 2023	Note
Dynamic Electronics Overseas Investment Holding Pte. Ltd. (referred to: Dynamic Overseas Investment)	Dynamic Technology Manufacturing (Thailand) Co., Ltd (referred to: Dynamic Technology (Thailand))	Manufacturing and selling of PCB	99.99%	99.99%	Note 3

Note 1: Dynamic Electronics (Huangshi) Co., Ltd. passed a resolution at the extraordinary shareholders' meeting held on February 16, 2023 to apply for name change from Dynamic Electronics (Huangshi) Co., Ltd. to Dynamic Electronics Co., Ltd. (Huangshi). The registration procedures were completed on February 22, 2023.

Note 2: Dynamic Electronics (Huangshi) Co., Ltd. passed a resolution the extraordinary shareholders' meeting held on February 16, 2023 to apply for name change of its subsidiary from Dynamic Electronics Trading Pte. Ltd. to Dynamic Electronics Overseas Investment Holding Pte. Ltd. ("Dynamic Overseas Investment"). The registration procedures were completed on March 13, 2023.

Note 3: Considering the needs of long-term development, the Group passed the resolution of the board of directors on October 20, 2022, and established a Thai subsidiary, Dynamic Technology (Thailand), through the reinvested Dynamic Overseas Investment by Dynamic Electronics Co., Ltd. (Huangshi). The registration and establishment of the company was completed on April 25, 2023. The percentage of ownership is 99.99%. As of December 31, 2024, a capital inflow of US\$119,200 million has been completed.

Note 4: Considering the needs of long-term development, the board of directors resolved on May 5, 2023 to change CHIANAN TECHNOLOGY CO., LTD., originally invested by Dynamic Electronics (Taoyuan) Co., Ltd., to an investment by the Company, stock delivery was completed on July 3, 2023. The aforementioned transaction is an equity adjustment under organizational reorganization.

Note 5: Considering the needs of long-term development, the board of directors resolved on May 5, 2023 to change CHENG CHONG TECHNOLOGY CO., LTD., originally invested by Dynamic Electronics (Taoyuan) Co., Ltd., to an investment by the Company, stock delivery was completed on July 3, 2023. The aforementioned transaction is an equity adjustment under organizational reorganization.

Note 6: Considering the needs of long-term development, the board of directors of Dynamic Electronics Co., Ltd. (Seychelles) resolved on December 20, 2024 to acquire 0.01% of the shares of Dynamic Technology (Thailand) from other shareholders. Therefore, the Group's ownership in Dynamic Technology (Thailand) amounted to 100%.

Note 7: Dynamic PCB Electronics Co., Ltd. completed its dissolution process on October 3, 2024.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollar, which is the parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(A) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

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(B) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(C) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into New Taiwan Dollar at the closing rate of exchange prevailing at the balance sheet date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of the foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the NCIs in that foreign operation, instead of recognized in profit or loss. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

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(6) Current and non-current distinction

An asset is classified as current when:

- (A) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (B) The Group holds the asset primarily for the purpose of trading
- (C) The Group expects to realize the asset within twelve months after the reporting period
- (D) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (A) The Group expects to settle the liability in its normal operating cycle
- (B) The Group holds the liability primarily for the purpose of trading
- (C) The liability is due to be settled within twelve months after the reporting period
- (D) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

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Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(A) Financial assets: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) The Group's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
- (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(B) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) The time value of money; and
- (c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C) Derecognition of financial assets

Financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

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Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (A) In the principal market for the asset or liability, or
- (B) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - By actual purchase cost with weighted average method

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". When a major inspection is performed, its cost is recognized in the carrying

amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	16~30 years
Machinery and equipment	1~10 years
Transportation equipment	3~6 years
Office equipment	1~6 years
Other equipment	1~5 years
Leasehold improvement	1 year

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- (A) The right to obtain substantially all of the economic benefits from use of the identified asset; and
- (B) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (A) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (B) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (C) amounts expected to be payable by the lessee under residual value guarantees;
- (D) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (E) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (A) the amount of the initial measurement of the lease liability;
- (B) any lease payments made at or before the commencement date, less any lease incentives received;
- (C) any initial direct costs incurred by the lessee; and
- (D) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

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A summary of the policies applied to the Group's intangible assets is as follows:

	<u>Computer software</u>	<u>Technology Expertise</u>
Useful lives	1~5 years	3~5 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the recoverable amount of the asset or CGU. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

A CGU, or groups of CGUs, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

(17) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follow:

Sales of goods

The Group mainly manufactures and sells of its products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is PCB and revenue is recognized based on the consideration stated in the contract. The remaining sales transactions are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the products expected to be returned.

The credit period of the Group's sale of goods is from 60 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

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(20) Post-employment benefits

All regular employees of Dynamic and its domestic subsidiaries are entitled to pension plans that are managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with Dynamic and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, Dynamic and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations and the contribution is expensed as incurred.

(21) Income tax

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in balance sheet at the reporting date.

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Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (A) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (B) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (A) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (B) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

(22) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

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5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Fair values of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(2) Accounts receivable-estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(3) Inventory

Inventories are valued at the lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The change of market may also significantly influence the evaluation of inventory. For inventory details, please refer to Note 6 to the consolidated financial statements.

(4) Revenue recognition-sale returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(5) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

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Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Cash on hand	\$1,565	\$1,050
Checking and savings	2,767,685	2,731,817
Fixed-term deposits (Note)	80,000	641,995
Total	<u>\$2,849,250</u>	<u>\$3,374,862</u>

Note: The contract will expire within 3 months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

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

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Held for trading – current:		
Forward foreign exchange contracts	<u>\$-</u>	<u>\$800</u>
Current	\$-	\$800
Non-current	-	-
Total	<u>\$-</u>	<u>\$800</u>

No financial assets at fair value through profit or loss were pledged.

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(3) Financial assets measured at amortized cost

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Restricted deposits	\$-	\$27,695
Fixed-term deposits	-	1,351
Total	<u>\$-</u>	<u>\$29,046</u>
Current	<u>\$-</u>	<u>\$29,046</u>
Non-current	<u>\$-</u>	<u>\$-</u>

The Group transacts with financial institutions with good credit rating. Consequently, there is no material credit risk.

Please refer to Note 8 for more details on financial assets measured at amortized cost pledged as collaterals.

(4) Notes receivable, net

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Notes receivable arising from operating activities	\$408,424	\$341,528
Less: loss allowance	-	-
Total	<u>\$408,424</u>	<u>\$341,528</u>

Notes receivables were not pledged.

(A) The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(20) for more details on loss allowance and Note 12 for details on credit risk.

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(B) The Group has signed sale contracts with recourse rights for some of its notes receivable with financial institutions. Although the Group has transferred its rights in the cash flow contract of the notes receivable, it still has to bear the credit risk of the irrecoverability of the notes receivable according to the contract, which does not meet the conditions for delisting financial assets. The transaction-related information is as follows:

Party for sale	Amount transferred	Amount advanced (Note)	Interest Rate
<u>As of Dec. 31, 2024</u>			
China Construction Bank and Agricultural Bank of China	<u>\$130,036</u>	<u>\$130,036</u>	Negotiate by per transaction
<u>As of Dec. 31, 2023</u>			
Industrial Bank, Rural Commercial Bank and Bank of Communications	<u>\$173,263</u>	<u>\$173,263</u>	Negotiate by per transaction

Note: Listed as short-term loans, please refer to Note 8 for information on short-term loans and related guarantees.

(5) Accounts receivable, net

(A) Details of accounts receivable, net are as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Accounts receivable arising from operating activities	\$5,272,135	\$4,467,519
Less: loss allowance	(19,470)	(18,634)
Total	<u>\$5,252,665</u>	<u>\$4,448,885</u>

(B) Accounts receivables were not pledged.

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(C) Accounts receivables are generally on 60 to 150 day terms. As of December 31, 2024 and 2023, the total carrying amount were NT\$5,272,135 thousand and NT\$4,467,519 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for the years ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

(A) Details of inventories, net are as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Raw materials and supplies	\$339,189	\$201,866
Work in progress	818,236	674,697
Finished goods	2,069,327	1,383,819
Total	<u>\$3,226,752</u>	<u>\$2,260,382</u>

(B) The cost of inventories recognized in expenses amounted to NT\$13,676,707 thousand and NT\$11,928,381 thousand for the years ended December 31, 2024 and 2023. The following losses were included in cost of sales:

Item	For the years ended December 31,	
	2024	2023
Inventory valuation losses (gains on recovery of inventory)	<u>\$2,249</u>	<u>\$(16,220)</u>

The Group recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed for the year ended December 31, 2023.

(C) Inventories were not pledged.

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(7) Property, plant and equipment

						As of			
						Dec. 31, 2024		Dec. 31, 2023	
Owner occupied property, plant and equipment						\$17,603,500		\$10,917,047	
						Construction in progress and equipment to be examined (including prepayment for			
	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement	equipment)	Total
Cost:									
As of Jan. 1, 2024	\$-	\$7,096,433	\$9,555,568	\$28,672	\$70,524	\$463,033	\$8,820	\$1,325,663	\$18,548,713
Additions	-	1,036,144	229,647	1,894	2,921	77,647	-	5,606,750	6,955,003
Disposals	-	-	(324,835)	(598)	(311)	(20,690)	-	-	(346,434)
Other changes	349,807	2,803,694	1,930,092	6,400	56,091	50,230	-	(4,742,069)	454,245
Exchange differences	-	369,310	503,079	1,411	3,302	23,350	-	79,503	979,955
As of De. 31, 2024	\$349,807	\$11,305,581	\$11,893,551	\$37,779	\$132,527	\$593,570	\$8,820	\$2,269,847	\$26,591,482
Cost:									
As of Jan. 1, 2023	\$-	\$4,836,911	\$8,421,801	\$34,007	\$644,012	\$2,387,857	\$8,820	\$210,751	\$16,544,159
Additions	-	529,054	619,017	1,740	118,440	28,442	-	1,288,779	2,585,472
Disposals	-	-	(269,118)	(6,628)	(11,061)	(16,156)	-	-	(302,963)
Other changes	-	1,811,890	925,968	-	(670,302)	(1,897,236)	-	(170,320)	-
Exchange differences	-	(81,422)	(142,100)	(447)	(10,565)	(39,874)	-	(3,547)	(277,955)
As of Dec. 31, 2023	\$-	\$7,096,433	\$9,555,568	\$28,672	\$70,524	\$463,033	\$8,820	\$1,325,663	\$18,548,713
Depreciation and impairment:									
As of Jan. 1, 2024	\$-	\$2,048,027	\$5,117,752	\$23,860	\$62,530	\$370,677	\$8,820	\$-	\$7,631,666
Depreciation	-	373,390	760,800	2,375	11,775	85,875	-	-	1,234,215
Impairment loss	-	-	11,325	-	-	240	-	-	11,565
Disposals	-	-	(305,718)	(598)	(288)	(11,572)	-	-	(318,176)
Exchange differences	-	115,729	287,549	1,227	3,461	20,746	-	-	428,712
As of Dec. 31, 2024	\$-	\$2,537,146	\$5,871,708	\$26,864	\$77,478	\$465,966	\$8,820	\$-	\$8,987,982

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								Construction in progress and equipment to be examined (including prepayment for equipment)	
	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Lease improvement		Total
Depreciation and impairment:									
As of Jan. 1, 2023	\$-	\$909,302	\$4,188,726	\$26,319	\$267,199	\$1,196,330	\$8,820	\$-	\$6,596,696
Depreciation	-	373,338	719,049	4,269	129,083	123,183	-	-	1,348,922
Impairment loss	-	-	530	-	-	79	-	-	609
Disposal	-	-	(152,747)	(6,345)	(10,443)	(14,473)	-	-	(184,008)
Other changes	-	786,087	443,915	-	(317,200)	(912,802)	-	-	-
Exchange differences	-	(20,700)	(81,721)	(383)	(6,109)	(21,640)	-	-	(130,553)
As of Dec. 31, 2023	<u>\$-</u>	<u>\$2,048,027</u>	<u>\$5,117,752</u>	<u>\$23,860</u>	<u>\$62,530</u>	<u>\$370,677</u>	<u>\$8,820</u>	<u>\$-</u>	<u>\$7,631,666</u>
Net carrying amount as of:									
Dec. 31, 2024	<u>\$349,807</u>	<u>\$8,768,435</u>	<u>\$6,021,843</u>	<u>\$10,915</u>	<u>\$55,049</u>	<u>\$127,604</u>	<u>\$-</u>	<u>\$2,269,847</u>	<u>\$17,603,500</u>
Dec. 31, 2023	<u>\$-</u>	<u>\$5,048,406</u>	<u>\$4,437,816</u>	<u>\$4,812</u>	<u>\$7,994</u>	<u>\$92,356</u>	<u>\$-</u>	<u>\$1,325,663</u>	<u>\$10,917,047</u>

(A) For the year ended December 31, 2024 and 2023, NT\$11,565 thousand and NT\$609 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. This has been recognized in the statement of comprehensive income.

(B) Capitalized borrowing costs of property, plant and equipment in 2023 was NT\$18,708 thousand, with a capitalization rate ranging from 3.95% to 4.45%.

(C) Significant Components of building include main building structure, and additional expansion construction, which are depreciated over useful 16~30 years and 20 years, respectively.

(D) Please refer to Note 8 for more details on property, plant and equipment under pledge.

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(8) Intangible assets

	Computer software	Technology expertise	Goodwill	Other	Total
Cost:					
As of January 1, 2024	\$42,794	\$10,556	\$62,244	\$-	\$115,594
Additions – acquired separately	52,420	-	-	4,330	56,750
Derecognized upon retirement	(3,079)	-	-	-	(3,079)
Exchange differences	1,872	2,931	-	-	4,803
As of December 31, 2024	<u>\$94,007</u>	<u>\$13,487</u>	<u>\$62,244</u>	<u>\$4,330</u>	<u>\$174,068</u>
As of January 1, 2023	\$69,827	\$10,737	\$62,244	\$-	\$142,808
Additions – acquired separately	1,037	-	-	-	1,037
Derecognized upon retirement	(27,068)	-	-	-	(27,068)
Exchange differences	(1,002)	(181)	-	-	(1,183)
As of December 31, 2023	<u>\$42,794</u>	<u>\$10,556</u>	<u>\$62,244</u>	<u>\$-</u>	<u>\$115,594</u>
Amortization and impairment:					
As of January 1, 2024	\$30,534	\$7,390	\$30,018	\$-	\$67,942
Amortization	15,804	2,216	-	68	18,088
Impairment loss	-	-	10,000	-	10,000
Derecognized upon retirement	(3,079)	-	-	-	(3,079)
Exchange differences	1,822	434	-	4	2,260
As of December 31, 2024	<u>\$45,081</u>	<u>\$10,040</u>	<u>\$40,018</u>	<u>\$72</u>	<u>\$95,211</u>
As of January 1, 2023	\$39,620	\$5,369	\$30,018	\$-	\$75,007
Amortization	18,786	2,142	-	-	20,928
Derecognized upon retirement	(27,068)	-	-	-	(27,068)
Exchange differences	(804)	(121)	-	-	(925)
As of December 31, 2023	<u>\$30,534</u>	<u>\$7,390</u>	<u>\$30,018</u>	<u>\$-</u>	<u>\$67,942</u>

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	Computer software	Technology expertise	Goodwill	Other	Total
Net carrying amounts as of:					
December 31, 2024	\$48,926	\$3,447	\$22,226	\$4,258	\$78,857
December 31, 2023	\$12,260	\$3,166	\$32,226	\$-	\$47,652

Amortization of intangible assets is as follows:

	For the years ended December 31,	
	2024	2023
Operating costs	\$2,267	\$2,800
Operating expenses	15,821	18,128
Total	\$18,088	\$20,928

(9) Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to two cash-generating units, for impairment testing as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Subsidiary-CHENG CHONG TECHNOLOGY CO., LTD	\$22,226	\$24,385
Subsidiary-CHIANAN TECHNOLOGY CO., LTD.	-	7,841
Total	\$22,226	\$32,226

- (A) The recoverable amount of CHENG CHONG TECHNOLOGY CO., LTD cash-generating unit is NT\$31,318 thousand as of December 31, 2024. This recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for product. The pre-tax discount rate applied to cash flow projections is 17.83% and cash flows beyond the five-year period are extrapolated using a 4.78% growth rate. As a result of the updated analysis, management did not identify an impairment for goodwill of NT\$2,159 thousand which is allocated to this cash-generating unit.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for both electronics and fire prevention equipment units are most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rate used to extrapolate revenue beyond the budget period.

Gross margins – Gross margins are estimated based on the value achieved in prior year and referencing the future market trends.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest-bearing loans that the Group has obligation to settle.

Growth rate estimates of revenue – Rates is estimated based on past experience, the long- term average growth rate has been adjusted based on the economic environment.

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Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of CHENG CHONG TECHNOLOGY CO., LTD, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

- (B) The recoverable amount of CHIANAN TECHNOLOGY CO., LTD. cash-generating unit is NT\$10,240 thousand as of December 31, 2024. This recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products. The pre-tax discount rate applied to cash flow projections is 17.83% and cash flows beyond the five-year period are extrapolated using a 4.78% growth rate. As of December 31, 2024, the impairment loss of NT\$37,859 thousand was recognized. Based on the results of this analysis, management evaluated that there is no impairment of goodwill.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for both electronics and fire prevention equipment units are most sensitive to the following assumptions:

- (a) Gross margin
- (b) Discount rates
- (c) Growth rate used to extrapolate revenue beyond the budget period.

Gross margins – Gross margins are estimated based on the value achieved in prior year and referencing the future market trends.

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Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest-bearing loans that the Group has obligation to settle.

Growth rate estimates of revenue – Rates is estimated based on past experience, the long-term average growth rate has been adjusted based on the economic environment.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of CHIANAN TECHNOLOGY CO., LTD, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(10) Other non-current assets

Details of other non-current assets are as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Refundable deposits	\$21,081	\$3,046
Long-term prepaid expenses	6,628	7,831
Total	\$27,709	\$10,877

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(11) Short-term loans

(A) Details of short-term loans are as follows:

	Interest Rates (%)	As of	
		Dec. 31, 2024	Dec. 31, 2023
Unsecured bank loans	2.95%~7.15%	\$7,858,490	\$3,733,690
Secured bank loans	1.70%~3.30%	130,036	173,263
Total		<u>\$7,988,526</u>	<u>\$3,906,953</u>

(B) The Group's unused short-term lines of credits amounts to NT\$4,429,980 thousand and NT\$4,694,574 thousand as of December 31, 2024 and 2023, respectively.

(C) Please refer to Note 8 for more details regarding certain partial notes payable for secured bank loans.

(12) Other payables

Details of other payables are as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Accrued expenses	\$1,368,923	\$912,947
Accrued interest	18,324	25,785
Payables to equipment suppliers	<u>3,705,102</u>	<u>1,492,829</u>
Total	<u>\$5,092,349</u>	<u>\$2,431,561</u>

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(13) Long-term loans

(A) Details of long-term loans as of December 31, 2024 and 2023 are as follows:

Lenders	As of Dec. 31, 2024	Interest Rate (%) (Note2)	Maturity and terms of repayment
Agricultural Bank of China— Kunshan Branch— Credit loans (Note1)	\$2,938,878	The benchmark interest rate of the Peoples' Bank of China for a period of over five years - LPR-0.2%	After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Bank SinoPac Co., Ltd. — Unsecured bank loans	470,482	CNH HIBOR+100BP for six months	The first installment shall be paid upon 18 months after the first withdrawal, and thereafter every 6 months as a term, a total of 4 terms. 10% of the principal of the credit line for withdrawal should be repaid in the first term to the third term, 70% should be repaid in the fourth term.
Bank of Shanghai Co., Ltd.— Unsecured bank loans	294,162	Higher of 1MTAIFX or 3MTAIFX+80BP	The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Less: Current portion of long-term loans	<u>(141,343)</u>		
Non-current portion of long-term loans	<u><u>\$3,562,179</u></u>		

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Lenders	As of Dec. 31, 2023	Interest Rate (%) (Note2)	Maturity date and terms of repayment
Bank of Shanghai Co., Ltd. — Zhongli Branch — Unsecured bank loans	\$130,056	RMB variable interest rate HIBOR 3M+0.9%	The grace period is 12 months upon first usage. After the grace period expires, principal is repayable in installments of the equal amount for eight terms. Pay interest quarterly.
Agricultural Bank of China — Kunshan Branch — Credit loans (Note1)	2,883,347	The benchmark interest rate of the Peoples’ Bank of China for a period of over five years - LPR-0.2%	After the grace period expires, the following terms are defined as every six months since then. The principle is repayable in installments of equal amount for eight years.
Bank of Shanghai Co., Ltd. — Corporate Banking Business Credit Loan	1,335,666	TAIFX3+163BP to 165BP for three months	The first installment shall be paid upon 24 months after the first withdrawal, and thereafter every 6 months as a term, a total of 3 terms. 15% of the principal of the credit line for withdrawal should be repaid in the first term and in the second term, 70% of the principal of the credit line for withdrawal should be repaid in the third term.
Less: Current portion of long-term loans	(219,903)		
Non-current portion of long-term loans	<u>\$4,129,166</u>		

Note1: Please refer to Note 8 for more details regarding certain property, plant and equipment pledged for secured bank loans.

Note2: Interest rates of long-term loans are as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Interest rate (%)	3.95%~5.69%	3.95%~7.51%

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(B) On November 22, 2022, the Group has entered into a 3-year agreement of syndicated loans in credit line of USD 60,000 thousand, with Shanghai Bank and 3 other banks for the purpose of settling the unpaid loan balance mentioned above and replenishing operating capital. The Group has repaid all of the bank loans ahead of schedule in June 2024.

On June 12, 2024, the Group has entered into a 3-year agreement of syndicated loans in credit line of CNY 340,000 thousand, with Shanghai Bank for the purpose of repaying the unpaid loan balance mentioned above and replenishing mid-term operating capital. The Group has repaid all of the bank loans ahead of schedule in August 2024.

(14) Refund liabilities

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Refund liabilities	\$376,538	\$328,085

(15) Long-term deferred revenue

Government grants

	For the years ended December 31,	
	2024	2023
Beginning balance	\$589,994	\$599,457
Received during the period	69,035	49,986
Released to the statement of comprehensive income	(53,540)	(50,082)
Exchange differences	29,508	(9,367)
Ending balance	\$634,997	\$589,994

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Non-current deferred revenue - related to assets	\$634,997	\$589,994

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Government grants have been received for purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to the grants.

(16) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 amounted to NT\$1,334 thousand and NT\$1,319 thousand, respectively.

Additional pension expenses recognized for the executives commissioned by the Group amounted to NT\$224 thousand and NT\$217 thousand, for the years ended December 31, 2024 and 2023.

(17) Equities

(A) Common stock

As of December 31, 2024 and 2023, the Company's authorized capital was NT\$4,000,000 thousand, and the issued share capital was NT\$2,776,746 thousand, each share at par value of NT\$10, divided into 277,674,584 shares.

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Dynamic Electronics (Taoyuan) Co., Ltd. issued the second domestic unsecured convertible bond and applied for converting into common shares of Dynamic Holding Co., Ltd. for the year ended December 31, 2023. The amount was NT\$2,400 thousand, exchanged for 126 thousand common shares.

(B) Capital surplus

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Additional paid-in capital	\$1,176,745	\$1,176,745
Conversion premium of convertible bonds	1,943	1,943
Treasury share transactions	34,946	34,946
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	68,088	61,670
Gain on sale of assets	155	155
Employee share option	6,528	6,528
Share options	77,687	77,687
Merger by share exchange	1,621,622	1,621,622
Total	<u>\$2,987,714</u>	<u>\$2,981,296</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made either in cash or in the form of share dividend to its shareholders in proportion to the number of shares being held by each of them.

(C) Retained earnings and dividend policies

- (a) According to the Company's articles of association, when allocating the current year's earnings, if any, after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply; the rest shall be set aside as special surplus or reversal according to laws or the regulations of the competent authority; if there is any remaining portion, the board of directors shall, along with the accumulated undistributed earnings, submit a surplus distribution proposal to the shareholders meeting for a resolution to distribute shareholder dividends. The Company may, in accordance with Articles 240 and 241 of the Company Act, authorize the board of directors to issue cash dividends and bonuses by special resolutions, and distribute in cash the above-mentioned dividends or capital reserve or/and legal reserve in compliance with the Company Act and shall report the distribution in the most recent shareholders' meeting.

(b) Dividend policy

The Company's dividend policy is based on the expansion of business scale, considering the Company's capital expenditure and operating turnover needs and the degree of dilution of earnings per share to moderately distribute stock dividends or cash dividends, but cash dividends are paid at a rate not lower than the current 10% of total annual dividends.

- (c) According to the Company Act, the Company shall set aside legal reserve from earnings unless where the amount of legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by shareholders.

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(d) Special reserve

The special surplus reserve shall be set aside at the time of the assignment of the distributable surplus, on the basis of the difference between the balance of the special surplus reserve at the time of the first IFRS application and the net amount of other equity deductions. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

Following the adoption of T-IFRS, the FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, Dynamic Electronics (Taoyuan) shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, Dynamic Electronics (Taoyuan) can reverse the special reserve by proportion and transfer to retained earnings.

As of January 1, 2013, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$349,310 thousand. Furthermore, Dynamic Electronics (Taoyuan) has reversed special reserve in the amount of NT\$49,644 thousand to retained earnings during the year ended December 31, 2013 due to the use, disposal or reclassification of related assets. As of December 31, 2024 and 2023, special reserve set aside for the first-time adoption of T-IFRS reduced to NT\$299,666 thousand accordingly.

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(e) The appropriations of earnings for the years 2024 and 2023 were approved through the Board meeting and stockholders' meeting held on February 26, 2025 and May 16, 2024, respectively. The details of the distributions are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2024	2023	2024	2023
Legal reserve	\$105,074	\$100,340		
Special reserve	(90,287)	65,711		
Cash dividend	416,512	416,512	\$1.5	\$1.5
Total	<u>\$431,299</u>	<u>\$582,563</u>		

Please refer to Note 6(22) for details on employees' compensation and remuneration to directors and supervisors.

(D) Non-controlling interests

	For the years ended December 31,	
	2024	2023
Beginning balance	\$156,899	\$130,930
Profit attributable to non-controlling interests	24,800	27,255
Exchange differences arising from translation of foreign operations	11,094	(1,502)
Issuance of employees share options by the subsidiary	141	216
Ending Balance	<u>\$192,934</u>	<u>\$156,899</u>

(18) Share-based payment plans

Dynamic Electronics Co., Ltd. (Huangshi), the subsidiary of the Group, conducted a cash capital increase for the year ended December 31, 2022, of which 8,252 thousand shares are held by the platform of employee stock ownership in accordance with the Employee Stock Ownership Management Measures of Dynamic Electronics Co., Ltd. (Huangshi). For the year ended December 31, 2024 and 2023, the number of shares transferred by employees of the shareholding platform were 328 thousand and 682 thousand shares, and the expenses recognized were NT\$6,559 thousand and NT\$10,075 thousand.

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(19) Operating revenues

	For the years ended December 31,	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$17,782,187	\$15,702,869
Operating revenues	4,817	11,085
Total	<u>\$17,787,004</u>	<u>\$15,713,954</u>

Analysis of revenue from contracts with customers for the years ended December 31, 2024 and 2023 are as follows:

(A) Disaggregation of revenue

For the year ended December 31, 2024

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$17,729,345	\$52,842	\$17,782,187
Other	4,817	-	4,817
Total	<u>\$17,734,162</u>	<u>\$52,842</u>	<u>\$17,787,004</u>

The timing for revenue recognition:

At a point in time	<u>\$17,734,162</u>	<u>\$52,842</u>	<u>\$17,787,004</u>
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For the year ended December 31, 2023

	PCB Segment	Mock-up Segment	Total
Sales of goods	\$15,638,196	\$64,673	\$15,702,869
Others	11,085	-	11,085
Total	<u>\$15,649,281</u>	<u>\$64,673</u>	<u>\$15,713,954</u>

The timing for revenue recognition:

At a point in time	<u>\$15,649,281</u>	<u>\$64,673</u>	<u>\$15,713,954</u>
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(B) Contract balances

(a) Contract liabilities - current

	As of	
	Dec. 31, 2024	Dec.31, 2023
Sales of goods	\$850	\$23,132

The significant changes in the Group's balances of contract liabilities for the year ended December 31, 2024 are as follows:

	Sales of goods
The opening balance transferred to revenue	\$(23,132)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	850

The significant changes in the Group's balances of contract liabilities for the year ended December 31, 2023 are as follows:

	Sales of goods
The opening balance transferred to revenue	\$(341)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	22,114

(20) Expected credit losses (gains)

	For the years ended December 31,	
	2024	2023
Operating expenses – Expected credit losses (gains)		
Accounts receivable	\$(349)	\$(20,691)

Please refer to Note 12 for more details on credit risk.

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The Group measures the loss allowance of its trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2024 and 2023 are as follow:

(A) The Group considers the grouping of trade receivables by counter parties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Details are as follow:

As of December 31, 2024

	Not yet due (Note)	Past due					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$5,519,546	\$145,821	\$9,124	\$3,803	\$716	\$1,549	\$5,680,559
Loss ratio	-%	3%	100%	100%	100%	100%	
Lifetime expected credit losses	-	(4,278)	(9,124)	(3,803)	(716)	(1,549)	(19,470)
Carrying amount of trade receivables	\$5,519,546	\$141,543	\$-	\$-	\$-	\$-	\$5,661,089

As of December 31, 2023

	Not yet due (Note)	Past due					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$4,721,822	\$76,212	\$3,896	\$244	\$1,283	\$5,590	\$4,809,047
Loss ratio	-%	10%	100%	100%	100%	100%	
Lifetime expected credit losses	-	(7,621)	(3,896)	(244)	(1,283)	(5,590)	(18,634)
Carrying amount of trade receivables	\$4,721,822	\$68,591	\$-	\$-	\$-	\$-	\$4,790,413

Note: All the Group's notes receivables were not past due.

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(B) The movement in the provision for impairment of note receivable and accounts receivable for the years ended December 31, 2024 and 2023 are as follows:

	Notes receivable	Accounts receivable
Beginning balance as of January 1, 2024	\$-	\$18,634
Addition/(reversal) for the current period	-	(349)
Write-off as unrecoverable	-	-
Effect of exchange rate changes	-	1,185
Ending balance as of December 31, 2024	<u>\$-</u>	<u>\$19,470</u>
Beginning balance as of January 1, 2023	\$-	\$39,882
Addition/(reversal) for the current period	-	(20,691)
Write-off as unrecoverable	-	(748)
Effect of exchange rate changes	-	191
Ending balance as of December 31, 2023	<u>\$-</u>	<u>\$18,634</u>

(21) Leases

(A) Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment and transportation equipment. The lease terms range from 2 to 50 years. The Group is not allowed to loan, sublease or sell without obtaining the consent from the lessors.

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The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	Land	Buildings	Machinery and equipment	Transportation equipment	Total
Cost:					
As of January 1, 2024	\$450,137	\$1,158	\$4,496	\$7,138	\$462,929
Additions	-	1,226	-	5,854	7,080
Disposals	-	(1,218)	-	(6,056)	(7,274)
Exchange differences	23,426	60	234	56	23,776
As of December 31, 2024	<u>\$473,563</u>	<u>\$1,226</u>	<u>\$4,730</u>	<u>\$6,992</u>	<u>\$486,511</u>
Cost:					
As of January 1, 2023	\$463,347	\$1,178	\$4,573	\$6,056	\$475,154
Additions	-	-	-	1,082	1,082
Disposals	(5,490)	-	-	-	(5,490)
Exchange differences	(7,720)	(20)	(77)	-	(7,817)
As of December 31, 2023	<u>\$450,137</u>	<u>\$1,158</u>	<u>\$4,496</u>	<u>\$7,138</u>	<u>\$462,929</u>
Depreciation and impairment:					
As of January 1, 2024	\$67,765	\$868	\$3,372	\$6,201	\$78,206
Depreciation	9,264	597	1,157	2,174	13,192
Disposals	-	(1,218)	-	(6,056)	(7,274)
Exchange differences	3,734	59	201	12	4,006
As of December 31, 2024	<u>\$80,763</u>	<u>\$306</u>	<u>\$4,730</u>	<u>\$2,331</u>	<u>\$88,130</u>

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	Land	Buildings	Machinery and equipment	Transportation equipment	Total
Depreciation and impairment:					
As of January 1, 2023	\$62,052	\$294	\$1,143	\$4,038	\$67,527
Depreciation	9,208	587	2,281	2,165	14,241
Disposals	(2,351)	-	-	-	(2,351)
Exchange differences	(1,144)	(13)	(52)	(2)	(1,211)
As of December 31, 2023	<u>\$67,765</u>	<u>\$868</u>	<u>\$3,372</u>	<u>\$6,201</u>	<u>\$78,206</u>
Net carrying amount as at:					
December 31, 2024	<u>\$392,800</u>	<u>\$920</u>	<u>\$-</u>	<u>\$4,661</u>	<u>\$398,381</u>
December 31, 2023	<u>\$382,372</u>	<u>\$290</u>	<u>\$1,124</u>	<u>\$937</u>	<u>\$384,723</u>

Please refer to Note 8 for more details on right-of-use assets under pledge.

b. Lease liabilities

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Lease liabilities	<u>\$5,495</u>	<u>\$2,574</u>
Current	\$2,719	\$1,833
Non-current	2,776	741
Total	<u>\$5,495</u>	<u>\$2,574</u>

Please refer to Note 6(23)(D) for the interest on lease liabilities recognized during the years ended December 31, 2024 and 2023 refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2024 and 2023.

(b) Income and costs relating to leasing activities

	For the years ended December 31,	
	2024	2023
The expenses relating to short-term leases	<u>\$82,450</u>	<u>\$29,104</u>

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As of December 31, 2024 and 2023, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments is NT\$0.

(c) Cash outflow relating to leasing activities

For the years ended December 31, 2024 and 2023, the Group's total cash outflows for leases amounting to NT\$86,610 thousand and NT\$34,523 thousand, respectively.

(22) Summary of employee benefits, depreciation and amortization expenses by function is as follows:

Function Nature	For the years ended December 31,					
	2024			2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$1,642,865	\$1,174,750	\$2,817,615	\$1,268,487	\$937,029	\$2,205,516
Labor and health insurance	1,354	2,150	3,504	1,408	2,077	3,485
Pension	259	1,299	1,558	308	1,228	1,536
Remuneration to directors and supervisors	-	17,726	17,726	-	16,645	16,645
Other employee benefits	236	1,119	1,355	266	234	500
Depreciation	1,088,108	159,299	1,247,407	1,203,574	159,589	1,363,163
Amortization	2,267	15,821	18,088	2,800	18,128	20,928

According to the Articles of Incorporation, if there is profit in the year, no less than 0.1% shall be allocated as employee compensation and no more than 3% as director remuneration. However, when there are accumulated losses, the profit shall be used to cover the losses first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the years ended December 31, 2024 and 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the years ended December 31, 2024 and 2023 to be not lower than 0.1% and not higher than 3% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 amounted to NT\$6,862 thousand and NT\$16,455 thousand, respectively; for the year ended December 31, 2023 amounted to NT\$6,897 thousand and NT\$15,385 thousand, respectively. A resolution was passed at a board meeting to distribute in the form of stocks as employees' compensation; the number of stocks distributed was calculated based on the closing price one day before the date of resolution. If there is a discrepancy between the estimated number and the actual distribution amount determined by the board of directors, it will be recognized as a gain or loss in the following year.

No material differences existed between the actual distribution amount of the employee compensation and remuneration to directors and supervisors and the amount expensed in the financial statements for the year ended December 31, 2024.

No material differences exist between the actual distribution amount of the employee compensation and remuneration to directors and supervisors and the amount expensed in the financial statements for the year ended December 31, 2023.

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(23) Non-operating income and expenses

(A) Interest income

	For the years ended December 31,	
	2024	2023
Interest income		
Financial assets measured at amortized cost	\$37,095	\$43,720

(B) Other income

	For the years ended December 31,	
	2024	2023
Other income — others	\$105,985	\$190,502
Other income — gain on government grants	144,143	84,420
Total	\$250,128	\$274,922

(C) Other gains and losses

	For the years ended December 31,	
	2024	2023
Gain (loss) on disposal of property, plant and equipment	\$(2,455)	\$(103,574)
Foreign exchange (loss) gain, net	266,002	45,383
Gain (loss) on financial assets and liabilities at fair value through profit or loss	(823)	888
Impairment loss	(21,565)	(609)
Gain on disposal of right-of-use assets	-	71,588
Other losses — others	(32,594)	(97,068)
Total	\$208,565	\$(83,392)

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(D) Finance costs

	For the years ended December 31,	
	2024	2023
Interest on bank loans	\$465,275	\$410,809
Interest on lease liabilities	121	161
Interest on bonds payable	-	23
Total	<u>\$465,396</u>	<u>\$410,993</u>

(24) Components of other comprehensive income (loss)

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	<u>\$507,487</u>	<u>\$-</u>	<u>\$507,487</u>	<u>\$-</u>	<u>\$507,487</u>

For the year ended December 31, 2023

	Arising during the period	Reclassificat ion during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translation of foreign operations	<u>\$(67,213)</u>	<u>\$-</u>	<u>\$(67,213)</u>	<u>\$-</u>	<u>\$(67,213)</u>

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(25) Income tax

(A) The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Current income tax expense (income):		
Current income tax charge	\$183,354	\$130,959
Adjustments in respect of current income tax of prior periods	3,839	28,159
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	304,856	275,752
Total income tax expense	<u>\$492,049</u>	<u>\$434,870</u>

(B) A reconciliation between income tax expense and income before tax at the Company's applicable tax rates is as follows:

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Income before tax	<u>\$1,567,588</u>	<u>\$1,465,523</u>
Tax at the domestic rates applicable to profits in the country concerned	\$743,978	\$645,174
Other adjustments according to the Tax Law	(244,963)	(213,567)
Tax on undistributed earnings	21,312	383
Tax effect of deferred tax assets/liabilities	(32,117)	(25,279)
Adjustments in respect of current income tax of prior periods	<u>3,839</u>	<u>28,159</u>
Total income tax expense recognized in profit or loss	<u>\$492,049</u>	<u>\$434,870</u>

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(C) Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2024

	Beginning balance as of January 1, 2024	Recognized in profit or loss	Exchange adjustment	Ending balance as of December 31, 2024
Temporary differences				
Bad debts loss	\$54	\$1,042	\$26	\$1,122
Unrealized loss on inventory valuation	8,349	450	445	9,244
Investments accounted for using the equity method	(664,756)	(302,921)	(6,442)	(974,119)
Unrealized exchange loss (gain)	-	(337)	-	(337)
Sales returns and allowances	6,771	(5,104)	-	1,667
Gain on government grants	88,493	2,014	4,651	95,158
Deferred tax income (expense)		<u>\$(304,856)</u>	<u>\$(1,320)</u>	
Net deferred tax assets (liabilities)	<u>\$(561,089)</u>			<u>\$(867,265)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$103,667</u>			<u>\$107,191</u>
Deferred tax liabilities	<u>\$(664,756)</u>			<u>\$(974,456)</u>

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For the year ended December 31, 2023

	Beginning balance as of January 1, 2023	Recognized in profit or loss	Exchange adjustment	Ending balance as of December 31, 2023
Temporary differences				
Bad debts loss	\$456	\$(401)	\$(1)	\$54
Unrealized loss on inventory valuation	20,030	(11,510)	(171)	8,349
Investments accounted for using the equity method	(392,342)	(274,073)	1,659	(664,756)
Unrealized exchange loss (gain)	(3,301)	3,301	-	-
Sales returns and allowances	-	6,771	-	6,771
Gain on government grants	89,848	160	(1,515)	88,493
Deferred tax income (expense)		<u>\$(275,752)</u>	<u>\$(28)</u>	
Net deferred tax assets (liabilities)	<u>\$(285,309)</u>			<u>\$(561,089)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$110,334</u>			<u>\$103,667</u>
Deferred tax liabilities	<u>\$(395,643)</u>			<u>\$(664,756)</u>

(D) Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets that have not been recognized amounted to NT\$187,443 thousand and NT\$251,573 thousand, respectively.

(E) As of December 31, 2024, the Company's unused net operating loss carryforwards and expiration periods are as follows:

Year incurred	Unused net operating loss	Expiration year
2022	\$22,202	2032
2024 (proposed)	51,399	2034
Total	<u>\$73,601</u>	

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As of December 31, 2024, the Group's Taiwan subsidiaries' unused net operating loss carryforwards and expiration periods are as follows:

Year incurred	Unused net operating loss	Expiration year
2018	\$52,504	2028
2019	198,948	2029
2023	7,566	2033
2024 (proposed)	42,947	2034
Total	<u>\$301,965</u>	

As of December 31, 2024, the Group's China subsidiaries' unused net operating loss carryforwards and expiration periods are as follows:

Year incurred	Unused net operating loss	Expiration year
2020	\$21,474	2025
2021	166,626	2026
2022	277,010	2027
2023	127,663	2028
Total	<u>\$592,773</u>	

(F) The assessment of income tax returns

As of December 31, 2024, the assessment status of income tax returns of the Company and subsidiaries are as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary - Dynamic Electronics (Taoyuan) Co., Ltd.	Assessed and approved up to 2022
Subsidiary - CHIANAN TECHNOLOGY CO., LTD.	Assessed and approved up to 2022
Subsidiary - CHENG CHONG TECHNOLOGY CO., LTD.	Assessed and approved up to 2022

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(26) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2024	2023
(A) Basic earnings per share		
Net income available to common shareholders of the parent (in thousand NT\$)	\$1,050,739	\$1,003,398
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,607
Basic earnings per share (in NT\$)	\$3.78	\$3.61
(B) Diluted earnings per share		
Net income available to common shareholders of the parent (in thousand NT\$)	\$1,050,739	\$1,003,398
Interest on convertible bonds	-	18
Net income available to common shareholders of the parent after dilution (in thousand NT\$)	\$1,050,739	\$1,003,416

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	For the years ended December 31,	
	2024	2023
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,607
Effect of dilution:		
Employee bonus (compensation) - stock (in thousand shares)	130	110
Convertible bonds (in thousands shares)	-	68
Weighted average number of common stocks outstanding after dilution (in thousand shares)	277,805	277,785
Diluted earnings per share (in NT\$)	\$3.78	\$3.61

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. Related party transactions

Significant transactions with related parties

Key management personnel compensation

	For the years ended December 31,	
	2024	2023
Short-term employee benefits	\$64,717	\$62,757
Post-employment benefits	530	461
Total	\$65,247	\$63,218

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8. Assets pledged as collateral

As of December 31, 2024 and 2023, the assets pledged for the Group's loans are as follows:

Item	Book value	Purpose of pledge
<u>As of December 31, 2024</u>		
Property, plant and equipment – Buildings	\$2,724,099	Secured loans
Property, plant and equipment – Machinery and equipment	776,859	Secured loans
Property, plant and equipment – Other equipment	1,437	Secured loans
Right-of-use assets	367,487	Secured loans
Notes receivable	130,036	Secured loans
Total	<u>\$3,999,918</u>	
<u>As of December 31, 2023</u>		
Property, plant and equipment – Buildings	\$2,638,008	Secured loans
Property, plant and equipment – Machinery and equipment	955,662	Secured loans
Property, plant and equipment – Office equipment	19,549	Secured loans
Property, plant and equipment – Other equipment	4,077	Secured loans
Construction in progress	72,986	Secured loans
Right-of-use assets	357,428	Secured loans
Financial assets measured at amortized cost	27,695	Secured loans
Notes receivable	173,263	Secured loans
Total	<u>\$4,248,668</u>	

9. Significant contingencies and unrecognized contract commitments

(1) As of December 31, 2024, the Group's outstanding contracts relating to purchased property, plant and equipment are as follows:

Type of Asset	Total Amount	Amount paid	Amount unpaid
Machinery and construction contracts	<u>\$3,053,569</u>	<u>\$1,619,689</u>	<u>\$1,433,880</u>

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Amount paid was recorded under construction in progress and equipment to be examined.

(2)The Company passed the relevant commitments matters through Board of Directors on September 22, 2023, October 1 2024 and February 26, 2025 respectively in response to the needs of its subsidiary, Dynamic Electronics Co., Ltd., (Huangshi) which intends to apply for the listing on the stock exchange in mainland China. The Company assessed those commitments do not have a significant negative impact on the financial operations of the Company and have complied with the relevant regulations.

In addition, the Company has included the commitments made on September 22, 2023 in the report of the shareholders' meeting on May 16, 2024. The commitments made on October 1, 2024 and February 26, 2025 have been included in the report for the shareholders' meeting of 2025. For the related information, please refer to the Market Observation Post System website.

10. Losses due to major disasters

None.

11. Significant subsequent events

In response to the capital expenditures of its subsidiary, Dynamic Technology Manufacturing (Thailand) Co., Ltd., the Company's Board of Directors resolved on February 26, 2025, to delegate the arrangement US\$ 90 million syndicated loan to Bank SinoPac Co., Ltd.

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12. Others

(1) Categories of financial instruments

Financial assets

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	\$2,847,685	\$3,373,812
Financial assets measured at amortized cost	-	29,046
Notes receivable	408,424	341,528
Accounts receivable	5,252,665	4,448,885
Other receivables	171,679	97,898
Refundable deposits	21,081	3,046
Subtotal	8,701,534	8,294,215
Financial assets at fair value through profit or loss:		
Held for trading	-	800
Total	\$8,701,534	\$8,295,015

Financial liabilities

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Financial liabilities measured at amortized cost:		
Short-term loans	\$7,988,526	\$3,906,953
Payables	8,944,882	5,423,289
Leased liabilities (including current portion with maturity less than 1 year)	5,495	2,574
Long-term loan (including current portion with maturity less than 1 year)	3,703,522	4,349,069
Subtotal	20,642,425	13,681,885
Financial liabilities at fair value through profit or loss:		
Held for trading	-	-
Total	\$20,642,425	\$13,681,885

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(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before the Group enters into significant transactions, the Board of Directors and Audit Committee must carry out due approval process based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2024 and 2023 is decreased/increased by NT\$38,245 thousand and NT\$31,794 thousand, respectively.

When NTD strengthens/weakens against RMB by 1%, the profit for the years ended December 31, 2024 and 2023 is increased/decreased by NT\$145,788 thousand and NT\$99,568 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 0.1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decrease/increase by NT\$8,924 thousand and NT\$6,728 thousand, respectively.

Equity price risk

As of December 31, 2024 and 2023, the Group does not hold equity securities at fair value; therefore the Group is not subject to equity price risk.

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(4) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2024 and 2023, accounts receivable from top ten customers represent 62.81% and 58.99% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables is measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

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(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	<u>< 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
<u>As of Dec. 31, 2024</u>					
Loans	\$8,406,447	\$1,836,751	\$1,768,897	\$342,062	\$12,354,157
Payables	8,944,882	-	-	-	8,944,882
Lease liabilities	2,751	2,698	203	-	5,652
<u>As of Dec. 31, 2023</u>					
Loans	\$4,262,103	\$2,271,565	\$1,270,931	\$1,153,469	\$8,958,068
Payables	5,423,289	-	-	-	5,423,289
Lease liabilities	1,879	762	-	-	2,641

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(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term loans	Long-term loans	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$3,906,953	\$4,349,069	\$141,437	\$2,574	\$8,400,033
Cash flows	4,081,573	(871,880)	(65,165)	(4,160)	3,140,368
Non-cash changes					
Lease modification	-	-	-	6,875	6,875
Interest expense	-	-	-	121	121
Foreign exchange movement	-	226,333	-	85	226,418
As of December 31, 2024	<u>\$7,988,526</u>	<u>\$3,703,522</u>	<u>\$76,272</u>	<u>\$5,495</u>	<u>\$11,773,815</u>

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Bonds payable	Long-term loans	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	\$3,918,562	\$2,363	\$2,790,106	\$78,123	\$6,564	\$6,795,718
Cash flows	(11,609)	-	1,603,882	63,314	(5,149)	1,650,438
Non-cash changes						
Lease modification	-	-	-	-	1,082	1,082
Others	-	(2,386)	-	-	-	(2,386)
Interest expense	-	23	-	-	161	184
Foreign exchange movement	-	-	(44,919)	-	(84)	(45,003)
As of December 31, 2023	<u>\$3,906,953</u>	<u>\$-</u>	<u>\$4,349,069</u>	<u>\$141,437</u>	<u>\$2,574</u>	<u>\$8,400,033</u>

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(7) Fair values of financial instruments

- (A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities)
- (d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(B) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of December 31, 2024 and 2023 are as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6 for further information on this transaction.

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Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Items (by contract)	Notional Amount (in thousand dollars)	Contract Period
<u>As of December 31, 2024</u>		
None		
<u>As of December 31, 2023</u>		
Forward currency contracts	Sell foreign currency USD 3,000	2023.11.23~2024.01.26
Forward currency contracts	Sell foreign currency USD 3,000	2023.12.07~2024.02.26
Forward currency contracts	Sell foreign currency USD 3,000	2023.12.27~2024.03.26

The counterparties for the aforementioned derivatives transactions are well known local or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

Regarding to the forward foreign exchange contracts, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

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(9) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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(B) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2024: None.

As of December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value:</u>				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	\$-	\$800	\$-	\$800

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period

For the years ended December 31, 2024 and 2023, there were no reconciliation for fair value measurements in Level 3 of the fair value measurements.

Information on significant unobservable inputs for fair value measurements in Level 3

As of December 31, 2024 and 2023, there were no recurring fair value measurements categorized within Level 3 of the fair value hierarchy.

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(10) Significant assets and liabilities denominated in foreign currencies (in thousand dollars)

Information regarding the significant assets and liabilities denominated in foreign currencies is as follows (in thousand dollars):

	As of					
	December 31, 2024			December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$152,567	32.78	\$5,000,776	\$157,110	30.71	\$4,824,246
RMB	\$693,982	4.56	\$3,164,387	\$652,445	4.34	\$2,828,480
<u>Financial liabilities:</u>						
Monetary items:						
USD	\$35,919	32.75	\$1,176,270	\$53,569	30.71	\$1,644,843
RMB	\$3,897,536	4.56	\$17,743,142	\$2,676,139	4.34	\$11,601,620

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were varieties of foreign currency transactions of the Group, the Group was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact. The Group recognized exchange gain (loss) amounted to NT\$266,002 thousand and NT\$45,383 thousand for the years ended December 31, 2024 and 2023, respectively.

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(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1) Information on significant transactions:

(A) Financing provided to others: None.

(B) Endorsement/Guarantee provided to others: Please refer to Attachment 1.

(C) Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint ventures): None.

(D) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(E) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(F) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(G) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(H) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

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(I) Financial instruments and derivative transactions: None.

(J) Significant intercompany transactions between the parent with subsidiaries or among subsidiaries: Please refer to Attachment 7.

(2) Information on investees:

(A) If an investor controls operating, investing and financial decisions of an investee or an investor has the ability to exercise significant influence over operating and financial policies of an investee, the related information for the investee is disclosed (not including investment in Mainland China): Please refer to Attachment 2.

(B) An investor controls operating, investing and financial decisions of an investee, the related information Note 13(1) for the investee shall be disclosed as below:

(a) Financing provided to others: Please refer to Attachment 3.

(b) Endorsement/Guarantee provided to others: Attachment 1.

(c) Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint ventures): None.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: Please refer to Attachment 4.

(f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(g) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 5.

(h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 6.

(i) Financial instruments and derivative transactions: Please refer to Note 12(8).

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(3) Information on investments in Mainland China:

(A) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flow		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of Dec. 31, 2024	Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	\$2,622,800 (Note 2, 3 and 6)	(Note 10)	\$2,260,265	\$-	\$-	\$2,260,265	\$369,567 (Note 2)	97.8541%	\$427,650 (Note 2, 4, 5 and 11)	\$3,095,021 (Note 2, 4 and 11)	\$1,977,132 (Note 2)	\$2,260,265	\$- (Note 10)	\$4,732,442

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Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flow		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of Dec. 31, 2024	Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	\$1,909,726 (Note 2, 7, 8 and 9)	(Note 1)	\$504,167	\$-	\$-	\$504,167	\$1,201,347 (Note 2)	97.8541%	\$866,071 (Note 2, 4, 5 and 11)	\$8,400,109 (Note 2, 4 and 11)	\$-	\$504,167	\$3,397,582	\$4,732,442

Note 1: Investment in Mainland China through WINTEK (MAURITIUS) CO., LTD. and Dynamic Holding Pte. Ltd., companies established in the third area.

Note 2: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.

Note 3: Total amount of paid-in capital is USD 80,000 thousand.

Note 4: The investment income (loss) recognized under equity method and by calculation was based on audited financial statements.

Note 5: It includes the share of profit or loss of associates and joint ventures accounted for using the equity method, as well as unrealized gain or loss with associates and other adjustments at the beginning and end of the period.

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- Note 6: The difference between investments remitted from Taiwan in amount of USD 69,500 thousand and the received paid-in capital of USD 80,000 thousand was cash capital increase of USD 10,500 thousand made by WINTEK (MAURITIUS) CO., LTD.
- Note 7: The difference between investments remitted from Taiwan in amount of USD 16,060 thousand and the paid-in capital of USD50,000 thousand is an indirect investment of USD33,940 thousand made by WINTEK (MAURITIUS) CO., LTD. by using cash dividends received from Dynamic Electronics (Kunshan) Co. Ltd.
- Note 8: Dynamic Electronics Co., Ltd. (Huangshi) passed the resolution of the board of directors on August 4, 2022 to reduce the capital of USD 73,000 thousand, which was booked under capital surplus. In addition, on September 2, 2022, the board of directors approved a cash capital increase of RMB 35,000 thousand of which RMB 8,888 thousand (equivalent to USD 1,250 thousand) was booked as capital, and the remaining RMB 26,112 thousand was booked as capital surplus.
- Note 9: Total amount of paid-in capital is USD58,250 thousand.
- Note 10: The Company previously indirectly invested in its China subsidiary, Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Holding Pte. Ltd. The Company now indirectly invests in Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Co., Ltd. (Huangshi).
- Note 11: Transactions between consolidated entities are eliminated in the consolidated financial statements.

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(B) Purchases and accounts payable with the related parties: Please refer to Attachment 7.

(C) Sales and accounts receivable with the related parties: None.

(D) The profit and loss produced by transaction of the property:

As of December 31, 2024, the Company wrote off the profit of property, plant and equipment amounted to NT\$55,015 thousand, because of unrealized under the investment balance using the equity method.

(E) The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure: Please refer to Attachment 1.

(F) The amount of maximum financing, the balance interest rates, and lump sum interest expense: Please refer to Attachment 3.

(G) The other events impact over current profit or loss or have the significant influence over the financial conditions, such as provided service or received service: Please refer to Attachment 7.

(H) The aforementioned transaction had been eliminated in the consolidated financial statements. Please refer to Attachment 7.

(4) Information on major shareholders:

None.

14. Segment information

(1) For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

PCB segment: The segment is primarily responsible for the manufacturing of PCBs and selling them to electronic producers.

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Mock-up segment: This segment is responsible for mock-up manufacturing and sales to electronic product manufacturers.

No operating segments have been aggregated to form the above reportable operating segments.

The Group's operating segments adopts the same accounting policies as the ones in Note 4. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

	PCB Segment	Mock-up Segment	Subtotal	Adjustments and eliminations (Note 1)	Consolidated
<u>For the year ended 2024</u>					
Revenues					
External customers	\$17,734,162	\$52,842	\$17,787,004	\$-	\$17,787,004
Inter-segment	17,215,842	-	17,215,842	(17,215,842)	-
Interest income	98,913	97	99,010	(61,915)	37,095
Total	<u>\$35,048,917</u>	<u>\$52,939</u>	<u>\$35,101,856</u>	<u>\$(17,277,757)</u>	<u>\$17,824,099</u>
Segment income (loss)	<u>\$1,078,425</u>	<u>\$(2,886)</u>	<u>\$1,075,539</u>	<u>\$-</u>	<u>\$1,075,539</u>
<u>For the year ended 2023</u>					
Revenues					
External customers	\$15,649,281	\$64,673	\$15,713,954	\$-	\$15,713,954
Inter-segment	15,200,533	-	15,200,533	(15,200,533)	-
Interest income	83,724	74	83,798	(40,078)	43,720
Total	<u>\$30,933,538</u>	<u>\$64,747</u>	<u>\$30,998,285</u>	<u>\$(15,240,611)</u>	<u>\$15,757,674</u>
Segment income (loss)	<u>\$1,024,641</u>	<u>\$6,012</u>	<u>\$1,030,653</u>	<u>\$-</u>	<u>\$1,030,653</u>

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note1: Inter-segment revenues are eliminated upon consolidation and recorded under the “adjustments and eliminations” column.

Details of operational asset-related information as of December 31, 2024 and 2023 are as follows:

	PCB Segment	Mock-up Segment	Subtotal	Adjustments and eliminations	Consolidated
Segment assets as of					
Dec.31, 2024	<u>\$31,016,382</u>	<u>\$39,351</u>	<u>\$31,055,733</u>	<u>\$(153,399)</u>	<u>\$30,902,334</u>
Segment assets as of					
Dec.31, 2023	<u>\$22,644,380</u>	<u>\$43,225</u>	<u>\$22,687,605</u>	<u>\$(248,526)</u>	<u>\$22,439,079</u>

(2) Geographical information

(A) Revenues from external customers (Note):

	For the years ended December 31,	
	2024	2023
China	\$6,432,253	\$6,109,842
Mexico	1,449,890	819,806
Korea	1,097,394	1,178,761
Malaysia	1,076,201	718,705
Germany	797,969	773,043
Other countries	6,933,297	6,113,797
Total	<u>\$17,787,004</u>	<u>\$15,713,954</u>

Note: The revenue information above is based on the location of the customer.

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DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) Non-current assets:

	As of	
	Dec. 31, 2024	Dec.31, 2023
Taiwan	\$33,655	\$39,405
China	10,921,498	10,417,418
Thailand	7,153,294	903,476
Total	<u>\$18,108,447</u>	<u>\$11,360,299</u>

(3) Information about major customers

	For the years ended December 31,	
	2024	2023
Customer A	<u>\$2,552,989</u>	<u>(Note)</u>

Note: The net revenue from sales to the customer during the year did not reach 10% or more of the consolidated net revenue of the Group. Therefore, it is not disclosed.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Endorsement/Guarantee Provided to Others

For the Year Ended December 31, 2024

Attachment 1

(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period			Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 3)	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	
(Note 1)	Name	Name	Relationship (Note2)	(Note 3)		Ending Balance	Amount Actually Drawn						Endorsement provided to entities in China
0	Dynamic Holding Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,887,403	\$4,564,440	\$3,118,295	\$1,510,643	\$-	39.54%	\$7,887,403	Y	N	Y
0	Dynamic Holding Co., Ltd.	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	2	\$7,887,403	\$2,812,093	\$2,812,093	\$762,180	\$-	35.65%	\$7,887,403	Y	N	N
1	Dynamic Electronics (Taoyuan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,600,530	\$271,200	\$-	\$-	\$-	-	\$7,600,530	Y	N	Y

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90 percent or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the procedures of Endorsement and Guarantee, the limitation of endorsement or guarantee for other subsidiaries shall not exceed the current net value of the Company. Also, the limitation of endorsement or guarantee for one of the subsidiaries shall not exceed the current net value of Company.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of December 31, 2024

Attachment 2

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Address	Main Business and Product	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2024	As of December 31, 2023	Shares	%	Carrying Value			
Dynamic Holding Co., Ltd.	Dynamic Electronics (Taoyuan) Co., Ltd.	33846 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City, Taiwan	Investing activities	\$6,148,342	\$6,148,342	367,197,240	100.00%	\$7,600,530	\$1,109,195	\$1,109,195	Note 1
Dynamic Holding Co., Ltd.	CHIANAN TECHNOLOGY CO., LTD.	24257 2F, No. 649, Zhongzheng Road, Xinzhuang District, New Taipei City, Taiwan	Mockup manufacture	\$16,428	\$16,428	7	70.00%	\$5,530	\$(4,263)	\$(2,982)	Note 1
Dynamic Holding Co., Ltd.	CHENG CHONG TECHNOLOGY CO., LTD	24260 17F, No. 545, Longan Road, Xinzhuang District, New Taipei City, Taiwan	Mockup manufacture	\$33,533	\$33,533	7	70.00%	\$35,850	\$1,377	\$963	Note 1
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Level 3, Alexander House, 35 Cyberecity, Ebene, Mauritius	Investing activities	\$2,788,141	\$2,783,433	8,596,000	100.00%	\$8,428,968	\$1,392,930	\$1,392,930	Note 1
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	151 CHIN SWEE ROAD #01-30 MANHATTAN HOUSE SINGAPORE(169876)	Investing activities	\$1,564,061	\$1,559,261	142,067,000	100.00%	USD 257,053	USD 43,397	USD 43,397	Note 1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic PCB Electronics Co., Ltd.	1st Floor, #5 DEKK House, De Zippora Street, P.O. Box 456, Providence Industrial Estate, Mahe, Republic of Seychelles	PCB and business which relates to import and export	Note 2	\$1,957	Note 2	Note 2	Note 2	(CNY 5)	(CNY 5)	Note 1、2
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	Office 1, 1st Floor, DEKK Complex, Plaisance, Mahé, Republic of Seychelles	PCB and business which relates to import and export	\$82,967	\$82,967	50,000	100.00%	CNY 345,487	CNY 144,339	CNY 144,339	Note 1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Overseas Investment	151 CHIN SWEE ROAD #01-46 MANHATTAN HOUSE SINGAPORE(169876)	Management operations services	\$3,788,900	\$1,251,478	119,250,000	100.00%	CNY 772,097	(CNY 107,674)	(CNY 107,674)	Note 1
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	Manufacture and sale of PCB	\$-	\$-	2	0.01%	USD 0	(USD 14,972)	USD 0	Note 1
Dynamic Overseas Investment	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	Manufacture and sale of PCB	\$3,779,224	\$1,241,803	41,999,998	99.99%	USD 107,294	(USD 14,972)	(USD 14,972)	Note 1

Note 1: Transactions are eliminated when preparing the consolidated financial statements.

Note 2: Dynamic PCB Electronics Co., Ltd. completed its dissolution process on October 3, 2024.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Financing provided to others

For the Year Ended December 31, 2024

Attachment 3

(In Thousands of New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to (purchases from) counter-party	Reason for financing	Loss Allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Other receivables	Yes	\$1,175,200	\$1,157,780	\$1,157,780	3.1%-3.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,887,498 (Note 3)	\$1,887,498 (Note 3)
2	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Other receivables	Yes	\$557,345	\$556,495	\$556,495	5.81%-6.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,575,704 (Note 4)	\$1,575,704 (Note 4)

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. The Company is "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of financing is coded as follows:

1. Need for operating is coded "1".
2. Need for short term financing is coded "2".

Note 3: Limit of total financing amount shall not exceed 60% of the lender's net assets of value as of December 31, 2024. Limit of financing amount for individual counter-party shall not exceed 60% of the lender's net assets value as of December 31, 2024.

Note 4: Limit of total financing amount shall not exceed 100% of the lender's net assets of value as of December 31, 2024. Limit of financing amount for individual counter-party shall not exceed 100% of the lender's net assets value as of December 31, 2024.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Acquired of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital

For the Year Ended December 31, 2024

Attachment 4
(In Thousands of Foreign Currency)

Acquired Company	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose and Use of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Dynamic Technology (Thailand)	<u>Land</u> Land of Thailand Plant	August 9, 2023	THB 356,165	As of December 31, 2024, THB 356,165 was paid (Note)	304 INDUSTRIAL PARK 7 COMPANY LIMITED	None	None	None	None	None	Negotiation	Land for plant expansion	None
Dynamic Technology (Thailand)	<u>Buildings</u> Construction of Thailand Plant	August 31, 2023	THB 1,344,776	As of December 31, 2024, THB 942,600 was paid (Note)	China State Construction (Thailand) Co., Ltd.	None	None	None	None	None	By Bidding	Production expansion and operation planning	None

Note : The transfer of ownership was completed in January 2024.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Related Party Transactions for Purchases and Sales Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

For the Year Ended December 31, 2024

Attachment 5

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Seychelles)	Subsidiary	Sales	RMB 1,207,912	69.68%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 375,754	61.70%	Note 1
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Sales	RMB 81,918	4.73%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 33,868	5.56%	Note 1
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	RMB 918,217	68.64%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 223,694	55.25%	Note 1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	RMB 81,918	4.84%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 33,868	5.13%	Note 1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Sales	RMB 918,217	30.18%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after monthly closing.	Accounts receivable RMB 223,694	23.89%	Note 1
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	Subsidiary	Sales	RMB 1,630,341	53.58%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after monthly closing.	Accounts receivable RMB 445,805	47.61%	Note 1
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	USD 229,228	57.43%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 61,901	54.64%	Note 1
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	USD 169,896	42.56%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 51,397	45.36%	Note 1

Note1: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Receivables from Related Parties with Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

As of December 31, 2024

Attachment 6

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	RMB 375,754	3.42	\$-	-	\$-	\$-
			(Note 1 and 2)					
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	RMB 33,868	2.70	\$-	-	\$-	\$-
			(Note 1 and 2)					
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	RMB 445,805	4.04	\$-	-	\$-	\$-
			(Note 1 and 2)					
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	RMB 223,694	3.21	\$-	-	\$-	\$-
			(Note 1 and 2)					

Note1: Accounts receivable.

Note2: Transactions are eliminated when preparing the consolidated financial statements.

DYNAMIC HOLDING CO., LTD. AND SUBSIDIARIES

Intercompany relationships and significant intercompany transactions

Attachment 7

(In Thousands of Foreign Currency / New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction				
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)	
	For the year Ended December 31, 2024							
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Purchases	USD 169,896	90 days after monthly closing	31.32%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	3	Accounts payable	USD 51,397	90 days after monthly closing	5.45%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	USD 229,228	90 days after monthly closing	42.25%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	USD 61,901	90 days after monthly closing	6.57%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Overseas Investment	3	Other managing expenses	USD 45	-	0.01%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables (financing)	USD 17,000	-	1.80%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other receivables	USD 189	-	0.02%	
1	Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	3	Other interest income	USD 743	-	0.14%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Purchases	RMB 918,217	90 days after monthly closing	23.54%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts payable	RMB 223,694	90 days after monthly closing	3.30%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables	RMB 8,483	-	0.13%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other receivables (financing)	RMB 260,000	-	3.84%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other interest income	RMB 8,537	-	0.22%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Other operating revenue	RMB 6,049	-	0.16%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Accounts receivable	RMB 33,868	90 days after monthly closing	0.50%	
2	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	3	Sales	RMB 81,918	90 days after monthly closing	2.10%	
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Purchases	RMB 1,686	90 days after monthly closing	0.04%	
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Other operating revenue	RMB 104	-	-	
3	Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Technology (Thailand)	3	Accounts payable	RMB 1,682	90 days after monthly closing	0.02%	

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows :

1. Investor to investee
2. Investee to investor.
3. Investee to investee.

Note 3: The percentage base with respect to the total consolidated revenue-weighted average (about income statement accounts) or total assets (about balance sheet accounts).

Note 4: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.

English Translation of a Report Originally Issued in Chinese
AUDIT REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors
Dynamic Holding Co., Ltd.

Opinion

We have audited the accompanying parent-company-only balance sheets of Dynamic Holding Co., Ltd. (the “Company”) as of December 31, 2024 and 2023, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together “the parent-company-only financial statements”).

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

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition (including investments in subsidiaries)

The Company's revenue (including investments in subsidiaries) for the year ended December 31, 2024 is significant to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Asia and Europe, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the appropriateness of accounting policy for revenue recognition, the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to check if the terms and conditions are consistent with the fulfillment timing, performing analytical review procedures on monthly sale revenues, and executing sale cut-off tests, etc. In addition, we evaluated the adequacy of disclosures regarding revenue in Note 4 and 6 to the financial statements.

Provision against inventory (including investments in subsidiaries)

As of December 31, 2024, the Company (including investments in subsidiaries)'s provision against inventory is significant to the Company's financial statements. The application market of the Company's main products, PCB, has been developing and changing rapidly and influenced significantly by end-customers' preference. The management therefore has to closely monitor the status of new products development and market demand for evaluating any significant impairment, including loss from market decline and slow-movement, incurred toward inventory. Also there was significant management judgement involved in determining the sufficiency of inventory loss provision. With respect to the key audit matter - provision against inventory, our audit procedures include, but not limit to, evaluating the appropriateness of inventory provision policy including how to identify the phased-out or slow-moving items, testing the correctness of inventory aging report, analyzing the reasons for slow-moving inventory, performing observation on the Company's inventory physical taking, and looking into the status of inventory utilization. In addition, we evaluated the adequacy of disclosures regarding inventory in Note 5 and 6 to the financial statements.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

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

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

/s/Lo, Hsiao Chin

/s/Chang, Chih Ming

Ernst & Young
February 26th, 2025
Taipei, Taiwan,
Republic of China

Notice to Readers

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

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

DYNAMIC HOLDING CO., LTD.

PARENT-COMPANY-ONLY BALANCE SHEETS

As of December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
11XX	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$293,751	4	\$690,027	10
1200	Other receivables		48	-	-	-
1410	Prepayments		2,464	-	2,913	-
1470	Other current assets		-	-	153	-
	Total current assets		296,263	4	693,093	10
15XX	Non-current assets					
1550	Investments accounted for using equity method	4, 6(2)	7,641,910	96	6,086,331	90
1600	Property, plant and equipment	4, 6(3)	296	-	231	-
1755	Right-of-use assets	4, 6(9)	3,902	-	-	-
1780	Intangible assets	4, 6(4)	175	-	-	-
1920	Refundable deposits		2,830	-	630	-
	Total non-current assets		7,649,113	96	6,087,192	90
	Total Assets		\$7,945,376	100	\$6,780,285	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

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

DYNAMIC HOLDING CO., LTD.

PARENT-COMPANY-ONLY BALANCE SHEETS

As of December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
21XX	Current liabilities					
2200	Other payables	6(5)	\$32,961	-	\$29,824	-
2230	Current tax liabilities	4	21,042	-	-	-
2280	Lease liabilities	4, 6(9)	1,883	-	-	-
2300	Other current liabilities		180	-	96	-
	Total current liabilities		56,066	-	29,920	-
25XX	Non-current liabilities					
2580	Lease liabilities	4, 6(9)	1,907	-	-	-
	Total non-current liabilities		1,907	-	-	-
	Total liabilities		57,973	-	29,920	-
31XX	Equity attributable to shareholders of the parent					
3100	Capital	6(7)				
3110	Common stock		2,776,746	35	2,776,746	41
3200	Capital surplus	6(7)	2,987,714	38	2,981,296	44
3300	Retained earnings	6(7)				
3310	Legal reserve		116,549	2	16,209	-
3320	Special reserve		389,953	5	324,242	5
3350	Accumulated profit or loss		1,510,001	19	1,041,825	16
3400	Other components of equity		106,440	1	(389,953)	(6)
	Total equity		7,887,403	100	6,750,365	100
	Total liabilities and equity		\$7,945,376	100	\$6,780,285	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

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

DYNAMIC HOLDING CO., LTD.

PARENT-COMPANY-ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024 and 2023

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

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(8)	\$1,107,176	100	\$1,046,391	100
5000	Operating costs		-	-	-	-
5900	Gross profit		1,107,176	100	1,046,391	100
6000	Operating expenses					
6200	General and administrative expenses		(69,511)	(6)	(61,634)	(6)
	Operating expenses total		(69,511)	(6)	(61,634)	(6)
6900	Operating income		1,037,665	94	984,757	94
7000	Non-operating income and expenses	6(11)				
7100	Interest income		15,187	1	19,783	2
7010	Other income		587	-	135	-
7020	Other gains and losses		20,323	2	(977)	-
7050	Finance costs		(60)	-	(300)	-
	Non-operating income and expenses total		36,037	3	18,641	2
7900	Income from continuing operations before income tax	4, 6(13)	1,073,702	97	1,003,398	96
7950	Income tax expense		(22,963)	(2)	-	-
8200	Net income		1,050,739	95	1,003,398	96
8300	Other comprehensive income (loss)	6(12)				
8360	May be reclassified to profit or loss in subsequent periods					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		496,393	45	(65,711)	(6)
	Total other comprehensive income (loss), net of tax		496,393	45	(65,711)	(6)
8500	Total comprehensive income (loss)		\$1,547,132	140	\$937,687	90
9750	Earnings per share - basic (in NT\$)	6(14)	\$3.78		\$3.61	
9850	Earnings per share - diluted (in NT\$)	6(14)	\$3.78		\$3.61	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

DYNAMIC HOLDING CO., LTD.

PARENT-COMPANY-ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital	Capital surplus	Retained earnings			Other components of equity	Total equity
				Legal reserve	Special reserve	Accumulated profit or loss	Exchange differences arising on translation of foreign operations	
							3410	
		3110	3200	3310	3320	3350		3XXX
A1	Balance as of January 1, 2023	\$2,775,490	\$2,970,307	\$-	\$438,825	\$162,092	\$(324,242)	\$6,022,472
	Appropriation and distribution of 2022 earnings							
B1	Legal reserve			16,209		(16,209)		-
B3	Special reserve				(114,583)	114,583		-
B5	Cash dividends-common shares					(222,039)		(222,039)
D1	Net income for 2023					1,003,398		1,003,398
D3	Other comprehensive income (loss) for 2023						(65,711)	(65,711)
D5	Total comprehensive income (loss)	-	-	-	-	1,003,398	(65,711)	937,687
I1	Conversion of convertible bonds	1,256	1,130					2,386
M7	Charges in ownership interest in subsidiaries		9,859					9,859
Z1	Balance as of December 31, 2023	<u>\$2,776,746</u>	<u>\$2,981,296</u>	<u>\$16,209</u>	<u>\$324,242</u>	<u>\$1,041,825</u>	<u>\$(389,953)</u>	<u>\$6,750,365</u>
A1	Balance as of January 1, 2024	\$2,776,746	\$2,981,296	\$16,209	\$324,242	\$1,041,825	\$(389,953)	\$6,750,365
	Appropriation and distribution of 2023 earnings							
B1	Legal reserve			100,340		(100,340)		-
B3	Special reserve				65,711	(65,711)		-
B5	Cash dividends-common shares					(416,512)		(416,512)
D1	Net income for 2024					1,050,739		1,050,739
D3	Other comprehensive income (loss) for 2024						496,393	496,393
D5	Total comprehensive income (loss)	-	-	-	-	1,050,739	496,393	1,547,132
M7	Charges in ownership interest in subsidiaries		6,418					6,418
Z1	Balance as of December 31, 2024	<u>\$2,776,746</u>	<u>\$2,987,714</u>	<u>\$116,549</u>	<u>\$389,953</u>	<u>\$1,510,001</u>	<u>\$106,440</u>	<u>\$7,887,403</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

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

DYNAMIC HOLDING CO., LTD.

PARENT-COMPANY-ONLY STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023
AAAA	Cash flows from operating activities:		
A10000	Net income before tax	\$1,073,702	\$1,003,398
A20000	Adjustments:		
A20010	Income and expense adjustments:		
A20100	Depreciation (including right-of-use assets)	2,145	126
A20200	Amortization	50	-
A20900	Interest expense	60	300
A21200	Interest income	(15,187)	(19,783)
A22400	Share of profit or loss of subsidiaries, associates and joint ventures	(1,107,176)	(1,046,391)
A23700	Impairment loss on non-financial assets	10,000	-
A30000	Changes in operating assets and liabilities:		
A31230	Prepayments	(139)	(2,543)
A31240	Other current assets	153	(153)
A32180	Other payables	3,137	19,430
A32230	Other current liabilities	84	7
A32000	Cash generated from operations	(33,171)	(45,609)
A33100	Interest received	15,187	19,783
A33200	Dividends received	44,408	999,176
A33300	Interests paid	-	(343)
A33500	Income tax paid	(1,381)	-
AAAA	Net cash provided by (used in) operating activities	25,043	973,007
BBBB	Cash flows from investing activities:		
B01800	Acquisition of investments accounted for using the equity method	-	(49,961)
B02700	Acquisition of property, plant and equipment	(259)	-
B03700	Decrease (increase) in refundable deposits	(2,200)	(630)
B04500	Acquisition of intangible assets	(225)	-
B05350	Acquisition of right-of-use assets	(205)	-
BBBB	Net cash provided by (used in) investing activities	(2,889)	(50,591)
CCCC	Cash flows from financing activities:		
C04500	Cash dividends	(416,512)	(222,039)
C03700	Increase (decrease) in other payables to related parties	-	(20,000)
C04020	Payments of lease liabilities	(1,918)	-
C09900	Other financing activities	-	2,666
CCCC	Net cash provided by (used in) financing activities	(418,430)	(239,373)
EEEE	Net Increase (decrease) in cash and cash equivalents	(396,276)	683,043
E00100	Cash and cash equivalents at beginning of period	690,027	6,984
E00200	Cash and cash equivalents at end of period	\$293,751	\$690,027

(The accompanying notes are an integral part of the parent-company-only financial statements.)

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS

As of December 31, 2024 and 2023 and for the years then ended

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Dynamic Holding Co., Ltd. (hereinafter referred to as “the Company”) was approved and established on August 25, 2022 and listed for trading on the Taiwan Stock Exchange.

Dynamic Electronics (Taoyuan) Co., Ltd. (hereinafter referred to as “Dynamic Electronics (Taoyuan)”) applied for the establishment of Dynamic Holding Co., Ltd. by the board of directors on March 31, 2022 and the shareholders’ meeting on May 20, 2022 to acquire 100% equity of Dynamic Electronics (Taoyuan). The share swap consideration is to exchange 1 common share of Dynamic Electronics (Taoyuan) for 1 common share of the Company, and the share swap transaction has been completed on August 25, 2022. On the same day, Dynamic Electronics (Taoyuan) became a 100% subsidiary of the Company and terminated the stock listing and public offering. The company’s common stock was listed and traded under the stock code “3715” from the same day. The aforementioned share swap was an organizational restructuring under common control. The Company was actually the continuation of Dynamic Electronics (Taoyuan) Co., Ltd., and the parent company only financial statements for the comparative period were prepared as if the entities had been combined from the beginning.

The Company is an investment holding company. The Company’s registered office and the main business location is at 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City 338, Taiwan (R.O.C.)

2. Date and procedures of authorization of financial statements for issue

The financial statements of the Company were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on February 26, 2025.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(A) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Company.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 “Insurance Contracts”	January 1, 2023
C	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
D	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
E	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
F	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
G	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

- (A) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(B) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 “Presentation of Financial Statements”. The main changes are as follows:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(D) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(E) Amendments to the Classification and Measurement of Financial Instruments –
(Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (c) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(F) Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(G) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (a) Clarify the application of the ‘own-use’ requirements.
- (b) Permit hedge accounting if these contracts are used as hedging instruments.
- (c) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (C), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of significant accounting policies

(1) Statement of compliance

The parent-company-only financial statements of the Company for the years ended December 31, 2024 and 2023 were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent-company-only financial statements are presented in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

(3) Foreign currency transactions

The Company’s parent-company-only financial statements are presented in New Taiwan Dollars which is the Company’s functional currency.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following.

- (A) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (B) Foreign currency derivatives within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instrument.
- (C) Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into New Taiwan Dollar at the closing rate of exchange prevailing at the balance sheet date and their income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of the foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation, instead of recognized in profit or loss. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Current and non-current distinction

An asset is classified as current when:

- (A) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (B) The Company holds the asset primarily for the purpose of trading;
- (C) The Company expects to realize the asset within twelve months after the reporting period;
- (D) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (A) The Company expects to settle the liability in normal operating cycle;
- (B) The Company holds the liability primarily for the purpose of trading;
- (C) The liability is due to be settled within twelve months after the reporting period;
- (D) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(A) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) The Company's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) The time value of money; and
- (c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C) Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired
- (b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- (c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (A) In the principal market for the asset or liability, or
- (B) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IAS 10 "Consolidated and Separate Financial Statements" and the different IFRSs adopted from different reporting entity's perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorate basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

- (A) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (B) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(10) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Office equipment	3 years
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An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (A) the right to obtain substantially all of the economic benefits from use of the identified asset;
and
- (B) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (A) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (B) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (C) amounts expected to be payable by the lessee under residual value guarantees;
- (D) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (E) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (A) the amount of the initial measurement of the lease liability;
- (B) any lease payments made at or before the commencement date, less any lease incentives received;
- (C) any initial direct costs incurred by the lessee; and
- (D) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(12) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	1 year
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(13) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the assets or CGU. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

A CGU, or groups of CGU, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company's parent-company-only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employee subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

(15) Income taxes

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (A) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (B) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (A) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (B) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) The fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Checking and savings	\$293,751	\$690,027

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Investments accounted for under the equity method

Investee companies	As of			
	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in subsidiaries:				
Dynamic Electronics (Taoyuan) Co., Ltd.	\$7,600,530	100.00%	\$6,032,932	100.00%
CHIANAN TECHNOLOGY CO., LTD. (Note 1)	5,530	70.00%	16,353	70.00%
CHENG CHONG TECHNOLOGY CO., LTD. (Note 2)	35,850	70.00%	37,046	70.00%
	<u>\$7,641,910</u>		<u>\$6,086,331</u>	

Note 1: Considering the long-term development needs of the Company, on May 5, 2023 the Board of Directors resolved to that Dynamic Electronics (Taoyuan) Co., Ltd.'s reinvestment in CHIANAN TECHNOLOGY CO., LTD. is changed to the Company's reinvestment in CHIANAN TECHNOLOGY CO., LTD. On July 3, 2023, the share settlement was completed. The above transaction is an equity adjustment under organizational restructuring.

Note 2: Considering the long-term development needs of the Company, on May 5, 2023 the Board of Directors resolved to that Dynamic Electronics (Taoyuan) Co., Ltd.'s reinvestment in CHENG CHONG TECHNOLOGY CO., LTD. is changed to the Company's reinvestment in CHENG CHONG TECHNOLOGY CO., LTD. On July 3, 2023, the share settlement was completed. The above transaction is an equity adjustment under organizational restructuring.

(A)The Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary valuations and adjustments.

(B)No investment accounted for under the equity method was pledged as collaterals.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Property, plant and equipment

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Owner occupied property, plant and equipment	\$296	\$231
		Office equipment
Cost:		
As of January 1, 2024		\$378
Additions		259
Disposals		-
Transfer		-
As of December 31, 2024		\$637
Cost:		
As of January 1, 2023		\$378
Additions		-
Disposals		-
Transfer		-
As of December 31, 2023		\$378
Depreciation and impairment:		
As of January 1, 2024		\$147
Depreciation		194
Impairment loss		-
Disposals		-
Transfer		-
As of December 31, 2024		\$341

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Office equipment
Depreciation and impairment:	
As of January 1, 2023	\$21
Depreciation	126
Impairment loss	-
Disposals	-
Transfer	-
As of December 31, 2023	\$147
Net carrying amount as of:	
December 31, 2024	\$296
December 31, 2023	\$231
(4) Intangible assets	
	Computer software
Cost:	
As of January 1, 2024	\$-
Additions – acquired separately	225
As of December 31, 2024	\$225
Amortization and impairment:	
As of January 1, 2024	\$-
Amortization	50
As of December 31, 2024	\$50
Net carrying amount as of:	
As of December 31, 2024	\$175

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Amortization of intangible assets is as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Operating expenses	\$50	\$-

(4) Other payables

Details of other payables are as follows:

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Wages and salaries payable	\$3,225	\$3,538
Employee compensation payable	8,080	7,769
Compensation due to directors and supervisors	16,455	15,385
Other accrued expenses	5,201	3,132
Total	\$32,961	\$29,824

(6) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 amounted to NT\$825 thousand and NT\$782 thousand.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Equities

(A) Common stock

As of December 31, 2024 and 2023, the Company's authorized capital was NT\$4,000,000 thousand, and the issued capital was NT\$2,776,746 thousand, each share at par value of NT\$10, divided into 277,674,584 shares.

Dynamic Electronics (Taoyuan) Co., Ltd. issued the second domestic unsecured convertible bond and applied for converting into common shares of Dynamic Holding Co., Ltd. for the year ended December 31, 2023. The amount was NT\$2,400 thousand, exchanged for 126 thousand common shares.

(B) Capital surplus

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Additional paid-in capital	\$1,176,745	\$1,176,745
Conversion premium of convertible bonds	1,943	1,943
Treasury share transactions	34,946	34,946
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	68,088	61,670
Gain on sale of assets	155	155
Employee share option	6,528	6,528
Share options	77,687	77,687
Merger by share exchange	1,621,622	1,621,622
Total	<u>\$2,987,714</u>	<u>\$2,981,296</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made either in cash or in the form of share dividend to its shareholders in proportion to the number of shares being held by each of them.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Retained earnings and dividend policies

(a) According to the Company's articles of association, when allocating the current year's earnings, if any, after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply; the rest shall be set aside as special surplus or reversal according to laws or the regulations of the competent authority; if there is any remaining portion, the board of directors shall, along with the accumulated undistributed earnings, submit a surplus distribution proposal to the shareholders meeting for a resolution to distribute shareholder dividends. The Company may, in accordance with Articles 240 and 241 of the Company Act, authorize the board of directors to issue cash dividends and bonuses by special resolutions, and distribute in cash the above-mentioned dividends or capital reserve or/and legal reserve in compliance with the Company Act and shall report the distribution in the most recent shareholder's meeting.

(b) Dividend policy

The Company's dividend policy is based on the expansion of business scale, considering the Company's capital expenditure and operating turnover needs and the degree of dilution of earnings per share to moderately distribute stock dividends or cash dividends, but cash dividends are paid at a rate not lower than the current 10% of total annual dividends.

(c) According to the Company Act, the Company shall set aside legal reserve from earnings unless where the amount of legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by shareholders.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Special reserve

The special surplus reserve shall be set aside at the time of the assignment of the distributable surplus, on the basis of the difference between the balance of the special surplus reserve at the time of the first IFRS application and the net amount of other equity deductions. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

Following the adoption of T-IFRS, the FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, Dynamic Electronics (Taoyuan) shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, Dynamic Electronics (Taoyuan) can reverse the special reserve by proportion and transfer to retained earnings.

As of January 1, 2013, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$349,310 thousand. Furthermore, Dynamic Electronics (Taoyuan) has reversed special reserve in the amount of NT\$49,644 thousand to retained earnings during the year ended December 31, 2013 due to the use, disposal or reclassification of related assets. As of December 31, 2024 and 2023, special reserve set aside for the first-time adoption of TIFRS reduced to NT\$299,666 thousand accordingly

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (e) The appropriations of earnings for the years 2024 and 2023 were approved through the Board meeting and stockholders' meeting held on February 26, 2025 and May 16, 2024, respectively. The details of the distributions are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2024	2023	2024	2023
Legal reserve	\$105,074	\$100,340		
Special reserve	(90,287)	65,711		
Cash dividend	416,512	416,512	\$1.5	\$1.5
Total	<u>\$431,299</u>	<u>\$582,563</u>		

Please refer to Note 6(10) for details on employees' compensation and remuneration to directors and supervisors.

(8) Operating revenues

	For the years ended December 31,	
	2024	2023
Investment revenues	<u>\$1,107,176</u>	<u>\$1,046,391</u>
By the timing for revenue recognition:		
At a point in time	<u>\$1,107,176</u>	<u>\$1,046,391</u>

(9) Leases

(A) Company as a lessee

The Company leases transportation equipment. The lease terms 1 year. The Company is not allowed to loan, sublease or sell without obtaining the consent from the lessors.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	Transportation equipment
Cost:	
As of January 1, 2024	\$-
Additions	5,853
As of December 31, 2024	\$5,853
Depreciation and impairment:	
As of January 1, 2024	\$-
Depreciation	1,951
As of December 31, 2024	\$1,951
Net carrying amount as of:	
December 31, 2024	\$3,902

The right-of-use assets were not pledged.

b. Lease liabilities

	As of Dec. 31, 2024
Leases liabilities	\$3,790
Current	\$1,883
Non-current	1,907
Total	\$3,790

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Income and costs relating to leasing activities

	For the years ended December 31,	
	2024	2023
The expenses relating to short-term leases	\$2,839	\$2,709

As of December 31, 2024 and 2023 the portfolio of short-term leases of the Company to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses disclosed above, and the amount of its lease commitments were both NT\$0.

(c) Cash outflow relating to leasing activities

For the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases amounted to NT\$4,757 thousand and NT\$2,709 thousand.

(10) Summary of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2024 and 2023 is as follows:

Function Nature	For the years ended December 31,					
	2024			2023		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$-	\$22,726	\$22,726	\$-	\$21,554	\$21,554
Labor and health insurance	-	1,442	1,442	-	1,408	1,408
Pension	-	825	825	-	782	782
Remuneration to directors and supervisors	-	17,726	17,726	-	16,645	16,645
Other employee benefits	-	-	-	-	117	117
Depreciation	-	2,145	2,145	-	126	126
Amortization	-	50	50	-	-	-

Note:(A) As of December 31, 2024 and 2023, the headcounts of the Company amounted to 14 and 13, respectively. Among the Company's directors, there were both 0 who were not the employees.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) Companies who have been listed on Taiwan Stock Exchange or Taipei Exchange should disclose the following information:

- (a) For the years ended December 31, 2024 and 2023, the average employee benefits were NT\$1,785 thousand and NT\$1,835 thousand.
- (b) For the years ended December 31, 2024 and 2023, the average salaries were NT\$1,623 thousand and NT\$1,658 thousand.
- (c) The change in the average salaries was (2.1)%.
- (d) The salary and remuneration policy of the Company:

According to Article 26 of the Company's Articles of Incorporation, if there is profit in the year, no less than 0.1% shall be allocated as employees compensation and no more than 3% as director remuneration. In addition to the basic salary, the company will issue bonuses based on operating conditions to motivate morale and retain outstanding employees in a timely manner. The Company formulates position and rank management policies and personnel appraisal committee establishment policies to provide objective and fair evaluations based on the actual conditions by establishing a remuneration system to keep employees motivated. The system will serve as the basis for bonuses, promotions, salary adjustments, and job transfers; directors' remuneration and manager's remuneration are recommended by the remuneration committee in accordance with the Company's policy, after being submitted to the Board of Directors for approval.

According to the Articles of Incorporation, if there is profit in the year, no less than 0.1% shall be allocated as employee compensation and no more than 3% as director remuneration. However, when there are accumulated losses, the profit shall be used to cover the losses first. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto, a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Based on profit of the years ended December 31, 2024 and 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the years ended December 31, 2024 and 2023 to be not lower than 0.1% and not higher than 3% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 amounted to NT\$6,862 thousand and NT\$16,455 thousand, respectively; for the year ended December 31, 2023 amounted to NT\$6,897 thousand and NT\$15,385 thousand, respectively. A resolution was passed at a board meeting to distribute in the form of stocks as employees' compensation; the number of stocks distributed was calculated based on the closing price one day before the date of resolution. If there is a discrepancy between the estimated number and the actual distribution amount determined by the board of directors, it will be recognized as a gain or loss in the following year.

No material differences existed between the actual distribution amount of the employee compensation and remuneration to directors and supervisors and the amount expensed in the financial statements for the year ended December 31, 2024.

No material differences exist between the actual distribution amount of the employee compensation and remuneration to directors and supervisors and the amount expensed in the financial statements for the year ended December 31, 2023.

(11) Non-operating income and expenses

(A) Interest income

	For the years ended December 31,	
	2024	2023
Financial assets measured at amortized cost	\$15,187	\$19,783

(B) Other income

	For the years ended December 31,	
	2024	2023
Other income — others	\$587	\$135

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Other gains and losses

	For the years ended December 31,	
	2024	2023
Foreign exchange (loss) gain, net	\$30,335	\$(977)
Impairment loss on non-financial assets	(10,000)	-
Other losses — others	(12)	-
Total	\$20,323	\$(977)

(D) Finance costs

	For the years ended December 31,	
	2024	2023
Interest on bank loans	\$-	\$300
Interest on lease liabilities	60	-
Total	\$60	\$300

(12) Components of other comprehensive income (loss)

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	\$496,393	\$-	\$496,393	\$-	\$496,393

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended December 31, 2023

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method	<u>\$(65,711)</u>	<u>\$-</u>	<u>\$(65,711)</u>	<u>\$-</u>	<u>\$(65,711)</u>

(13) Income tax

(A) The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2024	2023
Current income tax expense (income):		
Current income tax charge	\$21,042	\$-
Adjustments in respect of current income tax of prior periods	1,921	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	-	-
Total income tax expense	<u>\$22,963</u>	<u>\$-</u>

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) A reconciliation between tax expense and income before tax at the Company's applicable tax rates is as follows:

	For the years ended December 31,	
	2024	2023
Income before tax	\$1,073,702	\$1,003,398
Tax at the domestic rates applicable to profits in the country concerned	\$214,740	\$200,680
Other adjustments according to the Tax Law	(221,435)	(209,278)
Tax on undistributed earnings	21,042	-
Tax effect of deferred tax assets/liabilities	6,695	8,598
Adjustments in respect of current income tax of prior periods	1,921	-
Total income tax expense recognized in profit or loss	\$22,963	\$-

(C) Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets that have not been recognized amounted to NT\$17,205 thousand and NT\$13,039 thousand.

(D) As of December 31, 2024, the Company's unused net operating loss carryforwards and expiration periods are as follows:

Year incurred	Net operating loss	Expiration year
2022	\$22,202	2032
2024 (proposed)	51,399	2034
	\$73,601	

(E) The assessment of income tax returns

	The assessment of income tax returns
The Company	Assessed and approved up to 2022

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2024	2023
(A) Basic earnings per share		
Net income available to common shareholders of the parent (in thousand NT\$)	\$1,050,739	\$1,003,398
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,607
Basic earnings per share (in NT\$)	\$3.78	\$3.61
(B) Diluted earnings per share		
Net income available to common shareholders of the parent (in thousand NT\$)	\$1,050,739	\$1,003,398
Interest on convertible bonds	-	18
Net income available to common shareholders of the parent after dilution (in thousand NT\$)	\$1,050,739	\$1,003,416

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the years ended December 31,	
	2024	2023
Weighted average number of common stocks outstanding (in thousand shares)	277,675	277,607
Effect of dilution:		
Employee bonus (compensation)—stock (in thousand shares)	130	110
Convertible bonds (in thousands shares)	-	68
Weighted average number of common stocks outstanding after dilution (in thousand shares)	277,805	277,785
Diluted earnings per share (in NT\$)	\$3.78	\$3.61

There were no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. Related party transactions

- (1) Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Dynamic Electronics (Taoyuan) Co., Ltd.	Subsidiary
Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Subsidiary

- (2) Significant transactions with related parties

(A) Financing with related parties

For the year ended December 31, 2024: None.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended December 31, 2023:

Other payables	The highest balance	Balance at year end	Interest Rates	Total interest for the year
Dynamic Electronics (Taoyuan) Co., Ltd.	\$20,000	\$-	2.366%	\$300

(B) The details of the company's endorsement/guarantee for related parties are as follows:

Related parties	Foreign currencies	As of Dec.31, 2024	As of Dec.31, 2023
Dynamic Electronics Co., Ltd. (Huangshi)	USD	\$15,000	\$98,000
Dynamic Electronics Co., Ltd. (Huangshi)	RMB	590,000	-
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	USD	65,500	-
Dynamic Technology Manufacturing (Thailand) Co., Ltd.	RMB	150,000	-

(C) Key management personnel compensation

	For the years ended December 31,	
	2024	2023
Short-term employee benefits	\$30,211	\$27,161
Post-employment benefits	421	353
Total	\$30,632	\$27,514

8. Assets pledged as collateral

None.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. Significant contingencies and unrecognized contract commitments

The Company passed the relevant commitments matters through Board of Directors on September 22, 2023, October 1, 2024 and February 26, 2025 respectively in response to the needs of its subsidiary, Dynamic Electronics Co., Ltd., (Huangshi) which intends to apply for the listing on the stock exchange in mainland China. The Company assessed those commitments do not have a significant negative impact on the financial operations of the Company and have complied with the relevant regulations.

In addition, the Company has included the commitments made on September 22, 2023 in the report of the shareholders' meeting on May 16, 2024. The commitments made on October 1, 2024 and February 26, 2025 have been included in the report for the shareholders' meeting of 2025. For the related information, please refer to the Market Observation Post System website.

10. Losses due to major disasters

None.

11. Significant subsequent events

In response to the capital expenditures of its subsidiary, Dynamic Technology Manufacturing (Thailand) Co., Ltd., the Company's Board of Directors resolved on February 26, 2025, to delegate the arrangement US\$ 90 million syndicated loan to Bank SinoPac Co., Ltd.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12. Others

(1) Categories of financial instruments

Financial assets

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	\$293,751	\$690,027
Other receivables	48	-
Refundable deposits	2,830	630
Total	<u>\$296,629</u>	<u>\$690,657</u>

Financial liabilities

	As of	
	Dec. 31, 2024	Dec. 31, 2023
Financial liabilities measured at amortized cost:		
Payables	\$32,961	\$29,824
Leased liabilities (including current portion with maturity less than 1 year)	3,790	-
Total	<u>\$36,751</u>	<u>\$29,824</u>

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before the Company enters into significant transactions, the Board of Directors and Audit Committee must carry out due approval process based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency. The information of the sensitivity analysis is as follows:

When NTD weakens/strengthens against USD by 1%, the profit for the years ended December 31, 2024 and 2023 is increased/decreased by NT\$1,142 thousand and NT\$6,418 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 0.1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decrease/increase by NT\$214 thousand and NT\$48 thousand, respectively.

Equity price risk

As of December 31, 2024 and 2023, the Company does not hold equity securities at fair value; therefore the Company is not subject to equity price risk.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	<u>< 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
<u>As of Dec. 31, 2024</u>					
Payables	\$32,961	\$-	\$-	\$-	\$32,961
Leased liabilities	1,919	1,919	-	-	3,838
<u>As of Dec. 31, 2023</u>					
Payables	\$29,824	\$-	\$-	\$-	\$29,824

(5) Fair values of financial instruments

(A) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
 - (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
 - (d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.).
 - (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).
- (B) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(C) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(6) for fair value measurement hierarchy for financial instruments of the Company.

(6) Fair value measurement hierarchy

(A) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(B) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. And the Company assets or liabilities that are measured at fair value on a recurring basis.

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is as follows (in thousand dollars):

	As of					
	December 31, 2024			December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$3,483	32.785	\$114,191	\$20,901	30.705	\$641,759

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were varieties of foreign currency transactions of the Company, the Company was unable to disclose foreign exchange gain (loss) towards each foreign currency with significant impact. The Company recognized exchange gain (loss) amounted to NT\$30,335 thousand and NT\$(977) thousand for the years ended December 31, 2024 and 2023, respectively .

(8) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

13. Other disclosures

(1) Information on significant transactions:

(A) Financing provided to others: None.

(B) Endorsement/Guarantee provided to others: Please refer to Attachment 1.

(C) Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint ventures): None.

(D) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(E) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(F) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.

(G) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(H) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: None.

(I) Financial instruments and derivative transactions: None.

(2) Information on investees:

(A) If an investor controls operating, investing and financial decisions of an investee or an investor has the ability to exercise the ability to exercise significant influence over operating and financial policies of an investee, the related information for the investee is disclosed (not including investment in Mainland China): Please refer to Attachment 2

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) An investor controls operating, investing and financial decisions of an investee, the related information Note13(1) for the investee shall be disclosed as below:

- (a) Financing provided to others: Please refer to Attachment 3.
- (b) Endorsement/Guarantee provided to others: Please refer to Attachment 1.
- (c) Securities held as of December 31, 2024 (excluding subsidiaries, associates and joint ventures): None.
- (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of capital stock: None.
- (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: Please refer to Attachment 4.
- (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of capital stock: None.
- (g) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 5.
- (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock: Please refer to Attachment 6.
- (i) Financial instruments and derivative transactions: None.

English Translation of Parent-Company-Only Financial Statements and Footnotes Originally Issued in Chinese

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Information on investments in Mainland China:

(A) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flow		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of Dec. 31, 2024	Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics (Kunshan) Co., Ltd.	Manufacturing and selling of PCB	\$2,622,800 (Note 2, 3 and 6)	(Note 10)	\$2,260,265	\$-	\$-	\$2,260,265	\$369,567 (Note 2)	97.8541%	\$427,650 (Note 2, 4 and 5)	\$3,095,021 (Note 2 and 4)	\$1,977,132 (Note 2)	\$2,260,265	\$- (Note 10)	\$4,732,442

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DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2024	Investment Flow		Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Dec. 31, 2024	Accumulated Inward Remittance of Earnings as of Dec. 31, 2024	Accumulated Outflow of Investment from Taiwan as of Dec. 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
					Outflow	Inflow									
Dynamic Electronics Co., Ltd. (Huangshi)	Manufacturing and selling of PCB	\$1,909,726 (Note 2, 7, 8 and 9)	(Note 1)	\$504,167	\$-	\$-	\$504,167	\$1,201,347 (Note 2)	97.8541%	\$866,071 (Note 2, 4 and 5)	\$8,400,109 (Note 2 and 4)	\$-	\$504,167	\$3,397,582	\$4,732,442

Note 1: Investment in Mainland China through WINTEK (MAURITIUS) CO., LTD. and Dynamic Holding Pte. Ltd., companies established in the third area.

Note 2: Foreign currencies were converted into New Taiwan dollars based on exchanged rate of balance sheet date.

Note 3: Total amount of paid-in capital is USD 80,000 thousand.

Note 4: The investment income (loss) recognized under equity method and by calculation was based on audited financial statements.

Note 5: It includes the share of profit or loss of associates and joint ventures accounted for using the equity method, as well as unrealized gain or loss with associates and other adjustments at the beginning and end of the period.

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- Note 6: The difference between investments remitted from Taiwan in amount of USD 69,500 thousand and the received paid-in capital of USD 80,000 thousand was cash capital increase of USD 10,500 thousand made by WINTEK (MAURITIUS) CO., LTD.
- Note 7: The difference between investments remitted from Taiwan in amount of USD 16,060 thousand and the paid-in capital of USD50,000 thousand is an indirect investment of USD33,940 thousand made by WINTEK (MAURITIUS) CO., LTD. by using cash dividends received from Dynamic Electronics (Kunshan) Co. Ltd.
- Note 8: Dynamic Electronics Co., Ltd. (Huangshi) passed the resolution of the board of directors on August 4, 2022 to reduce the capital of USD 73,000 thousand, which was booked under capital surplus. In addition, on September 2, 2022, the board of directors approved a cash capital increase of RMB 35,000 thousand of which RMB 8,888 thousand (equivalent to USD 1,250 thousand) was booked as capital, and the remaining RMB 26,112 thousand was booked as capital surplus.
- Note 9: Total amount of paid-in capital is USD58,250 thousand.
- Note 10: The Company previously indirectly invested in its China subsidiary, Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Holding Pte. Ltd. The Company now indirectly invests in Dynamic Electronics (Kunshan) Co. Ltd., through Dynamic Electronics Co., Ltd. (Huangshi).

DYNAMIC HOLDING CO., LTD.

NOTES TO PARENT-COMPANY-ONLY FINANCIAL STATEMENTS – (CONTINUED)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(B) Purchase and accounts payable with the related parties: None.

(C) Sales and accounts receivable with the related parties: None.

(D) The profit and loss produced by transaction of the property:

As of December 31, 2024, Dynamic Electronics (Taoyuan) wrote off the profit of property, plant and equipment amounted to NT\$55,015 thousand, because of unrealized under the investment balance using the equity method.

(E) The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure: Please refer to Attachment 1.

(F) The amount of maximum financing, the balance interest rates, and lump sum interest expense: Please refer to Attachment 3.

(G) The other events impact over current profit or loss or have the significant influence over the financial conditions, such as provided service or received service: None.

(4) Information on major shareholders:

None.

14. Segment information

The Company has provided the operating segments disclosure in the consolidated financial statements.

DYNAMIC HOLDING CO., LTD.

Endorsement/Guarantee Provided to Others

For the Year Ended December 31, 2024

Attachment 1

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 3)	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
	Name	Name	Relationship (Note2)										
0	Dynamic Holding Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,887,403	\$4,564,440	\$3,118,295	\$1,510,643	\$-	39.54%	\$7,887,403	Y	N	Y
0	Dynamic Holding Co., Ltd.	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	2	\$7,887,403	\$2,812,093	\$2,812,093	\$762,180	\$-	35.65%	\$7,887,403	Y	N	N
1	Dynamic Electronics (Taoyuan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	2	\$7,600,530	\$271,200	\$-	\$-	\$-	-	\$7,600,530	Y	N	Y

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. Dynamic Holding Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90 percent or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the procedures of Endorsement and Guarantee, the limitation of endorsement or guarantee for other subsidiaries shall not exceed the current net value of the Company. Also, the limitation of endorsement or guarantee for one of the subsidiaries shall not exceed the current net value of Company.

DYNAMIC HOLDING CO., LTD.

Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As of December 31, 2024

Attachment 2

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Address	Main Business and Product	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2024	As of December 31, 2023	Shares	%	Carrying Value			
Dynamic Holding Co., Ltd.	Dynamic Electronics (Taoyuan) Co., Ltd.	33846 6F., No. 50, Minquan Rd., Luzhu Dist., Taoyuan City, Taiwan	Investing activities	\$6,148,342	\$6,148,342	367,197,240	100.00%	\$7,600,530	\$1,109,195	\$1,109,195	Note
Dynamic Holding Co., Ltd.	CHIANAN TECHNOLOGY CO., LTD.	24257 2F, No. 649, Zhongzheng Road, Xinzhuang District, New Taipei City, Taiwan	Mockup manufacture	\$16,428	\$16,428	7	70.00%	\$5,530	\$(4,263)	\$(2,982)	
Dynamic Holding Co., Ltd.	CHENG CHONG TECHNOLOGY CO., LTD	24260 17F, No. 545, Longan Road, Xinzhuang District, New Taipei City, Taiwan	Mockup manufacture	\$33,533	\$33,533	7	70.00%	\$35,850	\$1,377	\$963	
Dynamic Electronics (Taoyuan) Co., Ltd.	WINTEK (MAURITIUS) CO., LTD.	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Investing activities	\$2,788,141	\$2,783,433	8,596,000	100.00%	\$8,428,968	\$1,392,930	\$1,392,930	
WINTEK (MAURITIUS) CO., LTD.	Dynamic Electronics Holding Pte. Ltd.	151 CHIN SWEE ROAD #01-39 MANHATTAN HOUSE SINGAPORE(169876)	Investing activities	\$1,564,061	\$1,559,261	142,067,000	100.00%	USD 257,053	USD 43,397	USD 43,397	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic PCB Electronics Co., Ltd.	1st Floor, #5 DEKK House, De Zippora Street, P.O. Box 456, Providence Industrial Estate, Mahe, Republic of Seychelles	PCB and business which relates to import and export	Note	\$1,957	Note	Note	Note	(CNY 5)	(CNY 5)	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	Office 1, 1st Floor, DEKK Complex, Plaisance, Mahé, Republic of Seychelles	PCB and business which relates to import and export	\$82,967	\$82,967	50,000	100.00%	CNY 345,487	CNY 144,339	CNY 144,339	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Overseas Investment	151 CHIN SWEE ROAD #01-46 MANHATTAN HOUSE SINGAPORE(169876)	Management operations services	\$3,788,900	\$1,251,478	119,250,000	100.00%	CNY 772,097	(CNY 107,674)	(CNY 107,674)	
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	Manufacture and sale of PCB	\$-	\$-	2	0.01%	USD 0	(USD 14,972)	USD 0	
Dynamic Overseas Investment	Dynamic Technology (Thailand)	106 Moo 7 Thatoom, Srimahaphot, Prachinburi 25140	Manufacture and sale of PCB	\$3,779,224	\$1,241,803	41,999,998	99.99%	USD 107,294	(USD 14,972)	(USD 14,972)	

Note : Dynamic PCB Electronics Co., Ltd. completed its dissolution process on October 3, 2024.

DYNAMIC HOLDING CO., LTD.

Financing provided to others

For the Year Ended December 31, 2024

Attachment 3

(In Thousands of New Taiwan Dollars)

NO. (Note1)	Lender	Counter-party	Financial accounting account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 2)	Amount of sales to (purchases from) counter-party	Reason for financing	Loss Allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Other receivables	Yes	\$1,175,200	\$1,157,780	\$1,157,780	3.1%-3.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,887,498 (Note 3)	\$1,887,498 (Note 3)
2	Dynamic Electronics Co., Ltd.(Seychelles)	Dynamic Technology Manufacturing (Thailand) Co., Ltd.	Other receivables	Yes	\$557,345	\$556,495	\$556,495	5.81%-6.45%	2	\$-	Business turnover	\$-	-	\$-	\$1,575,704 (Note 4)	\$1,575,704 (Note 4)

Note 1: Dynamic Holding Co., Ltd. and subsidiaries are coded as follows:

1. The Company is "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of financing is coded as follows:

1. Need for operating is coded "1".
2. Need for short term financing is coded "2".

Note 3: Limit of total financing amount shall not exceed 60% of the lender's net assets of value as of December 31, 2024. Limit of financing amount for individual counter-party shall not exceed 60% of the lender's net assets value as of December 31, 2024.

Note 4: Limit of total financing amount shall not exceed 100% of the lender's net assets of value as of December 31, 2024. Limit of financing amount for individual counter-party shall not exceed 100% of the lender's net assets value as of December 31, 2024.

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DYNAMIC HOLDING CO., LTD.

Acquired of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital

For the Year Ended December 31, 2024

Attachment 4

(In Thousands of Foreign Currency)

Acquired Company	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose and Use of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Dynamic Technology (Thailand)	<u>Land</u> Land of Thailand Plant	August 9, 2023	THB 356,165	As of December 31, 2024, THB 356,165 was paid (Note)	304 INDUSTRIAL PARK 7 COMPANY LIMITED	None	None	None	None	None	Negotiation	Land for plant expansion	None
Dynamic Technology (Thailand)	<u>Buildings</u> Construction of Thailand Plant	August 31, 2023	THB 1,344,776	As of December 31, 2024, THB 942,600 was paid (Note)	China State Construction (Thailand) Co., Ltd.	None	None	None	None	None	By Bidding	Production expansion and operation planning	None

Note : The transfer of ownership was completed in January 2024.

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Seychelles)	Subsidiary	Sales	RMB 1,207,912	69.68%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 375,754	61.70%	
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Sales	RMB 81,918	4.73%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 60~150 days after monthly closing.	Accounts receivable RMB 33,868	5.56%	
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	RMB 918,217	68.64%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 223,694	55.25%	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	RMB 81,918	4.84%	90 days after monthly closing.	Specs of goods purchased are different from others. Cannot be reasonably compared.	Non relative parties are 90~120 days after monthly closing.	Accounts payable RMB 33,868	5.13%	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Sales	RMB 918,217	30.18%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after.	Accounts receivable RMB 223,694	23.89%	
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd. (Seychelles)	Subsidiary	Sales	RMB 1,630,341	53.58%	90 days after monthly closing.	Specs of goods sold are different from others. Cannot be reasonably compared.	Non relative parties are 120 days after.	Accounts receivable RMB 445,805	47.61%	
Dynamic Electronics Co., Ltd (Seychelles)	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	Purchases	USD 229,228	57.43%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 61,901	54.64%	
Dynamic Electronics Co., Ltd. (Seychelles)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	Purchases	USD 169,896	42.56%	90 days after monthly closing.	Not comparable.	No non-related parties to be compared with.	Accounts payable USD 51,397	45.36%	

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

DYNAMIC HOLDING CO., LTD.

Receivables from Related Parties with Amounts exceeding the lower of NT\$100 Million or 20% of Capital Stock

As of December 31, 2024

Attachment 6

(In Thousands of Foreign Currency)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	RMB 375,754	3.42	\$-	-	\$-	\$-
			(Note 1)					
Dynamic Electronics (Kunshan) Co., Ltd.	Dynamic Electronics Co., Ltd. (Huangshi)	Subsidiary	RMB 33,868	2.70	\$-	-	\$-	\$-
			(Note 1)					
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics Co., Ltd (Seychelles)	Subsidiary	RMB 445,805	4.04	\$-	-	\$-	\$-
			(Note 1)					
Dynamic Electronics Co., Ltd. (Huangshi)	Dynamic Electronics (Kunshan) Co., Ltd.	Subsidiary	RMB 223,694	3.21	\$-	-	\$-	\$-
			(Note 1)					

Note1: Accounts receivable.

Dynamic Holding Co., Ltd.

Chairman : Ken Huang

