

English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker:4566

**GLOBAL TEK FABRICATION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT AUDITORS
AS OF MARCH 31, 2025 AND 2024
AND FOR THE THREE -MONTH PERIODS THEN ENDED**

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

**Consolidated Financial Statements
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REVIEW REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors and Shareholders of
Global Tek Fabrication Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Global Tek Fabrication Co., Ltd. (the “Company”) and its subsidiaries as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income changes in equity and cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 6(9), the financial statements of certain associates and joint ventures accounted for under the equity method were not reviewed by independent accountants. Those associates and joint ventures under equity method amounted to NT\$297,059 thousand as of March 31, 2024. The related shares of profits from the associate and joint venture under the equity method amounted to NT\$2,188 thousand for the three-month ended March 31, 2024. The information related to above associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent auditors.

Unqualified Conclusion and Qualified Conclusion

Based on our reviews, except for the effect of such adjustments as of March 31, 2024, if any, as might have been determined to be necessary had the financial statements of the associate and joint venture accounted for using equity method been reviewed by independent auditors described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Cheng, Ching-Piao

/s/Fuh, Wen-Fun

Ernst & Young
May 14, 2025
Taipei, Taiwan
Republic of China

Notice 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 and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As of March 31, 2025, December 31, 2024 and March 31, 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of March 31, 2025		As of December 31, 2024		As of March 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$2,193,827	21	\$1,938,702	19	\$2,325,585	26
1110	Financial assets at fair value through profit or loss	6(2)	518	-	518	-	549	-
1136	Financial assets measured at amortized cost	6(4),8	98,278	1	134,825	1	43,403	1
1150	Notes receivables, net	6(5),8	229,767	2	261,149	3	192,931	2
1170	Accounts receivables, net	6(6),8	1,367,159	13	1,423,208	14	1,207,266	14
1180	Accounts receivables - related parties	6(6),7	1,890	-	-	-	-	-
1197	Financing lease payments receivable, net	6(7)	30,320	-	30,026	-	32,015	-
1200	Other receivables		55,016	1	48,953	1	58,787	1
1210	Other receivables - related parties	7	-	-	54	-	18,440	-
1220	Income tax assets		540	-	216	-	-	-
1310	Inventories, net	6(8)	1,113,245	11	1,112,913	11	898,740	10
1410	Prepayments		238,406	2	229,936	2	215,041	3
1470	Other current assets		5,895	-	10,325	-	17,878	-
11xx	Total current assets		<u>5,334,861</u>	<u>51</u>	<u>5,190,825</u>	<u>51</u>	<u>5,010,635</u>	<u>57</u>
	Non-current assets							
1510	Financial assets at fair value through profit or loss	6(2)	154	-	203	-	832	-
1517	Financial assets at fair value through other comprehensive income	6(3)	48,666	-	48,666	-	79,920	1
1535	Financial assets measured at amortized cost	6(4),8	18,723	-	8,110	-	1,815	-
1550	Investment accounted for under equity method	6(9)	-	-	-	-	297,059	4
1600	Property, plant and equipment	6(10),8,9	3,967,210	38	3,941,065	39	3,021,460	34
1755	Right-of-use asset	6(23)	676,005	8	686,725	7	173,508	2
1760	Investment properties	6(11)	11,074	-	11,004	-	11,324	-
1780	Intangible assets	6(12)	129,841	1	117,925	1	10,459	-
1840	Deferred tax assets	4	115,932	1	131,116	1	82,133	1
1915	Prepayment for equipment		64,255	1	69,256	1	88,527	1
194D	Long-term financing lease payments receivable	6(7)	9,068	-	16,614	-	39,435	-
1990	Other non-current assets	6(13),8	22,404	-	20,831	-	10,607	-
15xx	Total non-current assets		<u>5,063,332</u>	<u>49</u>	<u>5,051,515</u>	<u>49</u>	<u>3,817,079</u>	<u>43</u>
1xxx	Total Assets		<u>\$10,398,193</u>	<u>100</u>	<u>\$10,242,340</u>	<u>100</u>	<u>\$8,827,714</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

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (Continued)

As of March 31, 2025, December 31, 2024 and March 31, 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2025		As of December 31, 2024		As of March 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term loans	6(14),8	\$724,134	7	\$517,262	5	\$560,099	6
2130	Contract liabilities	6(21)	36,168	-	46,010	1	27,540	-
2150	Notes payables		127,046	1	173,341	2	122,635	1
2170	Accounts payables		734,186	7	739,958	7	687,184	8
2180	Account payables - related parties	7	6,297	-	6,221	-	-	-
2200	Other payables	6(15)	742,231	8	630,147	6	546,140	6
2220	Other payables - related parties	7	32,520	-	31,862	1	-	-
2230	Current income tax liabilities	4	19,417	-	15,974	-	58,773	1
2280	Lease liabilities	6(23)	26,257	-	26,475	-	16,549	-
2321	Current portion of bonds payable	6(16)	-	-	100	-	150,220	2
2322	Current portion of long-term loans	6(17),8	457,411	5	452,758	4	197,775	2
2399	Other current liabilities		6,394	-	4,843	-	3,975	-
21xx	Total current liabilities		<u>2,912,061</u>	<u>28</u>	<u>2,644,951</u>	<u>26</u>	<u>2,370,890</u>	<u>26</u>
	Non-current liabilities							
2530	Corporate bonds payable	6(16)	40,431	1	44,587	-	761,319	9
2540	Long-term loans	6(17),8	1,599,083	15	1,674,479	16	1,371,583	16
2570	Deferred income tax liabilities	4	256,933	3	251,608	3	235,855	3
2580	Lease liabilities	6(23)	567,648	5	574,172	6	96,904	1
2600	Other non-current liabilities	6(18)	12,079	-	12,496	-	11,948	-
25xx	Total non-current liabilities		<u>2,476,174</u>	<u>24</u>	<u>2,557,342</u>	<u>25</u>	<u>2,477,609</u>	<u>29</u>
2xxx	Total liabilities		<u>5,388,235</u>	<u>52</u>	<u>5,202,293</u>	<u>51</u>	<u>4,848,499</u>	<u>55</u>
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(20)						
3110	Common stock		1,098,097	10	1,097,208	11	912,938	10
3200	Capital surplus	6(20)	2,809,048	27	2,805,479	27	2,117,743	24
3300	Retained earnings	6(20)						
3310	Legal reserve		181,468	2	181,468	2	155,987	2
3320	Special reserve		96,677	1	96,677	1	72,027	1
3350	Unappropriated earnings		728,071	7	805,198	8	782,761	9
3400	Other components of equity		18,661	-	(26,425)	-	(62,241)	(1)
36xx	Non-controlling interests		77,936	1	80,442	-	-	-
3xxx	Total equity		<u>5,009,958</u>	<u>48</u>	<u>5,040,047</u>	<u>49</u>	<u>3,979,215</u>	<u>45</u>
3x2x	Total liabilities and equity		<u>\$10,398,193</u>	<u>100</u>	<u>\$10,242,340</u>	<u>100</u>	<u>\$8,827,714</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
Global Tek Fabrication Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Incomes
For the three-month periods ended March 31, 2025 and 2024
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended March 31,			
			2025		2024	
			Amount	%	Amount	%
4000	Operating revenues	6(21),7	\$1,252,349	100	\$1,054,688	100
5000	Operating costs		(951,130)	(76)	(811,326)	(77)
5900	Gross profit		301,219	24	243,362	23
6000	Operating expenses	7				
6100	Sales and marketing		(88,931)	(7)	(67,065)	(6)
6200	General and administrative		(107,313)	(8)	(75,607)	(7)
6300	Research and development		(42,690)	(4)	(37,934)	(4)
6450	Expected credit gains (losses)	6(22)	(2,809)	-	(1,626)	-
	Total operating expenses		(241,743)	(19)	(182,232)	(17)
6900	Operating income		59,476	5	61,130	6
7000	Non-operating incomes and expenses					
7100	Interest incomes	6(25),7	11,763	1	18,894	2
7010	Other incomes	6(25),7	27,220	2	19,924	2
7020	Other gains and losses	6(25)	28,358	2	76,563	7
7050	Finance costs	6(25)	(20,335)	(1)	(14,110)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for under the equity method	6(9)	-	-	2,188	-
	Total non-operating income and expenses		47,006	4	103,459	10
7900	Income before income tax		106,482	9	164,589	16
7950	Income tax expense	4,6(27)	(21,474)	(2)	(30,270)	(3)
8200	Net income		85,008	7	134,319	13
8300	Other comprehensive income (loss)	6(26)				
8310	Items that not be reclassified to profit or loss					
8316	Unrealized gain (loss) on equity instrument investment measured at fair value through other comprehensive income		-	-	(200)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		45,445	4	34,636	3
	Total other comprehensive income (loss), net of tax		45,445	4	34,436	3
8500	Total comprehensive income		\$130,453	11	\$168,755	16
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$87,873	7	\$134,319	13
8620	Non-controlling interests		(2,865)	-	-	-
			\$85,008	7	\$134,319	13
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$132,959	11	\$168,755	16
8720	Non-controlling interests		(2,506)	-	-	-
			\$130,453	11	\$168,755	16
9750	Earnings per share - basic (in NT\$)	6(28)	\$0.80		\$1.47	
9850	Earnings per share - diluted (in NT\$)	6(28)	\$0.80		\$1.25	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2025 and 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent								Non-controlling interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings			Other Components of equity				
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income (loss)	Total		
A1	Balance as of January 1, 2024	\$910,414	\$2,109,225	\$155,987	\$72,027	\$779,442	\$(109,329)	\$12,652	\$3,930,418	\$-	\$3,930,418
	Appropriation and distribution of 2023 earnings:										
B5	Cash dividends - common shares					(131,000)			(131,000)		(131,000)
D1	Net income for the three-month period ended March 31, 2024					134,319			134,319		134,319
D3	Other comprehensive income (loss), for the three-month period ended March 31, 2024						34,636	(200)	34,436		34,436
D5	Total comprehensive income (loss)	-	-	-	-	134,319	34,636	(200)	168,755	-	168,755
I1	Conversion of convertible bonds	2,524	8,518						11,042		11,042
Z1	Balance as of March 31, 2024	<u>\$912,938</u>	<u>\$2,117,743</u>	<u>\$155,987</u>	<u>\$72,027</u>	<u>\$782,761</u>	<u>\$(74,693)</u>	<u>\$12,452</u>	<u>\$3,979,215</u>	<u>\$-</u>	<u>\$3,979,215</u>
A1	Balance as of January 1, 2025	\$1,097,208	\$2,805,479	\$181,468	\$96,677	\$805,198	\$(39,897)	\$13,472	\$4,959,605	\$80,442	\$5,040,047
	Appropriation and distribution of 2024 earnings:										
B5	Cash dividends - common shares					(165,000)			(165,000)		(165,000)
D1	Net income for the three-month period ended March 31, 2025					87,873			87,873	(2,865)	85,008
D3	Other comprehensive income (loss), for the three-month period ended March 31, 2025						45,086		45,086	359	45,445
D5	Total comprehensive income (loss)	-	-	-	-	87,873	45,086	-	132,959	(2,506)	130,453
I1	Conversion of convertible bonds	889	3,569						4,458		4,458
Z1	Balance as of March 31, 2025	<u>\$1,098,097</u>	<u>\$2,809,048</u>	<u>\$181,468</u>	<u>\$96,677</u>	<u>\$728,071</u>	<u>\$5,189</u>	<u>\$13,472</u>	<u>\$4,932,022</u>	<u>\$77,936</u>	<u>\$5,009,958</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the three-month periods ended March 31, 2025 and 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31,		Code	Items	For the three-month periods ended March 31,	
		2025	2024			2025	2024
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$106,482	\$164,589	B00040	Acquisition of financial assets measured at amortized cost	-	(43,403)
A20000	Adjustments:			B00050	Proceeds from disposal of financial assets measured at amortized cost	25,934	-
A20010	Income and expense adjustments:			B01800	Acquisition of investment accounted for under equity method	-	(24,750)
A20100	Depreciation (including right-of-use assets)	78,368	50,286	B02700	Acquisition of property, plant and equipment	(20,688)	(28,456)
A20200	Amortization	2,222	984	B02800	Proceeds from disposal of property, plant and equipment	600	6,672
A20300	Expected credit losses (gain)	2,809	1,626	B03800	Decrease in refundable deposits	(1,499)	706
A20400	Net loss (gain) of financial assets at fair value through profit or loss	49	246	B04300	Decrease (increase) in other receivables - related parties	54	(166)
A20900	Interest expense	20,335	14,110	B04500	Acquisition of intangible assets	(4,112)	(570)
A21200	Interest income	(11,763)	(18,894)	B06000	Decrease (increase) in financing lease payments receivable	8,065	8,768
A22300	Share of profit or loss of associates and joint ventures accounted for under the equity method	-	(2,188)	B07100	Increase in prepayments for equipment	(46,176)	(50,686)
A22500	Loss (gain) on disposal of property, plant and equipment	(202)	103	BBBB	Net cash provided by (used in) investing activities	(37,822)	(131,885)
A29900	Loss (gain) on inventory valuation	(4,078)	5,898	CCCC	Cash flows from financing activities:		
A29900	Gain on government grants	(308)	(303)	C00100	Increase in (repayment of) short-term loans	206,872	227,304
A30000	Changes in operating assets and liabilities:			C01600	Increase in long-term loans	-	185,891
A31130	Notes receivables	31,382	(52,189)	C01700	Repayment of long-term loans	(74,444)	(24,083)
A31150	Accounts receivables	48,326	(4,178)	C03100	Increase (decrease) in guarantee deposits	(139)	91
A31180	Other receivables	(6,899)	11,747	C04020	Cash payments for the principal portion of the lease liabilities	(10,957)	(5,075)
A31200	Inventories	414	69,179	CCCC	Cash flows from financing activities	121,332	384,128
A31230	Prepayments	(8,470)	(78,970)	DDDD	Effect of exchange rate changes	28,683	18,942
A31240	Other current assets	4,430	(11,556)	EEEE	Increase (decrease) in cash and cash equivalents	255,125	360,247
A32125	Contract liabilities	(9,842)	13,518	E00100	Cash and cash equivalents at beginning of period	1,938,702	1,965,338
A32130	Notes payables	(46,295)	(32,677)	E00200	Cash and cash equivalents at end of period	\$2,193,827	\$2,325,585
A32150	Accounts payables	(5,772)	1,091				
A32180	Other payables	(46,528)	(43,839)				
A32190	Other payables - related parties	658	-				
A32230	Other current liabilities	1,551	(462)				
A32240	Net defined benefit liabilities	(138)	(135)				
A33000	Cash generated from (used in) operations	156,731	87,986				
A33100	Interest received	12,038	20,739				
A33300	Interest paid	(15,924)	(9,646)				
A33500	Income tax paid	(9,913)	(10,017)				
AAAA	Net cash provided by (used in) operating activities	142,932	89,062				

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

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese
Global Tek Fabrication Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements
As of March 31, 2025 and 2024 and for the three-month periods then ended
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

Global Tek Fabrication Co., Ltd. (the “Company”) was incorporated on November 7, 2008. Its main business activities include the manufacture of precision machining, and the main products are industrial automatic control parts, communication parts, aviation equipment parts, etc. The Company's stocks were publicly listed on the Taiwan Stock Exchange (TWSE) on February 5, 2018. The Company’s registered office is at 15th floor, No. 94, Section 1, Xintai 5th Road, Xizhi District, New Taipei City, Taiwan 22102.

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the three-month periods ended March 31, 2025 and 2024 were authorized for issue by the Board of Directors on May 14, 2025.

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, 2025. The adoption of these new standards and amendments had no material impact on the Group.

(2) The Q&A related to the early application of certain amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" issued by the FSC, which has not yet been adopted by the Group as at the date when the Group’s financial statements were authorized for issue.

In the Q&A, only Section 4.1 (Classification of Financial Assets) of the application guidance is allowed to early adopt from 1 January 2025. Additionally, entities must also comply with the requirements of paragraphs 20B, 20C and 20D of IFRS 7 and disclose the fact of early adoption of these amendments in the financial statements.

- (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.

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

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

(1) 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.

(2) 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.

(3) 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.

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

The amendments include:

- (1) 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.
- (2) 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.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) 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

(1) 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.

(2) Amendments to IFRS 7

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

(3) 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.

(4) 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”.

(5) Amendments to IFRS 10

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

(6) 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:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) 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 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements for the three-month periods ended March 31, 2025 and 2024 have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and IAS 34, “Interim Financial Reporting,” as endorsed and became effective by the FSC.

Except for the following 4(3)~4(5), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2024. For more details, please refer to Note 4 of the Company’s consolidated financial statements for the year ended December 31, 2024.

(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

The same principles of consolidation have been applied in the Company’s consolidated financial statements as those applied in the Company’s consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to Note 4(3) of the Company’s consolidated financial statements for the year ended December 31, 2024.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		
			As of		
			Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
The Company	Global Tek Co., Ltd.	Precision machining	100.00%	100.00%	100.00%
The Company	Global Tek Fabrication Co., Ltd. (Samoa)	Investing activities	100.00%	100.00%	100.00%
The Company	Global Tek GmbH	Trading activities	100.00%	100.00%	100.00%
The Company	AvioCast Inc.	Aerospace aluminum alloy manufacturing	59.56% (Note 1)	59.56% (Note 1)	-%
The Company	GLOBAL TEK 株式会社	Trading activities	90.00% (Note 2)	90.00% (Note 2)	-%
The Company	GLOBAL TEK GROUP(THAI) CO., LTD.	Precision machining	100.00% (Note 3)	100.00% (Note 3)	-%
The Company	GLOBAL TEK AVIATION(THAI) CO., LTD.	Precision machining	100.00% (Note 4)	100.00% (Note 4)	-%
AvioCast Inc.	ALTEMIS INC.	Aerospace aluminum alloy manufacturing	-% (Note 1)	-% (Note 1)	-%
Global Tek Co., Ltd.	GP TECH, INC.	Trading activities	100.00%	100.00%	100.00%
Global Tek Fabrication Co., Ltd. (Samoa)	Global Tek Co., Ltd. (Samoa)	Investing activities	100.00%	100.00%	100.00%

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		
			As of		
			Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Global Tek Fabrication Co., Ltd. (Samoa)	Global Tek Fabrication Co., Ltd. (HK)	Investing activities	92.76%	92.76%	92.76%
Global Tek Co., Ltd. (Samoa)	Global Tek Fabrication Co., Ltd. (HK)	Investing activities	7.24%	7.24%	7.24%
Global Tek Fabrication Co., LTD. (Samoa)	Top Yes (Suzhou) Precision Industry Co., Ltd.	Precision machining	22.10% (Note 5)	22.10% (Note 5)	-%
Global Tek Co., Ltd. (Samoa)	Global Tek (Xi'An) Co., Ltd.	Precision machining	100.00%	100.00%	100.00%
Global Tek Co., Ltd. (Samoa)	Global Tek (Wuxi) Co., Ltd.	Precision machining	47.02%	47.02%	47.02%
Global Tek Fabrication Co., Ltd. (HK)	Global Tek (Wuxi) Co., Ltd.	Precision machining	52.98%	52.98%	52.98%
Global Tek (Wuxi) Co., Ltd.	Top Yes (Suzhou) Precision Industry Co., Ltd.	Precision machining	31.21% (Note 5)	31.21% (Note 5)	-%
Global Tek (Xi'An) Co., Ltd.	Globaltek (Xi'An) Machinery Manufacturing Co., Ltd.	Trading activities	100.00%	100.00%	100.00%

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		
			As of		
			Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	Trading activities	100.00%	100.00%	100.00%

Note 1: The Group signed a Share Purchase Agreement with Sumitomo Precision Products Co., Ltd. on March 8, 2021. The Company intends to purchase 9,842 thousand ordinary shares of AvioCast Inc. at NT\$12.1 per share (totaling NT\$119,088 thousand), with an ownership percentage of 36.72%, acquiring significant influence of the AvioCast Inc. The transaction has been completed on April 21, 2021.

On December 28, 2023, the Group's board of directors resolved to purchase 3,300 thousand ordinary shares of AvioCast Inc. at NT\$24,750 thousand. As a result of the offering, the Group's share interest on AvioCast Inc. increased from 36.72% to 49.04%. The transfer of shareholding rights has completed on March 13, 2024.

To continue the vertical integration of its production supply chain and deepen its aerospace product line, the Group's board of directors resolved on March 14, 2024, to purchase 319 thousand shares from AvioCast Inc.'s shareholders, increasing its share interest from 49.03% to 50.23%. The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

On October 9, 2024, the Group's board of directors resolved to purchase 2,500 thousand ordinary shares of AvioCast Inc. at NT\$45,000 thousand. As a result of the offering, the Group's share interest on AvioCast Inc. increased from 50.23% to 59.56%. The transfer of shareholding rights has completed on November 25, 2024.

On October 1, 2024, AvioCast Inc. absorbed and merged with ALTEMIS INC. After the merger, AvioCast Inc. is the surviving company, while ALTEMIS INC. is the dissolved company.

Note 2: To enhance the Group's operational efficiency, the Company established a subsidiary, GLOBAL TEK 株式会社, with a 90% ownership percentage. The company completed its registration in April 2024.

Note 3: To enhance the Group's operational efficiency, the Company established a subsidiary, Global Tek GROUP (THAI) Co., Ltd., with a 100% ownership percentage. The company completed the related registration changes in June 2024.

Note 4: To enhance the Group's operational efficiency, the Company established a subsidiary, Global Tek AVIATION (THAI) Co., Ltd., with a 100% ownership percentage. The company completed the related registration changes in June 2024.

Note 5: On August 8, 2019, the Group acquired partial equity of Top Yes (Suzhou) Precision Industry Co., Ltd. for RMB3,000 thousand upon board resolution, considering the scale of operation, long-term development and competitiveness enhancement. The Group obtained two of the five directorship seats which has a significant impact on the company.

On March 25, 2022, considering the operational development plan and to strengthen the strategic partnership, the Group's board of directors resolved to invest RMB30,000 thousand (approximately USD4,724 thousand) through Global Tek Fabrication Co., Ltd. (Samoa) to acquire partial ownership of Top Yes (Suzhou) Precision Industry Co., Ltd., which has been approved by the Investment Committee of the Ministry of Economic Affairs with Letter Jing-Shen-Er-Zi No.11100053870. As of March 31, 2024, the investment amount of RMB30,000 thousand (approximately USD4,724 thousand) had been remitted.

On December 27, 2022, the Group's board of directors resolved to increase its investment in Top Yes (Suzhou) Precision Industry Co., Ltd. through sub-subsidiary Global Tek (Wuxi) Co., Ltd. As of December 31, 2022, the Group has remitted the investment amount to RMB6,000 thousand (approximately US\$945 thousand).

In May 2024, Top Yes (Suzhou) Precision Industry Co., Ltd. completed a cash capital increase. The Group's equity percentage increased from 4.11% to 31.21% through its subsidiary, Global Tek (Wuxi) Co., Ltd., and through its subsidiary Global Tek Fabrication Co., LTD. (Samoa), the ownership percentage was 22.10%. The Group's final consolidated ownership percentage reached 53.31%, thereby gaining control of the company in May 2024, and it was included as a part of the Group's consolidated financial statements.

(4) Post-employment benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, "Income Tax." The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the three-month period ended March 31, 2025 as those applied in the Company's consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company's consolidated financial statements for the year ended December 31, 2024.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Cash and petty cash	\$1,934	\$2,034	\$1,605
Checkings and savings	1,461,537	1,093,861	993,870
Time deposit(Note)	730,356	842,807	1,330,110
Total	<u>\$2,193,827</u>	<u>\$1,938,702</u>	<u>\$2,325,585</u>

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

(2) Financial asset measured at fair value through profit or loss

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Mandatorily measured at fair value through profit or loss:			
Convertible corporate bond redemption rights	\$154	\$203	\$839
Non-derivative financial assets			
- Certificate of benefit of the fund	518	518	542
Total	<u>\$672</u>	<u>\$721</u>	<u>\$1,381</u>
Current	<u>\$518</u>	<u>\$518</u>	<u>\$549</u>
Non-current	<u>\$154</u>	<u>\$203</u>	<u>\$832</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

No financial assets at fair value through profit or loss was pledged as collateral.

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

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Equity instruments investments measured at fair value through other comprehensive income – Non-current:			
Unlisted companies stocks			
Techplasma Technology Co., Ltd.	\$48,666	\$48,666	\$50,047
Allied Advantage Sdn Bhd	-	-	12,638
Formtechnology GmbH	-	-	17,235
Total	<u>\$48,666</u>	<u>\$48,666</u>	<u>\$79,920</u>

(a) No financial assets at fair value through other comprehensive income was pledged as collateral.

(b) On January 9, 2020, the board of directors resolved to invest in Techplasma Technology Co., Ltd. according to the medium and long-term strategy, and expected to make profits through long-term investment.

In 2023, the Group increased investing NT\$5,193 thousand in Techplasma Technology Co., Ltd., and obtained 164 thousand shares.

(c) The Group's 19% equity investment in Malaysia-based Allied Advantage Sdn Bhd in July 2020 lost material influence following the resignation of the director from the Group. Because it is a medium-to-long-term strategic investment, the Group chose to designate the investment as measured at fair value through other comprehensive income.

The Group considered selling its equity interests as an investment strategy. The Group fully recovered the purchase price and transferred all equity interests in 2024.

(d) On December 24, 2020, the board of directors resolved to invest in Formtechnology GmbH according to the medium- and long-term strategy, and it is expected to make profits through long-term investment. The investment was completed in April 2021.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Formtechnology Gmbh filed the bankruptcy to local Court in Germany and the local Court appointed provisional assignee in December 2024. As of March 31, 2025, the bankruptcy and liquidation has not been completed. Details on derecognition of such investments for the year ended December 31, 2024 is as follows:

	<u>For the year ended December 31,</u> <u>2024</u>
The fair value of the investments at the date of derecognition	\$-
The cumulative loss on disposal reclassified from other equity to retained earnings	(17,758)

(4) Financial assets measured at amortized cost

	<u>As of</u>		
	<u>Mar. 31, 2025</u>	<u>Dec. 31, 2024</u>	<u>Mar. 31, 2024</u>
Restricted of deposits	\$117,001	\$142,935	\$45,218
Time deposits	-	-	-
Total	<u>\$117,001</u>	<u>\$142,935</u>	<u>\$45,218</u>
Current	<u>\$98,278</u>	<u>\$134,825</u>	<u>\$43,403</u>
Non-current	<u>\$18,723</u>	<u>\$8,110</u>	<u>\$1,815</u>

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

The Group classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(5) Notes receivable

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Notes receivables arising from operating activities	\$229,767	\$261,149	\$192,931
Less: loss allowance	-	-	-
Total	\$229,767	\$261,149	\$192,931

Please refer to Note 8 for more details on assets pledged as collaterals.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(22) for more details on loss allowance and Note 12 for more details on credit risk.

(6) Accounts receivable and accounts receivable - related parties, net

(a) Accounts receivables and accounts receivable - related parties, net

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Accounts receivables, gross	\$1,411,332	\$1,463,900	\$1,216,848
Less: loss allowance	(44,173)	(40,692)	(9,582)
Subtotal	1,367,159	1,423,208	1,207,266
Accounts receivables-related parties, gross	113,566	109,248	-
Less: loss allowance	(111,676)	(109,248)	-
Subtotal	1,890	-	-
Total	\$1,369,049	\$1,423,208	\$1,207,266

(b) Please refer to Note 8 for more details on assets pledged as collaterals.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(c)Accounts receivable are generally on 60~120 day terms. The total carrying amount as of March 31, 2025, December 31, 2024 and March 31, 2024, were NT\$1,524,898 thousand, NT\$1,573,148 thousand and NT\$1,216,848 thousand, respectively. Please refer to Note 6(22) for more details on loss allowance of accounts receivables for the three-month periods ended March 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(7) Financial lease payments receivable

	As of			
	Mar. 31, 2025		Dec. 31, 2024	
	Net investment in leases	Present value of receivables on minimum lease payments	Net investment in leases	Present value of receivables on minimum lease payments
Not more than one year	\$30,857	\$30,320	\$30,852	\$30,026
More than one year but less than five years	9,163	9,068	16,779	16,614
Total non-discounted lease payments	40,020	\$39,388	47,631	\$46,640
Less: Unearned finance income	(632)		(991)	
Gross investment in the lease (Financing lease payments receivable)	\$39,388		\$46,640	
Current	\$30,320		\$30,026	
Non-current	9,068		16,614	
Total	\$39,388		\$46,640	

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

	As of	
	Mar. 31, 2024	
	Net investment in leases	Present value of receivables on minimum lease payments
Not more than one year	\$34,189	\$32,015
More than one year but less than five years	40,056	39,435
Total non-discounted lease payments	74,245	<u>\$71,450</u>
Less: Unearned finance income	<u>(2,795)</u>	
Gross investment in the lease (Financing lease payments receivable)	<u>\$71,450</u>	
Current	\$32,015	
Non-current	39,435	
Total	<u>\$71,450</u>	

(a) Financial lease payments receivable were not pledged.

(b) The Group has signed financial lease agreements for some machines and equipment. All leases are presented in New Taiwan Dollars, and the average financial lease period is 1 to 5 years.

The implied interest rate of the lease during the lease period will not change after the contract date is determined. As of March 31, 2025, December 31, 2024 and March 31, 2024, the implied interest rate of the financial lease are 2.0% to 2.5%, 2.0% to 2.5% and 2.0% to 2.4% per annum, respectively.

Finance lease receivables are secured by leased equipment. The Group shall not sell or re-pledge the collateral unless the lessee defaults.

(c) The Group adopts the simplified approach of IFRS 9 to measure the allowance loss of lease receivables based on expected credit losses during the duration. Lease receivables are secured by leased equipment. As of March 31, 2025, December 31, 2024 and March 31, 2024, there were no overdue lease receivables, and at the same time, the counterparty's past record of default, the future development of the relevant properties of the leased object and collateral, the Group believes that the above-mentioned lease receivables have no impairment.

(8) Inventories

(a) Details of inventories are listed below:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Raw materials	\$176,676	\$174,756	\$172,527
Work in progress	369,976	343,516	223,365
Finished goods	459,686	493,763	405,930
Merchandises	106,907	100,878	96,918
Total	<u>\$1,113,245</u>	<u>\$1,112,913</u>	<u>\$898,740</u>

(b) The cost of inventories recognized in expenses amounted to NT\$951,130 thousand, and NT\$811,326 thousand for the three-month periods ended March 31, 2025 and 2024, respectively. The following items were included in cost of sales:

Item	For the three-month period ended March 31,	
	2025	2024
Loss (Gain) from inventory market decline	\$(4,078)	\$5,898
Unallocated manufacturing overhead	8,201	8,902
Loss from inventory write-off obsolescence	1,253	551
Total	<u>\$5,376</u>	<u>\$15,351</u>

For the three-month periods ended March 31, 2025, evaluating the previous slow-moving inventories has been disposed, the Group recognized the reversal gain, which loss from inventory market decline.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(c)The inventories were not pledged.

(9) Investments accounted for under equity method

Investee companies	As of					
	Mar. 31, 2025		Dec. 31, 2024		Mar. 31, 2024	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
AvioCast Inc.	\$-	-%	\$-	-%	\$125,839	49.04%
Top Yes (Suzhou) Precision Industry Co., Ltd.	-	-%	-	-%	171,220	4.11%
Total	<u>\$-</u>		<u>\$-</u>		<u>\$297,059</u>	

(a)The Group signed a Share Purchase Agreement with Sumitomo Precision Products Co., Ltd. on March 8, 2021. The Company intends to purchase 9,842 thousand ordinary shares of AvioCast Inc. at NT\$12.1 per share (totaling NT\$119,088 thousand), with an ownership percentage of 36.72%, acquiring significant influence of the AvioCast Inc. The transaction has been completed on April 21, 2021.

On December 28, 2023, the Group's board of directors resolved to purchase 3,300 thousand ordinary shares of AvioCast Inc. at NT\$24,750 thousand. As a result of the offering, the Group's share interest on AvioCast Inc. increased from 36.72% to 49.02%. The transfer of shareholding rights has completed on March 31, 2024.

To continue the vertical integration of its production supply chain and deepen its aerospace product line, the Group's Board of Directors resolved on March 14, 2024, to purchase 319 thousand shares from AvioCast Inc.'s shareholders, increasing its share interest from 49.03% to 50.23%. The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

(b)On August 8, 2019, the Group acquired partial equity of Top Yes (Suzhou) Precision Industry Co., Ltd. for RMB 3,000 thousand upon board resolution, considering the scale of operation, long-term development and enhancing competitiveness. The Group obtained two of the five directorship seats which has a significant impact on the company.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

On March 25, 2022, considering the operational development plan and to strengthen the strategic partnership, the Group's board of directors resolved to invest RMB 30,000 thousand (approximately US\$ 4,725 thousand) through Global Tek Fabrication Co., Ltd. (Samoa) to acquire partial ownership of Top Yes (Suzhou) Precision Industry Co., Ltd., which has been approved by the Investment Committee of the Ministry of Economic Affairs with Letter Jing-Shen-Er-Zi No.11100053870. As of December 31, 2024, the investment amount of RMB 30,000 thousand (approximately US\$ 4,724 thousand) had been remitted.

On December 27, 2022, the Group's board of directors resolved to increase its investment in Top Yes (Suzhou) Precision Industry Co., Ltd. through sub-subsidiary Global Tek (Wuxi) Co., Ltd. As of December 31, 2022, the Group has remitted the investment amount to RMB6,000 thousand (approximately US\$945 thousand).

In May 2024, Top Yes (Suzhou) Precision Industry Co., Ltd. completed a cash capital increase. The Group's equity percentage increased from 4.11% to 31.21% through its subsidiary, Global Tek (Wuxi) Co., Ltd., and to 22.10% through its subsidiary, Global Tek Fabrication Co., LTD. (Samoa). The Group's final consolidated ownership percentage reached 53.31%, gaining control of the company, and it was included as a part of the Group's consolidated financial statements in May 2024.

(c) Investments in associates

As of March 31, 2025, December 31, 2024 and March 31 2024, the aggregate carrying amount of the Group's interests in AvioCast Inc. and Top Yes (Suzhou) Precision Industry Co., Ltd. were NT\$0 , NT\$0 and NT\$297,059 thousand, respectively. The aggregate financial information based on Group's share as follows:

	For the three-month period ended March 31,	
	2025	2024
Profit or loss from continuing operations	\$-	\$2,188
Other comprehensive income (post-tax)	-	-
Total comprehensive income (loss)	\$-	\$2,188

There aforementioned associates had no contingent liabilities or capital commitments and were not under pledge as of March 31, 2025, December 31, 2024 and March 31, 2024.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(d) The Group's investment accounted for under equity method as of March 31, 2025 and 2024 were NT\$0 and NT\$297,059 thousand, respectively. For the three-month period ended March 31, 2025 and 2024 share of investment profit from these associates and joint venture amount to NT\$0 and NT\$2,188 thousand, respectively. They were measured based on the unreviewed financial statements of the investee for the same correspondent periods.

(e) Investment accounted for under equity method were no pledged.

(10) Property, plant and equipment

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Owner occupied property, plant and equipment	\$3,967,210	\$3,941,065	\$3,021,460

(a) Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Lease Improvements	Construction in progress and equipment awaiting examination	Total
Cost:									
As of Jan. 1, 2025	\$1,434,398	\$1,453,620	\$1,542,682	\$23,158	\$27,375	\$383,514	\$63,370	\$236,068	\$5,164,185
Additions	-	381	2,320	299	-	4,548	-	6,901	14,449
Disposals	-	-	(5,363)	(2,721)	(1,554)	(82)	-	-	(9,720)
Exchange differences	-	20,072	21,130	226	376	4,970	-	5,249	52,023
Reclassification	-	20,344	6,642	-	1,699	27,765	-	(14,532)	41,918
As of Mar. 31, 2025	\$1,434,398	\$1,494,417	\$1,567,411	\$20,962	\$27,896	\$420,715	\$63,370	\$233,686	\$5,262,855
As of Jan. 1, 2024	\$1,423,160	\$830,710	\$1,334,816	\$19,868	\$23,696	\$311,349	\$61,993	\$90,968	\$4,096,560
Additions	-	2,266	8,037	71	-	3,915	-	8,819	23,108
Disposals	-	-	(13,377)	(487)	-	(1,378)	-	-	(15,242)
Exchange differences	-	12,688	16,974	239	265	3,201	-	1,731	35,098
Reclassification	-	70,559	18,505	-	-	1,561	-	(83,298)	7,327
As of Mar. 31, 2024	\$1,423,160	\$916,223	\$1,364,955	\$19,691	\$23,961	\$318,648	\$61,993	\$18,220	\$4,146,851

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Lease Improvements	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment:									
As of Jan. 1, 2025	\$3,119	\$144,560	\$796,784	\$12,519	\$17,580	\$225,909	\$22,649	\$-	\$1,223,120
Depreciation	-	11,560	39,763	725	640	11,318	1,544	-	65,550
Disposals	-	-	(5,338)	(2,426)	(1,476)	(82)	-	-	(9,322)
Exchange differences	-	1,646	11,520	144	166	2,821	-	-	16,297
As of Mar. 31, 2025	\$3,119	\$157,766	\$842,729	\$10,962	\$16,910	\$239,966	\$24,193	\$-	\$1,295,645
As of Jan. 1, 2024	\$3,119	\$104,570	\$717,831	\$10,806	\$15,352	\$209,079	\$16,741	\$-	\$1,077,498
Depreciation	-	6,488	27,598	403	553	7,914	1,457	-	44,413
Disposals	-	-	(6,565)	(507)	-	(1,395)	-	-	(8,467)
Exchange differences	-	767	8,575	133	134	2,338	-	-	11,947
Reclassification	-	-	(36)	70	-	(34)	-	-	-
As of Mar. 31, 2024	\$3,119	\$111,825	\$747,403	\$10,905	\$16,039	\$217,902	\$18,198	\$-	\$1,125,391
Net carrying amount as of:									
Mar. 31, 2025	\$1,431,279	\$1,336,651	\$724,682	\$10,000	\$10,986	\$180,749	\$39,177	\$233,686	\$3,967,210
Dec. 31, 2024	\$1,431,279	\$1,309,060	\$745,898	\$10,639	\$9,795	\$157,605	\$40,721	\$236,068	\$3,941,065
Mar. 31, 2024	\$1,420,041	\$804,398	\$617,552	\$8,786	\$7,922	\$100,746	\$43,795	\$18,220	\$3,021,460

(b) Significant components of buildings primarily comprised the main buildings and the facilities, which are depreciated based on their respective useful economic life of 20 to 51 years and 3 to 20 years.

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

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(d) The land owned by Group located at No. 631 and No. 635, Xinzhou Section, Xinwu District, Taoyuan City, belongs to the general agricultural land that is not an urban planning area. According to Article 33 of the Agricultural Development Regulations "Private legal persons shall not be subject to restrictions on agricultural land", temporarily registered in the name of General Manager Huang Ya-Hsing and handled the setting with the Company as the right holder.

(11) Investment property

The Group's investment properties include owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms of 15 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Buildings	Land use rights	Total
Cost:			
As of Jan. 1, 2025	\$61,956	\$2,055	\$64,011
Exchange differences	1,279	43	1,322
As of Mar. 31, 2025	<u>\$63,235</u>	<u>\$2,098</u>	<u>\$65,333</u>
As of Jan. 1, 2024	\$59,839	\$1,985	\$61,824
Exchange differences	1,162	39	1,201
As of Mar. 31, 2024	<u>\$61,001</u>	<u>\$2,024</u>	<u>\$63,025</u>
Depreciation and impairment:			
As of Jan. 1, 2025	\$52,932	\$75	\$53,007
Amortization	136	19	155
Exchange differences	1,095	2	1,097
As of Mar. 31, 2025	<u>\$54,163</u>	<u>\$96</u>	<u>\$54,259</u>
As of Jan. 1, 2024	\$50,551	\$-	\$50,551
Amortization	147	19	166
Exchange differences	984	-	984
As of Mar. 31, 2024	<u>\$51,682</u>	<u>\$19</u>	<u>\$51,701</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

	Buildings	Land use rights	Total
Net carrying amount as of:			
Mar. 31, 2025	\$9,072	\$2,002	\$11,074
Dec. 31, 2024	\$9,024	\$1,980	\$11,004
Mar. 31, 2024	\$9,319	\$2,005	\$11,324

	For the three- month period ended March 31,	
	2025	2024
Rental income from investment property	\$2,045	\$1,187
Less: Direct operating expenses from investment property generating rental income	(155)	(166)
Total	\$1,890	\$1,021

- (a) No investment property was pledged.
- (b) Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3.
- (c) The fair value of investment properties were NT\$78,226 thousand , NT\$78,226 thousand and NT\$78,387 thousand, as of March 31, 2025, December 31, 2024 and March 31, 2024. The fair value has been determined based on valuations performed by an independent valuer. The valuation method used is the cost method.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(12) Intangible assets

	Computer software	Specialized Technology	Other	Goodwill	Total
<u>Cost:</u>					
As of Jan. 1, 2025	\$69,629	\$20,941	\$8,494	\$163,409	\$262,473
Additions – acquired separately	4,112	-	-	-	4,112
Other change	9,566	-	-	-	9,566
Exchange differences	127	380	-	-	507
As of Mar. 31, 2025	<u>\$83,434</u>	<u>\$21,321</u>	<u>\$8,494</u>	<u>\$163,409</u>	<u>\$276,658</u>
As of Jan. 1, 2024	\$50,138	\$-	\$-	\$-	\$50,138
Additions – acquired separately	570	-	-	-	570
Exchange differences	23	-	-	-	23
As of Mar. 31, 2024	<u>\$50,731</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$50,731</u>
<u>Depreciation and impairment:</u>					
As of Jan. 1, 2025	\$43,930	\$-	\$8,494	\$92,124	\$144,548
Amortization	2,222	-	-	-	2,222
Exchange differences	47	-	-	-	47
As of Mar. 31, 2025	<u>\$46,199</u>	<u>\$-</u>	<u>\$8,494</u>	<u>\$92,124</u>	<u>\$146,817</u>
As of Jan. 1, 2024	\$39,265	\$-	\$-	\$-	\$39,265
Amortization	984	-	-	-	984
Exchange differences	23	-	-	-	23
As of Mar. 31, 2024	<u>\$40,272</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$40,272</u>
<u>Carrying amount, net:</u>					
As of Mar. 31, 2025	<u>\$37,235</u>	<u>\$21,321</u>	<u>\$-</u>	<u>\$71,285</u>	<u>\$129,841</u>
As of Dec. 31, 2024	<u>\$25,699</u>	<u>\$20,941</u>	<u>\$-</u>	<u>\$71,285</u>	<u>\$117,925</u>
As of Mar. 31, 2024	<u>\$10,459</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$10,459</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

- (a) The other intangible assets refer to the expenditures incurred during the development phase by the Group's subsidiaries, where discoveries or knowledge from research are applied to a project or design before the mass production or use of the product. These expenditures are recognized as intangible assets because the technological feasibility of the intangible asset has been achieved, and other criteria for recognizing an intangible asset have also been met.
- (b) The Group conducted the impairment testing of goodwill on December 31, 2024. As a result of the recoverable amount, the Group recognized an impairment loss. As of March 31, 2025, the accumulated impairment amount was NT\$92,124 thousand.
- (c) Amortization of intangible assets is as follows:

Item	For the three-month period ended March 31,	
	2025	2024
Operating costs	\$523	\$60
Sales and marketing	481	95
General and administrative	1,117	829
Research and development	101	-
Total	\$2,222	\$984

(13) Other non-current assets

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Refundable deposits	\$19,450	\$17,951	\$10,607
Net defined benefit assets	2,954	2,880	-
Total	\$22,404	\$20,831	\$10,607

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(14) Short-term loans

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Secured financial structure loans	\$180,380	\$201,797	\$112,452
Unsecured financial structure loans	543,754	315,465	447,647
Total	\$724,134	\$517,262	\$560,099
Interest Rates (%)	1.75% ~ 3.75%	1.80% ~ 4.95%	1.64% ~ 3.70%

The Group's unused short-term lines of credits amounted to NT\$2,336,298 thousand, NT\$2,452,351 thousand and NT\$1,861,421 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

Please refer to Note 8 for more details of assets pledged as collaterals.

(15) Other payables

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Payable of salary and bonuses	\$108,374	\$147,972	\$74,525
Accrued interest	940	868	954
Accrued compensation to employees and directors	14,254	11,444	15,982
Payable on equipment	20,686	26,925	9,205
Payable of dividends	165,000	-	131,000
Payable of processing fees	201,718	206,366	151,685
Other	231,259	236,572	162,789
Total	\$742,231	\$630,147	\$546,140

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(16) Bonds payable

A. The details of the bonds payable as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, is as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Liability component:			
Unsecured domestic convertible bonds	\$41,700	\$46,300	\$951,200
Less: discounts on bonds payable	(1,269)	(1,613)	(39,661)
Subtotal	40,431	44,687	911,539
Less: current portion	-	(100)	(150,220)
Net	<u>\$40,431</u>	<u>\$44,587</u>	<u>\$761,319</u>
Embedded derivative - redemption, put options	<u>\$154</u>	<u>\$203</u>	<u>\$839</u>
Equity component - conversion right	<u>\$4,394</u>	<u>\$4,910</u>	<u>\$103,588</u>

For the details of the gain and loss from valuation through profit and loss on embedded derivative, redemption, put options, and the interest expense on the convertible bonds payable, please refer to Notes 6(25)(c) and (d).

B. On August 27, 2019, the Group issued the 1st unsecured domestic convertible bonds. The terms of the bonds are as follows:

- (A) Issue amount: NT\$600,000 thousand
- (B) Issue date: August 27, 2019
- (C) Issue price: Issued at 101% of the par value
- (D) Coupon rate: 0%
- (E) Period: August 27, 2019 to August 27, 2024

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

- (F) Settlement or Conversion period:
- (a) From the day following the issuance of corporate bonds for three months (November 28, 2019) to 40 days before the expiration of the issuance period (July 18, 2024), when the agreed conditions are met, Request the redemption of corporate bonds from corporate bond holders according to the par value of the bonds.
 - (b) For the holders of corporate bonds, from the day following the 3 months after the issuance date of the corporate bonds (November 28, 2019) to the maturity date (August 27, 2024), except for the period stipulated in the conversion method. In addition, the company may at any time request to be converted into the company's common stock at the conversion price at that time. If it is not converted at that time, it will be redeemed at the par amount plus interest compensation when it expires.
 - (c) Corporate bond holders may request the company to redeem the principal in cash at an interest rate of 101.5075% of the par value of the bond (0.5% annual return yield) within 40 days before the issuance of the corporate bond meets the agreed conditions.
 - (d) Holders of corporate bonds may request the company to redeem the principal in cash at 102.015% of the par value of the bonds (0.5% annual return rate) within 40 days before the issuance of the corporate bonds meets the agreed conditions.
 - (e) The price of the conversion corporate bonds is determined based on August 19, 2019 as the conversion price determination base date, and the simple arithmetic average of the company's common stock closing prices on the five business days prior to the base date (excluding), the base price is NT\$46.55, and then the base price is multiplied by the conversion premium rate of 107.42%, which is the conversion price of the converted corporate bonds (calculated to NT dollars, rounded up to the following points). According to the above method, the conversion price is NT\$50 per share.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

The conversion price of the Group's first domestic unsecured conversion corporate bonds is adjusted according to the relevant anti-dilution provisions of the conversion method. The company has adjusted the conversion price from NT\$47.90 to NT\$46.80 since August 5, 2021 (the ex-dividend base date). Since August 5, 2022 (the ex-dividend base date), the conversion price has been adjusted from NT\$46.80 to NT\$45.60. Since May 6, 2023 (the ex-dividend base date), the conversion price has been adjusted from NT\$45.60 to NT\$43.90. Since May 3, 2024 (the ex-dividend base date), the conversion price has been adjusted from NT\$43.90 to NT\$42.70.

C. On January 3, 2022, the Group issued the 2nd unsecured domestic convertible bonds. The terms of the bonds are as follows:

(A) Issue amount: NT\$630,000 thousand

(B) Issue date: January 3, 2022

(C) Issue price: Issued at 111.8% of the par value

(D) Coupon rate: 0%

(E) Period: January 3, 2022 to January 3, 2025

(F) Settlement or Conversion period: (a) The company may, from the day following the issuance of corporate bonds for three months (April 4, 2022) to 40 days before the expiration of the issuance period (November 24, 2024), when the agreed conditions are met, request the redemption of corporate bonds from corporate bond holders according to the par value of the bonds.

- (b) For corporate bond holders, from the day following the first three months of the corporate bond issuance date (April 4, 2022) to the maturity date (January 3, 2025), except for the period stipulated in the conversion method. In addition, the company may request to be converted into the company's ordinary shares at any time at the conversion price at that time. If it is not converted at that time, it shall be repaid in cash according to the par value of the bond within five business days after the maturity date.
- (c) The price of the conversion corporate bond is determined based on December 13, 2021 as the base date for the determination of the conversion price, which is calculated on the basis of one, three, or five business days before the base date (excluding). The simple arithmetic average of the closing prices of the company's common shares is used as the benchmark price, and then the benchmark price is multiplied by the conversion premium rate of 104.31%, which is the conversion price of the converted corporate bonds (calculated to NT\$, rounded up below). According to the above method, the conversion price is set at NT\$47 per share.

The conversion price of the second domestic unsecured conversion corporate bond of the company is adjusted according to the relevant anti-dilution provisions of the conversion method. The company adjusted the conversion price from NT\$47.00 to NT\$45.80 starting from August 5, 2022 (the ex-dividend base date). The company adjusted the conversion price from NT\$45.80 to NT\$44.10 starting from May 6, 2023 (the ex-dividend base date). The company adjusted the conversion price from NT\$44.10 to NT\$42.90 starting from May 3, 2024 (the ex-dividend base date).

D. On November 27, 2023, the Group issued the 3rd unsecured domestic convertible bonds.

The terms of the bonds are as follows:

- (A) Issue amount: NT\$800,000 thousand
- (B) Issue date: November 27, 2023
- (C) Issue price: Issued at 106.15% of the par value
- (D) Coupon rate: 0%
- (E) Period: November 27, 2023 to November 27, 2026
- (F) Settlement or Conversion period:
- (a) From the day following the issuance of corporate bonds for three months (February 28, 2024) to 40 days before the expiration of the issuance period (October 18, 2026), when the agreed conditions are met, Request the redemption of corporate bonds from corporate bond holders according to the par value of the bonds.
 - (b) For corporate bond holders, from the day following the first three months of the corporate bond issuance date (February 28, 2024) to the maturity date (November 27, 2026), except for the period stipulated in the conversion method. In addition, the company may request to be converted into the company's ordinary shares at any time at the conversion price at that time. If it is not converted at that time, it shall be repaid in cash according to the par value of the bond within five business days after the maturity date.

(c)The price of the conversion corporate bonds is determined based on November 7, 2023 as the conversion price determination base date, and the simple arithmetic average of the company's common stock closing prices on the three business days prior to the base date (excluding). The base price is NT\$50.63, and then the base price is multiplied by the conversion premium rate of 102.71%, which is the conversion price of the converted corporate bonds (calculated to NT dollars, rounded up to the following points). According to the above method, the conversion price is NT\$52 per share. The conversion price of the third domestic unsecured conversion corporate bond of the company is adjusted according to the relevant anti-dilution provisions of the conversion method. The company adjusted the conversion price from NT\$52 to NT\$50.60 starting from May 3, 2024 (the ex-dividend base date).

E. The 1st unsecured convertible bonds in the amount of NT\$9,800 thousand have been converted to 223 thousand common shares for the three month periods ended March 31, 2024. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$7,526 thousand.

The 2nd unsecured convertible bonds in the amount of NT\$1,200 thousand have been converted to 27 thousand common shares for the three month periods ended March 31, 2024. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$916 thousand.

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The 3rd unsecured convertible bonds in the amount of NT\$4,500 thousand have been converted to 89 thousand common shares for the three month periods ended March 31, 2025. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$3,569 thousand; The unsecured convertible bonds in the amount of NT\$100 thousand have been converted to 2 thousand common shares for the three month periods ended March 31, 2024. The conversion net amount exceeds the par value of converted ordinary shares and is transferred to capital reserve - convertible corporate bonds, with a conversion premium of NT\$76 thousand.

(17) Long-term loans

The details of long-term loan as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, are as follows:

Debtor	Type of Loan	Loan period	As of Mar. 31, 2025	Repayment
Bank of Taiwan	Secured loan	2021.10.20- 2026.10.20	\$242,000	The principal and interest will be amortized monthly.
Land Bank of Taiwan	Secured loan	2022.03.28- 2027.03.28	870,000	Interest is paid monthly, and the principal is paid at maturity.
Bank of Taiwan	Secured loan	2023.02.15- 2028.02.15	186,666	The principal and interest will be amortized monthly.
Bank of Taiwan	Secured loan	2024.02.15- 2028.02.15	72,916	The principal and interest will be amortized monthly.
Bank SinoPac	Secured loan (Note 1)	2024.11.01- 2027.10.31	496,500	The principal and interest will be amortized monthly.
Hua Nan Bank	Credit loan	2020.07.08- 2025.06.15	10,123	Interest is paid monthly, and the principal is paid at maturity.
China Zheshang Bank Co., Ltd	Secured loan	2022.08.24- 2025.08.23	113,145	Interest is paid monthly, and the principal is repaid every six months.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

			As of Mar.	
Debtor	Type of Loan	Loan period	31, 2025	Repayment
China Zheshang Bank Co., Ltd	Secured loan	2022.08.26- 2025.08.26	65,144	Interest is paid monthly, and the principal is repaid every six months.
Total			2,056,494	
Less: current portion			(457,411)	
Non-current portion			\$1,599,083	
			As of Dec.	
Debtor	Type of Loan	Loan period	31, 2024	Repayment
Bank of Taiwan	Secured loan	2021.10.20- 2026.10.20	\$248,000	The principal and interest will be amortized monthly.
Land Bank of Taiwan	Secured loan	2022.03.28- 2027.03.28	870,000	Interest is paid monthly, and the principal is paid at maturity.
Bank of Taiwan	Secured loan	2023.02.15- 2028.02.15	202,667	The principal and interest will be amortized monthly.
Bank of Taiwan	Secured loan	2024.02.15- 2028.02.15	79,167	The principal and interest will be amortized monthly.
Bank SinoPac	Secured loan (Note 1)	2024.11.01- 2027.10.31	505,500	The principal and interest will be amortized monthly.
Business Bank of Taiwan	Secured loan (Note 2)	2023.03.20- 2028.03.20	9,750	The principal and interest will be amortized monthly.
Business Bank of Taiwan	Secured loan (Note 2)	2021.04.07- 2026.04.07	5,581	The principal and interest will be amortized monthly.
Hua Nan Bank	Credit loan	2020.07.08- 2025.06.15	20,245	Interest is paid monthly, and the principal is paid at maturity.
China Zheshang Bank Co., Ltd	Secured loan	2022.08.24- 2025.08.23	118,246	Interest is paid monthly, and the principal is repaid every six months.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

			As of Dec.	
Debtor	Type of Loan	Loan period	31, 2024	Repayment
China Zheshang Bank Co., Ltd	Secured loan	2022.08.26- 2025.08.26	68,081	Interest is paid monthly, and the principal is repaid every six months.
Total			2,127,237	
Less: current portion			(452,758)	
Non-current portion			\$1,674,479	
			As of Mar.	
Debtor	Type of Loan	Loan period	31, 2024	Repayment
Bank of Taiwan	Secured loan	2016.06.27- 2024.06.27	\$4,775	The principal and interest will be amortized monthly.
Bank of Taiwan	Secured loan	2021.10.20- 2026.10.20	266,000	The principal and interest will be amortized monthly.
Land Bank of Taiwan	Secured loan	2022.03.28- 2027.03.28	870,000	Interest is paid monthly, and the principal is paid at maturity.
Bank of Taiwan	Secured loan	2023.02.15- 2028.02.15	250,667	The principal and interest will be amortized monthly.
Yuanta Commercial Bank Co., Ltd	Credit loan	2024.02.01- 2024.04.01	80,000	Interest is paid monthly, and the principal is paid at maturity.
Bank of Taiwan	Secured loan	2024.02.15- 2028.02.15	97,916	The principal and interest will be amortized monthly.
Total			1,569,358	
Less: current portion			(197,775)	
Non-current portion			\$1,371,583	

Note 1: The collateral for the aforementioned syndicated loan includes real estate, plant, and equipment, and it is jointly guaranteed by the Small and Medium Enterprise Credit Guarantee Fund and the responsible person of AvioCast Inc.

Note 2 : The aforementioned secured loan is guaranteed by a reserve account and the Small and Medium Enterprise Credit Guarantee Fund, with a joint guarantee provided by the responsible person of AvioCast Inc.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

- (a) Please refer to Note 8 for more detail of assets pledged as collaterals.
- (b) As of March 31, 2025, December 31, 2024 and March 31, 2024, the interest rate intervals for long-term loans were 1.475% ~ 4.90% , 1.48% ~ 4.90% and 1.48% ~ 2.09%, respectively.

(18) Other non-current liabilities

- (a) Details of other non-current liabilities were as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Net defined benefit liability	\$133	\$197	\$639
Guarantee deposits	7,404	7,543	5,726
Deferred revenue	4,542	4,756	5,583
Total	\$12,079	\$12,496	\$11,948

- (b) The details of the deferred government grants income for the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month period ended March 31,	
	2025	2024
Beginning balance	\$4,756	\$5,776
Received during the period	-	-
Released to the statement of comprehensive income	(308)	(303)
Exchange differences	94	110
Ending Balance	\$4,542	\$5,583

The Group received government grants for the purchase of property, plant and equipment for specific projects. The recognized government grants have no unfulfilled conditions and other contingencies.

(19) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2025 and 2024 were NT\$4,931 thousand and NT\$8,154 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended March 31, 2025 and 2024 were both NT\$8 thousand.

(20) Equities

(a) Common stock

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Company's authorized capital were NT\$1,500,000 thousand, each share at par value of NT\$10. The Company's paid-in capital were NT\$1,098,097 thousand, NT\$1,097,208 thousand, and NT\$912,938 thousand, respectively, divided into 109,810 thousand shares, 109,721 thousand shares and 91,294 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

For the three month periods ended March 31, 2024, the 1st unsecured convertible bonds in amount of NT\$9,800 thousand were converted into 27 thousand shares.

For the three month periods ended March 31, 2024, the 2nd unsecured convertible bonds in amount of NT\$1,200 thousand were converted into 27 thousand shares.

For the three month periods ended March 31, 2025 and 2024, the 3rd unsecured convertible bonds in amount of NT\$4,500 thousand and NT\$100 thousand, respectively were converted into 89 thousand shares and 2 thousand shares.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(b) Capital surplus

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Additional paid-in capital	\$2,803,332	\$2,799,247	\$2,013,024
Employee stock option	1,322	1,322	1,322
Components of convertible corporate bonds	4,394	4,910	103,397
Total	<u>\$2,809,048</u>	<u>\$2,805,479</u>	<u>\$2,117,743</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 dividend shares to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

(c) Retained earnings and dividend policies

(1) Retained earnings

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- i. Payment of all taxes and dues;
- ii. Offset prior years' operation losses;
- iii. Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.
- iv. Set aside or reverse special reserve in accordance with law and regulations; and
- v. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the Company's dividends are distributed to shareholders, surplus reserve and capital reserve paid in cash, the Board of Directors have been authorized to approve 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, and report to the shareholders' meeting.

(2) Dividend policies

The Company's life cycle is currently at the growing stage. The Company's dividend policy shall be determined pursuant to the factors, such as financial structure, operating conditions, and capital budgets. The distribution of shareholders' dividend shall be not lower than 10% of the distributable current-year earnings. However, the shareholders may resolve not to distribute dividends if the accumulated earnings were lower than 1% of the paid-in capital. The dividend can be distributed by cash not be less than 10% of total dividends and be adjusted by the actual situation of the company.

(3) Legal reserve

According to Taiwan's Company Act, the Company needs to set aside an amount as legal reserve unless where such legal reserve amounts to the amount of total paid-in capital. The legal reserve can be used to make good the deficit. 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 held by each of the shareholders.

(4) Special reserve

On 31 March 2021, the FSC 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, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion of the special reserve first appropriated and distribute it.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(5)The appropriations of earnings for 2024 and 2023 were approved through the shareholders' meetings held on March 13, 2025 and June 27, 2024, respectively. The details of the distributions are as follows:

	Appropriation of earnings		Dividend per share (in NT\$)	
	2024	2023	2024	2023
Legal reserve	\$20,689	\$25,481		
Appropriation (reversal) of special reserve	(70,252)	24,650		
Common Stock-Cash dividend (Note1&2)	165,000	131,000	\$1.50	\$1.44
Total	<u>\$115,437</u>	<u>\$181,131</u>		

Note1: The number of shares calculated for shareholder dividends amounted to 109,754 thousand shares and 91,137 thousand shares as of February 28, 2025 and March 8, 2024, respectively (after deducting treasury shares).

Note2: As stipulated in the Articles of Incorporation, a special resolution was passed at a Board of Directors meeting held on March 13, 2025 to distribute the 2024 common stock dividend in cash.

Please refer to Note 6(24) for details on employees' compensation and remuneration to directors.

(d) Non-controlling interests

	For the three-month period ended March 31,	
	2025	2024
Beginning balance	\$80,442	\$-
Profit (loss) attributable to non-controlling interests	(2,865)	-
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences arising on translating of a foreign operation	359	-
Total	<u>\$77,936</u>	<u>\$-</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(21) Operating revenue

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue from contracts with customer		
Sale of goods	\$1,247,666	\$1,050,030
Other operating revenue	4,683	4,658
Total	<u>\$1,252,349</u>	<u>\$1,054,688</u>

Analysis of revenue from contracts with customers for the three-month periods ended March 31, 2025 and 2024 are as follows:

(a) Disaggregation of revenue

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Sale of goods	\$1,247,666	\$1,050,030
Other operating revenue	4,683	4,658
Total	<u>\$1,252,349</u>	<u>\$1,054,688</u>

The timing for revenue recognition:

At a point in time	<u>\$1,252,349</u>	<u>\$1,054,688</u>
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For the analysis of each major product, please refer to Note 14 "Segment Information".

(b) Contract balances

A. Contract liabilities

	<u>As of</u>			
	<u>Mar. 31, 2025</u>	<u>Dec. 31, 2024</u>	<u>Mar. 31, 2024</u>	<u>Dec. 31, 2023</u>
Sales of goods	<u>\$36,168</u>	<u>\$46,010</u>	<u>\$27,540</u>	<u>\$14,022</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Analysis of contract liabilities for the three-month periods ended March 31, 2025 are as follows:

	<u>Sales of goods</u>
The opening balance transferred to revenue	\$(18,100)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	8,258

Analysis of contract liabilities for the three-month periods ended March 31, 2024 are as follows:

	<u>Sales of goods</u>
The opening balance transferred to revenue	\$(2,971)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	16,489

(22) Expected credit (losses) gains

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating expenses – Expected credit (losses) gains		
Account receivables	<u>\$(2,809)</u>	<u>\$(1,626)</u>

Please refer to Note 12 for more details on credit risk.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

The Group measures the loss allowance of its accounts receivable (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 March 31, 2025, December 31, 2024 and March 31, 2024, respectively, are as follow:

(a)The Group considers the grouping of account receivables by counter-parties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix.The details are as follows:

As of Mar. 31, 2025

	Not due (Note)	Overdue			Total
		Less than 60 days	61-120 days	121-180 days	
Gross carrying amount	\$1,541,169	\$55,084	\$13,202	\$11,697	\$1,754,665
Loss ratio	0.00%~0.66%	0.147%~10.99%	0.906%~32.24%	4.066%~53.05%	47.13%~100%
Lifetime expected credit losses	(14,785)	(3,635)	(3,448)	(2,165)	(155,849)
Carrying amount of accounts receivables	\$1,526,384	\$51,449	\$9,754	\$9,532	\$1,598,816

As of Dec. 31, 2024

	Not due (Note)	Overdue			Total
		Less than 60 days	61-120 days	121-180 days	
Gross carrying amount	\$1,556,009	\$121,641	\$13,091	\$4,801	\$1,834,297
Loss ratio	0.011%~1.00%	0.147%~5.27%	0.906%~14.86%	4.066%~40.79%	39.55%~100%
Lifetime expected credit losses	(3,302)	(3,565)	(3,353)	(2,123)	(149,940)
Carrying amount of accounts receivables	\$1,552,707	\$118,076	\$9,738	\$2,678	\$1,684,357

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

As of Mar. 31, 2024

	Overdue					Total
	Not due (Note)	Less than 60 days	61-120 days	121-180 days	More than 181 days	
Gross carrying amount	\$1,330,843	\$59,944	\$4,480	\$6,906	\$7,606	\$1,409,779
Loss ratio	0.012%~0.55%	0.75%~2.30%	8.24%~9.99%	25.69%~36.71%	49.40%~100%	
Lifetime expected credit losses	(2,051)	(1,234)	(640)	(1,794)	(3,863)	(9,582)
Carrying amount of accounts receivables	\$1,328,792	\$58,710	\$3,840	\$5,112	\$3,743	\$1,400,197

Note: The Group's note receivables were not overdue.

(b)The movement in the provision for impairment of notes receivables and accounts receivables for the three-month periods ended March 31, 2025 and 2024 are as follows:

	Notes receivables	Accounts receivables	Other receivables
As of Jan. 1, 2025	\$-	\$149,940	\$3,757
Addition (reversal) for the current period	-	2,809	-
Exchange differences	-	3,100	198
As of Mar. 31, 2025	\$-	\$155,849	\$3,955
As of Jan. 1, 2024	\$-	\$7,831	\$-
Addition (reversal) for the current period	-	1,626	-
Exchange differences	-	125	-
As of Mar. 31, 2024	\$-	\$9,582	\$-

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(23) Leases

(a) Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 39 years. The Group is not allowed to loan, sublease or sell without obtaining the consent from the lessors.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Land	\$579,207	\$585,290	\$68,521
Buildings	86,567	89,733	99,229
Machinery equipment	1,310	1,368	-
Transportation equipment	8,846	10,217	5,748
Office equipment	75	117	10
Total	\$676,005	\$686,725	\$173,508

The Group's right-of-use assets were both increased by NT\$0 for the three-month period ended March 31, 2025 and 2024.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(ii) Lease liabilities

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Lease liabilities	\$593,905	\$600,647	\$113,453
Current	\$26,257	\$26,475	\$16,549
Non-current	567,648	574,172	96,904
Total	\$593,905	\$600,647	\$113,453

Please refer to Note 6(25)(d) for the interest on lease liabilities recognized during the three -month period ended March 31, 2025 and 2024, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at March 31, 2025, December 31, 2024, and March 31, 2024.

B. Amounts recognized in the income statement

Depreciation of right-of-use assets

	For the three-month period ended March 31,	
	2025	2024
Land	\$8,002	\$739
Buildings	3,166	3,166
Machinery equipment	76	-
Transportation equipment	1,377	1,639
Office equipment	42	43
Other equipment	-	120
Total	\$12,663	\$5,707

C. Income and costs relating to leasing activities

	For the three-month period ended March 31,	
	2025	2024
The expense relating to leases of low-value assets (Not including the expense relating to short-term leases of law-value assets)	\$(2,090)	\$(920)

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

As of March 31, 2025, December 31, 2024 and March 31, 2024, 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.

D. Cash outflow relating to leasing activities

During the nine-month period ended March 31, 2025 and 2024, the Group's total cash outflow for leases amounted to NT\$13,047 thousand and NT\$5,995 thousand, respectively.

(b) Group as a lessor

The Group has entered leases on plants. These leases have terms of between one and fifteen years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the three-month period ended March 31,	
	2025	2024
Lease income for operating leases		
Income relating to fixed lease payments	\$12,982	\$5,690
Lease income for finance leases		
Finance income on the net investment in the lease	363	857
Total	\$13,345	\$6,547

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Less than one year	\$42,276	\$26,179	\$18,886
More than one year but less than five years	141,785	142,424	138,981
Total	\$184,061	\$168,603	\$157,867

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Notes to the Consolidated Financial Statements – (Continued)

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

The Group enters into a financial lease agreement, and the undiscounted lease payment and the total amount for the remaining years will be received as of March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Undiscounted lease payments			
Year 1	\$30,857	\$30,852	\$34,189
Year 2	8,610	15,812	30,798
Year 3	553	967	8,705
Year 4	-	-	553
Total undiscounted lease payments	40,020	47,631	74,245
Less: lease payment unearned revenue	(632)	(991)	(2,795)
Net investment in the lease (Finance lease receivables)	\$39,388	\$46,640	\$71,450
Current	\$30,320	\$30,026	\$32,015
Non-current	9,068	16,614	39,435
Total	\$39,388	\$46,640	\$71,450

(24) Summary of employee benefits, depreciation and amortization by function is as follows:

Function Nature	For the three-month period ended March 31,					
	2025			2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries and wages	\$124,505	\$112,586	\$237,091	\$63,410	\$85,541	\$148,951
Labor and health insurance	9,717	11,335	21,052	6,585	8,112	14,697
Pension	2,527	2,412	4,939	3,827	4,335	8,162
Other employee benefits expense	11,653	10,127	21,780	3,672	6,842	10,514
Depreciation	53,280	25,088	78,368	36,374	13,912	50,286
Amortization	523	1,699	2,222	60	924	984

According to the Company's Articles of Incorporation, between 1% to 10% of profit of the current year is distributable as employees' compensation and no more than 2% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered.

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, 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, the Company estimated 2% of the employees' compensation and 1% of remuneration to directors for the three-month periods ended March 31, 2025 amounted to NT\$1,911 thousand, and NT\$956 thousand respectively. The employees' compensation and remuneration to directors for the three-month period ended March 31, 2024 amounted to NT\$3,027 thousand and NT\$1,514 thousand, respectively. The employees' compensation and remuneration to directors were recognized as salary expenses.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$5,899 thousand and NT\$2,950 thousand, respectively for the year ended December 31, 2024 in a meeting held on March 13, 2025. No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2024.

The Company's Board of Directors' meeting has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$5,690 thousand and NT\$2,845 thousand, respectively for the year ended December 31, 2023, in a meeting held on March 14, 2024. No differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2023.

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Notes to the Consolidated Financial Statements – (Continued)

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

(25) Non-operating incomes and expenses

(a) Interest income

	For the three-month period ended March 31,	
	2025	2024
Interest income		
Financial assets measured at amortized cost	\$11,371	\$17,825
Related party lending	-	183
Other	392	886
Total	\$11,763	\$18,894

(b) Other income

	For the three-month period ended March 31,	
	2025	2024
Rental income	\$12,982	\$5,690
Others	14,238	14,234
Total	\$27,220	\$19,924

(c) Other gains and losses

	For the three-month period ended March 31,	
	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$202	\$(103)
Foreign exchange gains (losses), net	36,227	80,071
Losses on financial assets at fair value through profit or loss	(49)	(246)
Others	(8,022)	(3,159)
Total	\$28,358	\$76,563

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Notes to the Consolidated Financial Statements – (Continued)

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

(d) Finance costs

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest on borrowings from bank	\$15,941	\$9,813
Interests on convertible bonds	202	3,951
Interests on lease liabilities	4,192	346
Total	<u>\$20,335</u>	<u>\$14,110</u>

(26) Components of other comprehensive income

For the three-month period ended March 31, 2025:

	<u>Arising</u>	<u>Reclassification</u>	<u>Other</u>	<u>Tax relating to</u>	<u>Other</u>
	<u>during the</u>	<u>during the period</u>	<u>comprehensive</u>	<u>components of</u>	<u>comprehensive</u>
	<u>period</u>	<u>during the period</u>	<u>income,</u>	<u>other</u>	<u>income, net of</u>
	<u>period</u>	<u>during the period</u>	<u>pre-tax</u>	<u>comprehensive</u>	<u>income, net of</u>
	<u>period</u>	<u>during the period</u>	<u>pre-tax</u>	<u>income</u>	<u>tax</u>
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translating of foreign operations	\$56,726	\$-	\$-	\$(11,281)	\$45,445

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Notes to the Consolidated Financial Statements – (Continued)

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

For the three-month period ended March 31, 2024:

	Arising during the period	Reclassification during the period	Other comprehensive income, pre-tax	Tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not be reclassified to profit or loss in subsequent periods:					
Unrealized gain (losses) from equity instruments investments measured at fair value through other comprehensive income	\$(250)	\$-	\$(250)	\$50	\$(200)
May be reclassified to profit or loss in subsequent periods:					
Exchange differences arising on translating of foreign operations	43,271	-	43,271	(8,635)	34,636
Total of other comprehensive income	<u>\$43,021</u>	<u>\$-</u>	<u>\$43,021</u>	<u>\$(8,585)</u>	<u>\$34,436</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(27) 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 three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense (income):		
Current income tax charge	\$13,115	\$19,695
Adjustments in respect of current income tax of prior periods	(305)	19
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	8,664	10,556
Total income tax expense	<u>\$21,474</u>	<u>\$30,270</u>

Income tax relating to components of other comprehensive income

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Deferred tax expense (income):		
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$-	\$(50)
Exchange differences arising on translation of foreign operations	11,281	8,635
Total	<u>\$11,281</u>	<u>\$8,585</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(b) The assessment of income tax return

As of March 31, 2025, the status of tax authority's assessment of the income tax returns of the Company and its subsidiaries were as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary- Global Tek Co., Ltd.	Assessed and approved up to 2022
Subsidiary- AvioCast Inc.	Assessed and approved up to 2023

(28) Earnings per share

Basic earnings per share are calculated by dividing net profit for the period 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 influence) 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.

(a) Basic earnings per share

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$87,873</u>	<u>\$134,319</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	<u>109,761</u>	<u>91,109</u>
Basic earnings per share (NT\$)	<u>\$0.80</u>	<u>\$1.47</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(b) Diluted earnings per share

	For the three-month period ended March 31,	
	2025	2024
Profit attributable to ordinary equity holders of the Company (in thousand NT\$)	\$87,873	\$134,319
Gain or loss on valuation of redemption from convertible bonds	39	188
Interest expense from convertible bonds	162	3,161
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT\$)	<u>\$88,074</u>	<u>\$137,668</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousand shares)	109,761	91,109
Effect of dilution:		
Employee bonus — stock (in thousand shares)	86	147
Convertible bonds (in thousand shares)	873	19,005
Weighted average number of ordinary shares outstanding after dilution (in thousand shares)	<u>110,720</u>	<u>110,261</u>
Diluted earnings per share (in NT\$)	<u>\$0.80</u>	<u>\$1.25</u>

No other transactions that would significantly change the outstanding common stocks or potential common stocks incurred during the period subsequent to reporting date and up to the approval date of financial statements.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(29) Business combination

Acquisition of AvioCast Inc.

To continue the vertical integration of its production supply chain and deepen its aerospace product line, the Group's Board of Directors resolved on March 14, 2024, to purchase 319 thousand shares from AvioCast Inc.'s shareholders, increasing its share interest from 49.03% to 50.23%. The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

The Group has elected to measure the non-controlling interests in AvioCast Inc. based on the proportionate share of the acqutree's identifiable net assets.

The assets and liabilities of AvioCast Inc. as of the acquisition date are as follows:

	<u>Provisional fair value</u>
Assets	
Cash and cash equivalents	\$66,513
Financial assets measured at amortized cost	997
Account receivables	118,679
Other receivables	1,505
Inventories	138,202
Prepayments	37,944
Other current assets	146
Property, plant and equipment	429,091
Right-of-use asset	55,619
Intangible assets	13,201
Deferred tax assets	43,639
Prepayment for equipment	913
Other non-current assets	4,823
Subtotal	<u>911,272</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

	<u>Provisional fair value</u>
Liabilities	
Short-term loans	\$35,000
Contract liabilities	11,191
Note payables	16,348
Accounts payables	32,375
Other payables	22,691
Lease liabilities	57,328
Other current liabilities	1,394
Long-term loans	608,860
Subtotal	<u>785,187</u>
Total net assets	<u><u>\$126,085</u></u>

For the impact by AvioCast Inc. since the date of acquisition (May 1, 2024), please refer to the Company's consolidated financial statements for the year ended December 31, 2024.

The provisional amount of goodwill for AvioCast Inc. is as follows:

Purchase consideration – cash	\$3,190
Add: Fair value of equity held prior to acquisition date	131,428
Add: Non-controlling interests	62,752
Less: Provisional fair value of identifiable net assets	<u>(126,085)</u>
Provisional goodwill	<u><u>\$71,285</u></u>

Cash consideration

Cash flow on acquisition	
Net cash acquired with the subsidiary	\$66,513
Cash paid	<u>(3,190)</u>
Net cash inflow	<u><u>\$63,323</u></u>

The net assets recognized in the financial statements ended March 31, 2025, was based on a provisional assessment of fair value as the Group had sought an independent valuation for the assets held and liabilities assumed by AvioCast Inc. The results of this valuation had not been received at the date the financial statements for the three-month periods ended March 31 2025, were approved for issue by management.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Acquisition of Top Yes (Suzhou) Precision Industry Co., Ltd

Considering the Group's operational development plans and to strengthen strategic partnerships, the Group participated in the cash capital increase of Top Yes (Suzhou) Precision Industry Co., Ltd. The company completed its cash capital increase in May 2024. As a result, the Group, through its subsidiary Global Tek (Wuxi) Co., Ltd., increased its ownership percentage from 4.11% to 31.21%, and its subsidiary Global Tek Fabrication Co., Ltd. (Samoa) holds 22.10% stake. In May 2024, the Group obtained control and included Top Yes (Suzhou) Precision Industry Co., Ltd. as part of its consolidated financial statements.

The Group has elected to measure the non-controlling interests in Top Yes (Suzhou) Precision Industry Co., Ltd. at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The assets and liabilities of Top Yes (Suzhou) Precision Industry Co., Ltd. as of the acquisition date are as follows:

	<u>Provisional fair value</u>
Assets	
Cash and cash equivalents	\$48,676
Note receivables	17,255
Account receivables	44,602
Other receivables	2,574
Inventories	72,283
Prepayments	25,754
Property, plant and equipment	287,687
Right-of-use asset	39,646
Intangible assets	25,685
Other non-current assets	64
Deferred tax assets	14,234
Subtotal	<u>578,460</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

	<u>Provisional fair value</u>
Liabilities	
Short-term loans	\$45,843
Contract liabilities	9,704
Account payables	53,785
Other payables	96,943
Long-term loans	199,301
Deferred tax liabilities	6,676
Subtotal	<u>412,252</u>
Total net assets	<u><u>\$166,208</u></u>

For the impact by Top Yes (Suzhou) Precision Industry Co., Ltd since the date of acquisition (May 1, 2024), please refer to the Company's consolidated financial statements for the year ended December 31, 2024.

The Provisional amount of goodwill for Top Yes (Suzhou) Precision Industry Co., Ltd. is as follows:

Purchase consideration – cash	\$172,977
Add: Fair value of equity held prior to acquisition date	7,762
Add: Non-controlling interests	77,593
Less: Provisional fair value of identifiable net assets	<u>(166,208)</u>
Provisional goodwill	<u><u>\$92,124</u></u>

Cash consideration

Cash flows from acquisition	
Net cash acquired with the subsidiary	\$48,676
Cash paid(Note)	<u>-</u>
Net cash inflow	<u><u>\$48,676</u></u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Note: The Group invested RMB36,000 thousand (approximately US\$5,669 thousand) in Top Yes (Suzhou) Precision Industry Co., Ltd. during the years 2022 to 2023. Top Yes (Suzhou) Precision Industry Co., Ltd. completed its cash capital increase in May 2024, resulting in the Group's final consolidated ownership ratio of 53.31%. In May 2024, the Group obtained control and included Top Yes (Suzhou) Precision Industry Co., Ltd. in its consolidated financial statements. For further details, please refer to Note 6(9).

The net assets recognized in the financial statements ended March 31, 2025, was based on a provisional assessment of fair value as the Group had sought an independent valuation for the assets held and liabilities assumed by Top Yes (Suzhou) Precision Industry Co., Ltd.. The results of this valuation had not been received at the date the financial statements for the three-month periods ended March 31, 2025, were approved for issue by management.

(30) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and Operation	Mar. 31, 2025	Dec. 31, 2024
AvioCast Inc.	Taiwan	40.44%	40.44%
Top Yes (Suzhou) Precision Industry Co., Ltd.	Suzhou	46.69%	46.69%

Accumulated balances of material non-controlling interest:

	Mar. 31, 2025	Dec. 31, 2024
AvioCast Inc.	\$67,270	\$60,813
Top Yes (Suzhou) Precision Industry Co., Ltd.	11,222	19,967

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Profit/(loss) allocated to material non-controlling interest:

	For the three-month period ended March 31,	
	2025	2024
AvioCast Inc.	\$6,456	(Note)
Top Yes (Suzhou) Precision Industry Co., Ltd.	\$(9,130)	(Note1)

Note: The Group gained control and included AvioCast Inc. as part of its consolidated financial statements in April 2024.

Note 1: The Group gained control and included Top Yes (Suzhou) Precision Industry Co., Ltd. as part of its consolidated financial statements in May 2024.

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized AvioCast Inc. and its subsidiary information of profit or loss is as follows:

	For the three-month period ended March 31,	
	2025	
Operating revenue	\$146,965	
Profit/loss from continuing operation	15,966	
Total comprehensive income (loss)	15,966	

Summarized Top Yes (Suzhou) Precision Industry Co., Ltd. of profit or loss is as follows:

	For the three-month period ended March 31,	
	2025	
Operating revenue	\$31,654	
Profit/loss from continuing operation	(19,556)	
Total comprehensive income (loss)	(19,556)	

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Summarized AvioCast Inc. and its subsidiary information of financial position is as follows:

	<u>Mar. 31, 2025</u>
Current assets	\$417,745
Non-current assets	950,729
Current liabilities	259,353
Non-current liabilities	942,506

Summarized Top Yes (Suzhou) Precision Industry Co., Ltd. information of financial position is as follows:

	<u>Mar. 31, 2025</u>
Current assets	\$115,267
Non-current assets	345,524
Current liabilities	411,337
Non-current liabilities	2,328

Summarized AvioCast Inc. and its subsidiary information of financial position is as follows:

	<u>Dec. 31, 2024</u>
Current assets	\$353,249
Non-current assets	958,131
Current liabilities	199,288
Non-current liabilities	961,713

Summarized Top Yes (Suzhou) Precision Industry Co., Ltd. information of financial position is as follows:

	<u>Dec. 31, 2024</u>
Current assets	\$127,787
Non-current assets	345,645
Current liabilities	405,253
Non-current liabilities	2,606

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Summarized AvioCast Inc. and its subsidiary cash flows information is as follows:

	<u>For the three-month period ended March 31,</u>
	<u>2025</u>
Operating activities	\$50,978
Investing activities	(12,993)
Financing activities	48,669
Net increase/(decrease) in cash and cash equivalents	86,854

Summarized Top Yes (Suzhou) Precision Industry Co., Ltd. cash flows information is as follows:

	<u>For the three-month period ended March 31,</u>
	<u>2025</u>
Operating activities	\$(2,475)
Investing activities	(256)
Financing activities	12,895
Net increase/(decrease) in cash and cash equivalents	9,595

7. RELATED PARTY TRANSACTIONS

(1) Deal with related parties as of the end of the reporting period

Related parties and Relationship

<u>Related parties</u>	<u>Relationship</u>
Honda Business Systems Ltd.	Associate
Top Yes Precision Metal Products Co., LTD	Associate
ACTION TOOLING INC.	Associate
BAO LI SHUN CORPORATION	Associate
TONG YEU ENTERPRISE CO., LTD.	Associate
CHANG,KUNG-TIEN	Shareholder of Subsidiary
TSAI,WEN-CHEW	Shareholder of Subsidiary

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Related parties	Relationship
Top Yes (Suzhou) Precision Industry Co., Ltd.	Associate (Note)
AvioCast Inc.	Associate (Note)

Note: The Group gained control and included AvioCast Inc. and its subsidiaries as part of its consolidated financial statements in April 2024.

The Group gained control and included Top Yes (Suzhou) Precision Industry Co., Ltd. as part of its consolidated financial statements in May 2024.

(2) Significant transactions with related parties

A. Sales

	For the three-month period ended March 31,	
	2025	2024
Honda Business Systems Ltd.	\$3,799	\$-

The sales price to the above related parties are comparable with third party customers. The collection period to related parties and third party customers was month-end 90 days.

B. Accounts receivables

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
ACTION TOOLING INC.	\$111,676	\$109,248	\$-
Honda Business Systems Ltd.	1,890	-	-
Less: Loss allowance	(111,676)	(109,248)	-
Total	\$1,890	\$-	\$-

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

C. Other receivables (excluding financing provided to others)

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Top Yes (Suzhou) Precision Industry Co., Ltd.	\$-	\$-	\$579
AvioCast Inc.	-	-	205
Honda Business Systems Ltd.	-	54	-
Total	\$-	\$54	\$784

D. Loans to related parties

(a) Other accounts receivable - related parties

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Top Yes (Suzhou) Precision Industry Co., Ltd.	\$-	\$-	\$17,656

(b) Interest income

	For the three-month period ended March 31,	
	2025	2024
Top Yes (Suzhou) Precision Industry Co., Ltd.	\$-	\$183

E. Accounts payable

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
ACTION TOOLING INC.	\$243	\$240	\$-
BAO LI SHUN CORPORATION	4,419	4,366	-
TONG YEU ENTERPRISE CO., LTD.	1,635	1,615	-
Total	\$6,297	\$6,221	\$-

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

F. Other payables

	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Top Yes Precision Metal Products Co., LTD	\$11,948	\$11,706	\$-
CHANG, KUNG-TIEN	16,915	16,573	-
TSAI,WEN-CHEW	3,657	3,583	-
Total	\$32,520	\$31,862	\$-

G. For the three-month period ended March 31, 2024, the Group entrusted AvioCast Inc. to provide labor services and recognized operating revenue in the amount of NT\$585 thousand.

H. Salaries and rewards to key management of the Group

	For the three-month period ended March 31,	
	2025	2024
Short-term employee benefit	\$9,441	\$7,996
Post-employment benefit	108	108
Total	\$9,549	\$8,104

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

8. ASSETS PLEDGED AS COLLATERAL

The following assets of the Group are pledged as collaterals:

Item	Carrying Amount As of			Secured liabilities
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024	
Notes receivables	\$-	\$-	\$84,241	Collateral for notes receivable account
Accounts receivables	412	5,627	-	Short-term loans
Financial assets measured at amortized cost-current	98,278	134,825	43,403	Collateral for notes receivable account
Financial assets measured at amortized cost-non current	3,815	4,233	1,815	Custom bond 、 Long-term loans and Government case
Financial assets measured at amortized cost-non current	14,908	3,877	-	Performance guarantees
Land	1,410,612	1,410,612	1,410,612	Long-term loans
Property, plant and equipment-buildings (net)	578,184	579,275	95,275	Short-term and Long-term loans
Refundable deposits	11,319	9,926	-	Long-term plant and land deposits and performance guarantees
Total	<u>\$2,117,528</u>	<u>\$2,148,375</u>	<u>\$1,635,346</u>	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(a)As of March 31, 2025, December 31, 2024 and March 31, 2024, the outstanding contracts relating to purchased property, plant and equipment of Global Tek Fabrication Co., Ltd., and Global Tek (Wuxi) Co., Ltd. for business needs were as follows:

Purchased property, plant and equipment	As of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Global Tek Fabrication Co., Ltd.	\$32,355	\$32,245	\$32,838
Global Tek (Wuxi) Co., Ltd.	8,702	12,889	14,597
Total	<u>\$41,057</u>	<u>\$45,134</u>	<u>\$47,435</u>

(b)As of March 31, 2025, December 31, 2024 and March 31, 2024, Global Tek Co., Ltd. issued guarantee notes as collateral for the purchase of materials were all NT\$88,960 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12. OTHERS

(1)Categories of financial instruments

Financial assets

	As of		
	<u>Mar. 31, 2025</u>	<u>Dec. 31, 2024</u>	<u>Mar. 31, 2024</u>
Financial asset at fair value through profit of loss:			
Mandatorily measured at fair value through profit of loss	\$672	\$721	\$1,381
Financial assets at fair value through other comprehensive income	48,666	48,666	79,920
Financial assets measured at amortized cost:			
Cash and cash equivalents(exclude cash on hand)	2,191,893	1,936,668	2,323,980
Financial assets measured at amortized cost	117,001	142,935	45,218
Accounts receivables (including related parties)	1,638,204	1,730,997	1,471,647
Other receivables (including related parties)	55,016	49,007	77,227
Refundable deposits	19,450	17,951	10,607
Total	<u>\$4,070,902</u>	<u>\$3,926,945</u>	<u>\$4,009,980</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Financial liabilities

	As of		
	<u>Mar. 31, 2025</u>	<u>Dec. 31, 2024</u>	<u>Mar. 31, 2024</u>
Financial liabilities at amortized cost:			
Short-term loans	\$724,134	\$517,262	\$560,099
Payables	1,642,280	1,581,529	1,355,959
Long-term loans (current portion included)	2,056,494	2,127,237	1,569,358
Bonds payable (current portion included)	40,431	44,687	911,539
Lease liabilities	593,905	600,647	113,453
Guarantee deposits received	7,404	7,543	5,726
Total	<u>\$5,064,648</u>	<u>\$4,878,905</u>	<u>\$4,516,134</u>

(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 entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out 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 variable. 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. 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 at 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 dollars strengthens/weakens against USD dollars by 1%, the profit for the three-month periods ended March 31, 2025 and 2024 is increased/decreased by NT\$16,168 thousand and NT\$19,776 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 investments with 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. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the three-month periods ended March 31, 2025 and 2024 to increase/decrease by NT\$589 thousand and NT\$196 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the unlisted equity securities measured at fair value through profit or loss could decrease/increase the Group's profit for the three-month periods ended March 31, 2025 and 2024 by NT\$486 thousand and NT\$799 thousand, respectively.

Please refer Note12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4)Credit risk management

Credit risk is the risk that the 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, notes receivables and lease payment receivable) 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.

Credit risk from balances with banks 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 counterparties.

The objects of accounts receivable cover a large number of customers, scattered in different industries and geographical regions. The Group evaluates the financial condition of its accounts receivable customers on an ongoing basis.

The Group adopted IFRS 9 to assess the expected credit losses. Except for accounts receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss are purchased based on low credit risk, and the Group makes an assessment on each balance sheet date as to whether the credit risk rises significantly since original recognition and then further determines the method of measuring the loss allowance and the loss rate.

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).

(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, highly liquid equity investments, bank borrowings, convertible bonds etc. 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 interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Non-derivative financial instruments

	Less than			Over than	Total
	1 year	1 to 3 years	3 to 5 years	5 years	
As of Mar. 31, 2025					
Short-term loans	\$730,020	\$-	\$-	\$-	\$730,220
Long-term loans	496,136	1,303,651	180,624	172,184	2,152,595
Payables	1,642,280	-	-	-	1,642,280
Convertible bonds	-	41,700	-	-	41,700
Lease liabilities (Note)	42,695	96,654	101,717	510,041	751,107
As of Dec. 31, 2024					
Short-term loans	\$522,024	\$-	\$-	\$-	\$522,024
Long-term loans	489,489	1,335,843	191,006	192,090	2,208,428
Payables	1,581,529	-	-	-	1,581,529
Convertible bonds	100	46,200	-	-	46,300
Lease liabilities (Note)	43,489	57,592	101,310	559,310	761,701
As of Mar. 31, 2024					
Short-term loans	\$567,307	\$-	\$-	\$-	\$567,307
Long-term loans	226,320	1,332,999	82,235	-	1,641,554
Payables	1,355,959	-	-	-	1,355,959
Convertible bonds	151,300	799,900	-	-	951,200
Lease liabilities (Note)	17,786	31,408	28,287	40,970	118,451

Note: The table below provides further information on the lease liability maturity analysis:

	Due period			Total
	Less than 1 year	1 to 5 years	6 to 10 years	
As of Mar. 31, 2025	\$42,695	\$198,371	\$510,041	\$751,107
As of Dec. 31, 2024	43,489	158,902	559,310	761,701
As of Mar. 31, 2024	17,786	59,695	40,970	118,451

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(6) Reconciliation schedule of liabilities arising from financing activities

Reconciliation schedule of liabilities for the three-month period ended March 31, 2025:

	Short-term loans	Long-term loans	Guarantee deposits received	Lease liabilities	Corporate bonds received in advance (accounted for non-current liabilities)	Total liabilities from financing activities
As of Jan. 1, 2025	\$517,262	\$2,127,237	\$7,543	\$600,647	\$44,687	\$3,297,376
Cash flows	206,872	(74,444)	(139)	(10,957)	-	121,332
Non-cash changes						
Interest expense	-	-	-	4,192	202	4,394
Other	-	-	-	-	(4,458)	(4,458)
Exchange differences	-	3,701	-	23	-	3,724
As of Mar. 31, 2025	<u>\$724,134</u>	<u>\$2,056,494</u>	<u>\$7,404</u>	<u>\$593,905</u>	<u>\$40,431</u>	<u>\$3,422,368</u>

Reconciliation schedule of liabilities for the three-month period ended March 31, 2024:

	Short-term loans	Long-term loans	Guarantee deposits received	Lease liabilities	Corporate bonds received in advance (accounted for non-current liabilities)	Total liabilities from financing activities
As of Jan. 1, 2024	\$332,795	\$1,407,550	\$5,635	\$118,154	\$918,630	\$2,782,764
Cash flows	227,304	161,808	91	(5,075)	-	384,128
Non-cash changes						
Interest expense	-	-	-	346	3,951	4,297
Other	-	-	-	-	(11,042)	(11,042)
Exchange differences	-	-	-	28	-	28
As of Mar. 31, 2024	<u>\$560,099</u>	<u>\$1,569,358</u>	<u>\$5,726</u>	<u>\$113,453</u>	<u>\$911,539</u>	<u>\$3,160,175</u>

(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:

- i. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their fair value.
- ii. 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.
- iii. 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).
- iv. 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 GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(b) Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivables, accounts payables and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial liabilities			
Bonds payable	\$40,431	\$44,687	\$911,539

	Fair value as of		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial liabilities			
Bonds payable	\$40,512	\$44,655	\$916,546

(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

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's derivative financial instruments include embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled 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.

(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.

(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.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of March 31, 2025

<u>Financial assets:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss				
Convertible corporate bond redemption rights	\$-	\$154	\$-	\$154
Funds beneficiary certificates	518	-	-	518
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	48,666	48,666

Financial liabilities:

None.

As of December 31, 2024

<u>Financial assets:</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss				
Convertible corporate bond redemption rights	\$-	\$203	\$-	\$203
Funds beneficiary certificates	518	-	-	518
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	48,666	48,666

Global Tek Fabrication Co., Ltd. and subsidiaries

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

Financial liabilities:

None.

As of March 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Convertible corporate bond redemption rights	\$-	\$839	\$-	\$839
Funds beneficiary certificates	542	-	-	542
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	79,920	79,920

Financial liabilities:

None.

Transfers between Level 1 and Level 2 during the period

For the three-month period ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Valuation process used for fair value measurements categorized within Level 2 of the fair value hierarchy

The convertible corporate bond redemption right is based on the discounted cash flow method, and the future cash flow is estimated based on the stock price volatility in the last year and the annual bond yield rate.

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Notes to the Consolidated Financial Statements – (Continued)

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

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

As of March 31, 2025

	<u>Assets</u>
	Financial asset at fair value through other comprehensive income
	<u>Stock</u>
As of Jan. 1, 2025	\$48,666
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	-
As of Mar. 31, 2025	<u>\$48,666</u>

As of March 31, 2024

	<u>Assets</u>
	Financial asset at fair value through other comprehensive income
	<u>Stock</u>
As of Jan. 1, 2024	\$79,925
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income”)	(250)
Exchange differences	245
As of Mar. 31, 2024	<u>\$79,920</u>

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

<u>Financial instrument category</u>	<u>Valuation techniques and inputs</u>
Domestic unlisted (cabinet) stock investment	The fair value is estimated using the market method, and the determination is based on the industry category, the evaluation of the same type of company and the operating situation.
Foreign unlisted (cabinet) stock investment	Using the income method, the present value of the income expected to be derived from holding the investment is calculated by discounting cash flows.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of March 31, 2025

	Valuation	Significant	Quantitative	Relationship	Sensitivity of the input to
	techniques	unobservable	information	between inputs and	fair value
		inputs		fair value	fair value
Financial liabilities:					
Fair value through profit or loss					
Embedded derivatives	A binomial-tree model for convertible bond pricing	Volatility	53.67%	The higher the volatility, the higher the fair value of embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT\$4 thousand and NT\$0

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

As of December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities:					
Fair value through profit or loss					
Embedded derivatives	A binomial-tree model for convertible bond pricing	Volatility	49.78%	The higher the volatility, the higher the fair value of embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT\$0 and NT\$(30) thousand

As of March 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities:					
Fair value through profit or loss					
Embedded derivatives	A binomial-tree model for convertible bond pricing	Volatility	37.59%	The higher the volatility, the higher the fair value of embedded derivatives	1% increase (decrease) in the volatility would result in increase (decrease) in the Group's profit or loss by NT\$8 thousand and NT\$(16) thousand

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's financial department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of March 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	<u>\$-</u>	<u>\$-</u>	<u>\$78,226</u>	<u>\$78,226</u>
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables (please refer to Note 6(16))	<u>\$-</u>	<u>\$-</u>	<u>\$40,512</u>	<u>\$40,512</u>

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Notes to the Consolidated Financial Statements – (Continued)

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

As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	<u>\$-</u>	<u>\$-</u>	<u>\$78,226</u>	<u>\$78,226</u>
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables(please refer to Note 6(16))	<u>\$-</u>	<u>\$-</u>	<u>\$44,655</u>	<u>\$44,655</u>

As of March 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(11))	<u>\$-</u>	<u>\$-</u>	<u>\$78,387</u>	<u>\$78,387</u>
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables(please refer to Note 6(16))	<u>\$-</u>	<u>\$-</u>	<u>\$916,546</u>	<u>\$916,546</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

(10) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the Group's significant financial assets and liabilities denominated in foreign currencies was listed below:

	As of					
	Mar. 31, 2025			Dec. 31, 2024		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$57,074	33.198	\$1,894,758	\$57,894	32.794	\$1,898,564
EUR	6,001	35.955	215,768	5,005	34.150	170,920
RMB	56,936	4.572	260,283	48,082	4.479	215,359
JPY	568,546	0.223	126,701	544,862	0.210	114,421
<u>Financial liabilities</u>						
Monetary items:						
USD	\$6,260	33.198	\$207,811	\$5,217	32.794	\$171,074
EUR	1,426	35.955	51,267	1,384	34.150	47,276
RMB	23,266	4.572	106,360	17,122	4.479	76,690

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

	As of		
	Mar. 31, 2024		
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$66,844	31.999	\$2,138,947
EUR	4,674	34.47	161,121
RMB	53,831	4.41	237,394
JPY	556,282	0.2114	117,598
<u>Financial liabilities</u>			
Monetary items:			
USD	\$5,043	31.999	\$161,380
EUR	1,675	34.47	57,747
RMB	17,690	4.41	78,012

The above information is disclosed based on the carrying amount of foreign currency (after being converted to functional currency).

The Group's entities' functional currency are various and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gain/(loss) were NT\$36,227 and NT\$80,071 thousand for the three-month periods ended March 31, 2025 and 2024, respectively.

(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 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. ADDITIONAL DISCLOSURES

(1) Information at significant transactions:

- a. Financing provided to others for the three-month period ended March 31, 2025: Please refer to Attachment 1.
- b. Endorsement/Guarantee provided to others for the three-month period ended March 31, 2025: Please refer to Attachment 2.
- c. Marketable securities held as of March 31, 2025. (excluding investments in subsidiaries, associates and joint ventures): Please refer to Attachment 3.
- d. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three-month period ended March 31, 2025: Please refer to Attachment 5.
- e. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2025: Please refer to Attachment 6.
- f. Inter Group relationships and significant inter Group transactions for the three-month period ended March 31, 2025: Please refer to Attachment 7.

(2) Information on investees:

- A. Name, locations and related information of investees (excluding investees in Mainland China): Please refer to Attachment 4.
- B. If an investee is controlled by an investor, the related information for the investee shall be disclosed as the same as Note 13(1):
 - (a) Financing provided to others for the three-month period ended March 31, 2025: None.
 - (b) Endorsement/Guarantee provided to others for the three-month period ended March 31, 2025: None.

- (c) Marketable securities held as of March 31, 2025. (excluding investments in subsidiaries, associates and joint ventures): Please refer to Attachment 3.

- (d) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of capital stock for the three-month period ended March 31, 2025: None.

- (e) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of March 31, 2025: Please refer to Attachment 6.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated 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:

Amount in thousand; Currency denomination in NTD unless otherwise specified

Investee company	Main Business and Product	Total Amount of Pain-in Capital (Note 3)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (Note 5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Mar. 31, 2025	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Mar. 31, 2025	Accumulated Inward Remittance of Earnings as of Mar. 31, 2025
					Outflow	Inflow						
Global Tek (Xi'An) Co., Ltd.	Precision machining of industrial automatic control parts and aerospace equipment parts	\$159,450 (USD 5,100)	(2)A	\$111,166 (USD 3,642)	\$-	\$-	\$111,166 (USD 3,642)	\$16,886 (RMB 3,740) (Note 2&Note 4)	100%	\$16,886 (RMB 3,740) (Note 2,4 &6)	\$616,023 (RMB 134,753) (Note 2,4&6)	\$-

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Notes to the Consolidated Financial Statements – (Continued)

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

Investee company	Main Business and Product	Total Amount of Pain-in Capital (Note 3)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (Note 5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Mar. 31, 2025	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Mar. 31, 2025	Accumulated Inward Remittance of Earnings as of Mar. 31, 2025
					Outflow	Inflow						
Global Tek (Wuxi) Co., Ltd.	Precision machining of automotive components	\$704,420 (USD 22,000)	(2)B	\$494,073 (USD 16,378)	\$-	\$-	\$494,073 (USD 16,378)	\$38,906 (RMB 8,617) (Note 2&4)	100%	\$38,906 (RMB 8,617) (Note 2,4&6)	\$1,955,194 (RMB 427,692) (Note 2,4&6)	\$-
Globaltek Xi'An Machinery Manufacturing Co., Ltd.	Sales of industrial automatic control parts and aerospace equipment parts	\$22,115 (RMB 5,000)	(2)C	\$-	\$-	\$-	\$-	\$113 (RMB25) (Note 2&4)	100%	\$113 (RMB25) (Note 2,4&6)	\$48,728 (RMB 10,659) (Note 2,4&6)	\$-

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Notes to the Consolidated Financial Statements – (Continued)

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

Investee company	Main Business and Product	Total Amount of Pain-in Capital (Note 3)	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of Jan. 1, 2025 (Note 5)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of Mar. 31, 2025	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of Mar. 31, 2025	Accumulated Inward Remittance of Earnings as of Mar. 31, 2025
					Outflow	Inflow						
Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	Precision machining of industrial automatic control parts and aerospace equipment parts	\$148,056 (RMB 33,000) (Note 2)	(2)D	\$-	\$-	\$-	\$-	\$(1,296) (RMB (287)) (Note 2 & 4)	100%	\$(1,296) (RMB (287)) (Note 2, 4 & 6)	\$112,665 (RMB 24,645) (Note 2, 4 & 6)	\$-
Top Yes (Suzhou) Precision Industry Co., Ltd.	Precision machining of automotive components	\$709,640 (RMB 21,376)	(2)E	\$146,270 (USD 4,724)	\$-	\$-	\$146,270 (USD 4,724)	\$(19,554) (RMB (4,331)) (Note 2)	53.31%	\$(10,425) (RMB (2,309)) (Note 2)	\$12,596 (RMB 2,755) (Note 2)	\$-

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Accumulated Investment in Mainland China as of Mar. 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$821,451 (USD24,744)	\$1,116,947 (USD33,645)	\$2,959,213

Note 1: The investment methods are divided into the following three types, just indicate the types:

(1) Go directly to the mainland for investment.

(2) Reinvest in mainland China through a third-region company.

A. Global Tek (Xi'An) Co., Ltd. is 100% owned by Global Tek Co., Ltd. (Samoa)

B. Global Tek (Wuxi) Co., Ltd. is invested by Global Tek Co., Ltd. (Samoa) and Global Tek Fabrication Co., Ltd. (HK) to hold 52.98% and 47.02% of the shares respectively.

C. Global Tek Xi'An Machinery Manufacturing Co., Ltd. is 100% owned by Global Tek (Xi'An) Co., Ltd.

D. Global Tek Metal Manufacturing (Shaanxi) Co., Ltd. is 100% owned by Global Tek (Xi'An) Co., Ltd.

E. In May 2024, Top Yes (Suzhou) Precision Industry Co., Ltd. completed a cash capital increase. The Group increased its ownership percentage from 4.11% to 31.21% through its subsidiary, Global Tek (Waxi) Co., Ltd., and to 22.10% through its subsidiary, Global Tek Fabrication Co., LTD. (Samoa). The Group's final consolidated ownership percentage reached 53.31%

(3) Other methods.

Note 2: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 3: It refers to the original investment amount of the original shareholder before the company acquires the equity of the mainland reinvested enterprise.

Note 4: Gain/loss on investment is recognized based on the financial statements which were reviewed by the independent auditors of the parent company in Taiwan.

English Translation of Consolidated Financial Statements and Footnotes Originally Issued in Chinese

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Notes to the Consolidated Financial Statements – (Continued)

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

Note 5: It refers to the original investment amount of the company's transfer investment enterprise in China.

Note 6: Transactions between consolidated entities are eliminated in the consolidated financial statements.

B. Significant transactions with investees in China:

- (a) Purchase and accounts payable with the related parties: Please refer to Attachment 7.
- (b) Sales and receivables with the related parties: Please refer to Attachment 7.
- (c) Property transaction amounts and resulting gain or loss: None.
- (d) Ending balance of endorsements/guarantees or collateral provided and the purposes: Please refer to Attachment 2.
- (e) Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: Please refer to Attachment 1.
- (f) Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered: Please refer to Attachment 7.
- (g) Above transactions are eliminated upon preparation of consolidated financial statements. Please refer to Attachment 7.

14. SEGMENT INFORMATION

(1) For management purposes, the Group is organized into operating segments based on different products and services and has three reportable operating segments as follows:

Automotive products business: precision processing of auto parts and sales.

Industrial Products business: Industrial automatic control parts and sales.

Aerospace products business: Precision machining aerospace equipment parts and sales.

No operating segments have been aggregated to form the above reportable operating segments.

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

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.

	Automotive products business	Industrial Products business	Aerospace products business	Adjustments & eliminations	Consolidated
<u>For the three-month period ended Mar. 31, 2025</u>					
Revenue					
External customers	\$626,881	\$411,113	\$214,355	\$-	\$1,252,349
Inter-segment	170,413	101,671	-	(272,084)	-
Total revenue	<u>\$797,294</u>	<u>\$512,784</u>	<u>\$214,355</u>	<u>\$(272,084)</u>	<u>\$1,252,349</u>
Segment profit	<u>\$(6,769)</u>	<u>\$35,690</u>	<u>\$30,555</u>	<u>\$-</u>	\$59,476
Other unallocated amounts					
Non-operating incomes and expenses					47,006
Income before income tax					<u>\$106,482</u>
	Automotive products business	Industrial Products business	Aerospace products business	Adjustments & eliminations	Consolidated
<u>For the three-month period ended Mar. 31, 2024</u>					
Revenue					
External customers	\$566,996	\$416,081	\$71,611	\$-	\$1,054,688
Inter-segment	151,783	93,078	-	(244,861)	-
Total revenue	<u>\$718,779</u>	<u>\$509,159</u>	<u>\$71,611</u>	<u>\$(244,861)</u>	<u>\$1,054,688</u>
Segment profit	<u>\$20,436</u>	<u>\$36,049</u>	<u>\$4,645</u>	<u>\$-</u>	\$61,130
Other unallocated amounts					
Non-operating incomes and expenses					103,459
Income before income tax					<u>\$164,589</u>

Global Tek Fabrication Co., Ltd. and subsidiaries

Notes to the Consolidated Financial Statements – (Continued)

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

Departmental profit (loss) refers to the profit earned by each department, excluding apportioned interest income, gains and losses from disposal of real estate, plant and equipment, net profit (losses) from foreign currency exchange, financial instrument evaluation gains and losses, financial costs, and income tax expenses. This measure is provided to the chief operating decision maker to allocate resources to departments and measure their performance.

Information on assets and liabilities of the reportable segment.

	Automotive products business	Industrial Products business	Aerospace products business	unallocated assets	Consolidated
As of Mar. 31, 2025					
Segment assets	<u>\$2,939,696</u>	<u>\$3,118,882</u>	<u>\$1,327,018</u>	<u>\$3,012,597</u>	<u>\$10,398,193</u>
As of Dec. 31, 2024					
Segment assets	<u>\$2,972,648</u>	<u>\$3,120,187</u>	<u>\$1,362,249</u>	<u>\$2,787,256</u>	<u>\$10,242,340</u>
As of Mar. 31, 2024					
Segment assets	<u>\$2,392,449</u>	<u>\$3,014,947</u>	<u>\$118,524</u>	<u>\$3,301,794</u>	<u>\$8,827,714</u>

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Financing provided to others

For the three-month periods ended March 31, 2025

Attachment 1

(In Thousands of Foreign Currency/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	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter- party (Note 3)	Limit of total financing amount (Note 3)
													Item	Value		
0	Global Tek (Wuxi) Co., Ltd.	Top Yes (Suzhou) Precision Industry Co., Ltd.	Other receivables	YES	\$36,572 (CNY 8,000)	\$18,286 (CNY 4,000)	\$18,286 (CNY 4,000) (Note 5)	3.10%	2	\$-	Business turnover and factory construction	\$-	None	\$-	\$391,039	\$782,078
1	Global Tek GmbH	Formtechnology GmbH	Other receivables	None	\$3,955 (EUR 110)	\$3,955 (EUR 110)	\$3,955	7.50%	2	\$-	Business turnover	\$3,955 (Note 4)	None	\$-	\$680	\$1,359

Note 1: Global Tek Fabrication Co. Ltd. and subsidiaries are coded as follows:

- 1.Global Tek Fabrication Co. Ltd. is coded "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: The total amount of the Company's funds lent to others shall not exceed 20% of the Company's latest net worth indicated in the financial statements audited or reviewed by a certified accountant. The limit for each borrower is determined according to the reason as follows:

- (1) For those who have business relationship with the Company, the individual loan amount shall not exceed the higher of the purchase or sales amount of the Company as of the time the loan is extended for the most recent year or the current year.
- (2) When there is a need for short-term financing, the amount of financing shall not exceed 40% of the Company's latest net worth indicated in the financial statements audited or reviewed by a certified accountant.

The financing amount mentioned in the preceding paragraph refers to the cumulative balance of the Company's short-term financing funds.

Note 4 : Formtechnology GmbH filed the bankruptcy to local court in Germany and the local court appointed provisional assignee in December 2024. As of March 31, 2025, the bankruptcy and liquidation process has not been completed.

Note 5 : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Endorsement/Guarantee provided to others

For the three-month periods ended March 31, 2025

Attachment 2

(In Thousands of Foreign Currency/New Taiwan Dollars)

NO. (Note1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note3)	Maximum Balance for the Period (Note4)	Ending Balance (Note5)	Amount Actually Drawn (Note6)	Amount of Endorsement /Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note3)	Endorsement provided by parent company to subsidiaries (Note7)	Endorsement provided by subsidiaries to parent company (Note7)	Endorsement provided to entities in China (Note7)
		Name	Nature of Relationship (Note2)										
0	Global Tek Fabrication Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	Subsidiary	\$986,404	\$137,145	\$-	\$-	\$-	-%	\$2,466,011	Y	N	Y

Note1 : Global Tek Fabrication Co., Ltd. and its subsidiaries are coded as follows:

- 1.Global Tek Fabrication Co., Ltd. is coded "0".
- 2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the above table.

Note2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

- 1.The company with business contacts.
- 2.The company directly and indirectly holds more than 50% of the shares with voting rights.
- 3.Companies that directly and indirectly holds more than 50% of the shares of the company with voting rights.
- 4.The company directly and indirectly holds more than 90% of the shares with voting rights.
- 5.Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.
- 6.A company whose co-investment relationship is endorsed by all shareholders in proportion to their shareholding ratio.
- 7.The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3: The company should fill in the endorsement guarantee limit for individual objects and the maximum endorsement guarantee limit set by the company in accordance with the endorsement guarantee operation procedures for others.

According to the company's "endorsement guarantee operation procedures", the company's external endorsement The total amount of certificates shall not exceed 50% of the current net value. The amount of endorsement guarantee for a single enterprise shall not exceed 20% of the current net value.

Note 4: The maximum balance of endorsement guarantee for others in the current year.

Note 5: In the end of the year, when the company signs an endorsement guarantee contract with the bank or the amount of the bill is approved, it will assume the endorsement or guarantee responsibility; other related endorsement guarantees should be included in the endorsement guarantee balance.

Note 6: The actual expenditure amount of the endorsed guarantee company within the scope of the endorsement guarantee balance should be entered.

Note 7: Y must be filled in only for the endorsement of the parent company of the listed company to the subsidiary, the endorsement of the subsidiary to the parent company of the listed company, and the endorsement certificate of the mainland area.

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Global Tek Fabrication Co., Ltd. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As of March 31, 2025

Attachment 3

(In Thousands of New Taiwan Dollars)

Holding Company	Securities Type and Name	Relationship	Financial Statement Account	As of March 31, 2024				Note
				Shares/Units	Book Value	Percentage of ownership (%)	Fair value	
Global Tek Fabrication Co., Ltd.	<u>Stock</u> Techplasma Technology Co., Ltd.	-	Financial asset at fair value through other comprehensive income, noncurrent	1,266,960	<u>\$48,666</u>	3.81%	<u>\$48,666</u>	Unlisted (counter) company stocks
Global Tek GmbH	<u>Stock</u> Formtechnology GmbH	-	Financial asset at fair value through other comprehensive income, noncurrent	-	<u>\$-</u>	9.28%	<u>\$-</u>	Unlisted (counter) company stocks
Global Tek Co., Ltd.	Money market funds: Neuberger Investment Fund - NB High Yield Bond Securities Fund T Weekly Dividend Stocks (AUD)	-	Financial assets at fair value through profit or loss	4,749	<u>\$518</u>	-%	<u>\$518</u>	

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Global Tek Fabrication Co., Ltd. and Subsidiaries
Investees over Which the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)
As of March 31, 2025

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor Company	Investee Company	Address	Main businesses and products	Original Investment Amount		Investments as of March 31, 2025			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book Value			
Global Tek Fabrication Co., Ltd.	Global Tek Co., Ltd.	Taiwan	Auto parts precision processing	\$200,000	\$200,000	20,000,000 shares	100.00%	\$252,236	\$8,850	\$8,850	Note
Global Tek Fabrication Co., Ltd.	Global Tek Fabrication Co., Ltd. (Samoa)	APIA, SAMOA	Investing activities	USD 25,795	USD 25,795	-	100.00%	\$2,465,059	\$51,536	\$51,009 (NOTE 1)	Note
Global Tek Fabrication Co., Ltd.	Global Tek GmbH	Bavaria, Germany	Auto Parts, industrial automatic control parts, Aerospace equipment parts sales	EUR 525	EUR 525	-	100.00%	\$3,398 EUR 95	\$509 EUR 15	\$509 EUR 15	Note
Global Tek Fabrication Co., Ltd.	AvioCast Inc.	Taiwan	Aerospace aluminum alloy manufacturing sales	\$192,028	\$192,028	15,961,000 shares	59.56%	\$170,360	\$15,966	\$9,509	Note
Global Tek Fabrication Co., Ltd.	GLOBAL TEK 株式会社	Japan	Auto Parts, industrial automatic control parts, Aerospace equipment parts sales	JPY 27,000	JPY 27,000	2,700,000 shares	90.00%	\$(5,010) (JPY 22,483)	\$(1,915) (JPY 8,868)	\$(1,723) (JPY 7,981)	Note
Global Tek Fabrication Co., Ltd.	GLOBAL TEK GROUP (THAI) CO., LTD.	Thailand	Auto parts precision processing	THB 150,000	THB 150,000	1,500,000 shares	100.00%	\$145,580 THB 148,703	\$(54) (THB 56)	\$(54) (THB 56)	Note
Global Tek Fabrication Co., Ltd.	GLOBAL TEK AVIATION (THAI) CO., LTD.	Thailand	Aerospace equipment parts precision processing	THB 60,000	THB 60,000	600,000 shares	100.00%	\$58,726 THB 59,986	\$(21) (THB 22)	\$(21) (THB 22)	Note
Global Tek Co., Ltd.	GP TECH INC (US)	American Little	Auto Parts, industrial automatic control parts, Aerospace equipment parts sales	USD 20	USD 20	-	100.00%	\$3,920 USD 118	\$67 USD 2	\$67 USD 2	Note
Global Tek Fabrication Co., Ltd. (Samoa)	Global Tek Co., Ltd. (Samoa)	APIA, SAMOA	Investing activities	USD 13,150	USD 13,150	-	100.00%	\$1,525,248	\$36,701	\$36,701	Note
Global Tek Fabrication Co., Ltd. (Samoa)	Global Tek Fabrication Co., Ltd. (HK)	Hongkong	Investing activities	HKD 62,380	HKD 62,380	-	92.76%	\$924,849	\$20,613	\$19,120	Note
Global Tek Co., Ltd.	Global Tek Fabrication Co., Ltd. (HK)	Hongkong	Investing activities	USD 660	USD 660	-	7.24%	\$72,186	\$20,613	\$1,493	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

Note1: Including investment gain recognized under equity method amounted to NT\$51,536 thousand and realized profit on transaction between subsidiaries amounted to NT\$22,711 thousand and unrealized profit on transaction between subsidiaries amounted to NT\$(23,333) thousand and realized profit on transaction between subsidiaries amounted to NT\$548 thousand and unrealized profit on transaction between subsidiaries amounted to NT\$(498) thousand and realized profit on transaction between subsidiaries amounted to NT\$(5,621) thousand and unrealized profit on transaction between subsidiaries amounted to NT\$5,666 thousand.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Related party transactions for purchases and sales amount exceeding the lower of NT\$100 million or 20 percent of capital stock

For the three-month periods ended March 31, 2025

Attachment 5

(In Thousands of New Taiwan Dollars)

Purchase (sales) company	Counterparty	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivables (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales) (%)	Term	Unit Price	Term	Balance	Percentage of total receivables (payables)(%)	
Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	Associate	Purchases	\$170,413	63%	90 days after monthly dosing	And general trading conditions no different	And general trading conditions no different	Accounts payables \$(222,204)	58%	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Global Tek Fabrication Co., Ltd. and Subsidiaries

Receivable from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock

As of March 31, 2025

Attachment 6

(In Thousands of Foreign Currency/New Taiwan Dollars)

Company	Counterparty	Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss Allowance
					Amount	Action Taken		
Global Tek (Wuxi) Co., Ltd.	Global Tek Co., Ltd.	Associate	<u>\$222,204</u> (Note1&2)	<u>3.51</u>	<u>\$-</u>	-	<u>\$35,886</u>	<u>\$-</u>

Note 1: Accounts receivables.

Note 2: Transactions are eliminated when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Global Tek Fabrication Co., Ltd. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the three-month periods ended March 31, 2025

Attachment 7

(In Thousands of Foreign Currency / New Taiwan Dollars)

No	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			Percentage to Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statement Account	Amount	Terms	
	<u>2025.01.01 ~ 2025.03.31</u>						
0	Global Tek Fabrication Co. Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Other revenue	\$(7,254)	Note 5	(0.58)%
0	Global Tek Fabrication Co. Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Operating costs	60,887	No difference compared with general manufacturers	4.86%
0	Global Tek Fabrication Co. Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Account payables	79,043	No difference compared with general manufacturers	0.76%
0	Global Tek Fabrication Co. Ltd.	Global Tek (Xi'An) Co., Ltd.	1	Other receivables	20,699	-	0.20%
0	Global Tek Fabrication Co. Ltd.	Global Tek Co., Ltd.	1	Other receivables	59,937	-	0.58%
0	Global Tek Fabrication Co. Ltd.	GLOBAL TEK 株式会社	1	Other receivables	7,218	-	0.07%
1	Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	3	Accounts receivables	59,409	No difference compared with general client	0.57%
1	Global Tek (Xi'An) Co., Ltd.	Global Tek Metal Manufacturing (Shaanxi) Co., Ltd.	3	Account payables	6,147	No difference compared with general client	0.06%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Other receivables	13,370	-	0.13%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Account payables	222,204	No difference compared with general manufacturers	2.14%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Operating costs	170,413	No difference compared with general manufacturers	13.61%
2	Global Tek Co., Ltd.	Global Tek (Wuxi) Co., Ltd.	3	Other revenue	(7,808)	Note 6	(0.62)%
3	GLOBAL TEK AVIATION (THAI) CO., LTD.	GLOBAL TEK GROUP (THAI) CO., LTD.	3	Other receivables	55,803	-	0.54%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

- (1) Parent company is coded "0".
- (2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

- (1) From the parent company to a subsidiary.
- (2) From a subsidiary to the parent company.
- (3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: The foreign currency amount is converted into NT dollars based on the exchange rate on the balance sheet date.

Note 5: Global Tek Fabrication Co., Ltd. purchases some production consumables on behalf of the mainland subsidiary.

Note 6: Global Tek Co., Ltd. purchases some production consumables on behalf of the mainland subsidiary.