Stock Code: 3022

IEI INTEGRATION CORP.

Financial Statements
with Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

Address: No. 29, Zhongxing Rd., Xizhi Dist., New Taipei City
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The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of IEI INTEGRATION CORP.:

Opinion

We have audited the parent-company-only financial statements of IEI INTEGRATION CORP., which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Revenue Recognition

   Please refer to note 4(16) for details of the accounting policies of the revenue recognition and note 6(17) of the financial statement.

   <u>Description of key audit matter:</u>

   The Company transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China. The Company recognizes revenue after the control of the goods transfer to the buyers. If the delivery conditions are different due to contractual agreements (meaning the control of that goods will be transferred at different points), it will have a risk where the revenue close to the ending period is unrecorded at the appropriate period. Therefore, the timing of revenue recognition for the sale of goods by the Company is one of the key judgmental areas for our audit.

Audit procedures performed in response:

- Testing the effectiveness of the design and implementing the internal control system of sales and collection operation.
- Testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue.
- Inspecting the related documents to ensure the adequacy and the reasonableness of revenue recognition.

2. Inventory Valuation

Please refer to notes 4(7), 5(1) and 6(5) of the financial statements for accounting principles on the inventory valuation, significant accounting assumptions and judgments, and major sources of estimates uncertainty, and explanation of inventory.

Description of key audit matter:

Inventory is measured by lower of cost or net realizable value in the financial statements. Since there is a fast frequency in product updates and intense industry competition, there is a risk that the cost of inventory may exceed the net realizable value.

Audit procedures performed in response:

- Reviewing the stock aging list, analyzing the movement of stock aging by period.
- Obtaining supporting documents to verify the accuracy of inventory aging..
- Sampling the replacement cost and market price of the material, and recalculating the net realizable value by selling expenses ratio to ensure the reasonableness of net realizable values adopted by the Company.

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

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

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

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

Auditors' Responsibilities in Auditing the Parent-Company-Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment accounted for using equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG

CPA:		Chung-Che Chen Li-Chen Lai
Approval Document Number from the Securities Regulatory Authority	:	Financial Supervisory Commission Certificate No. 1000011652 (89) Taiwan Financial Securities (No. 62474)

February 25, 2025

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance 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 audit such financial statements are those generally applied in the Republic of China. The independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

IEI INTEGRATION CORP.

Balance Sheets

December 31, 2024 and 2023

(Expressed in thousands of NTD)

	Assets		2024.12.31 Amount	%	2023.12.31 Amount	%
	Current assets:					
1100	Cash and cash equivalents	(Notes 6(1)(20))	$ 899,393	6	1,047,602	8
1110	Financial assets at fair value through profit and loss - current	(Notes 6(2)(20))	641,499	5	602,150	5
1170	Notes & accounts receivable, net	(Notes 6(4)(17)(20))	768,795	6	470,838	4
1180	Accounts receivable - related parties, net	(Notes 6(20)&7)	241,553	2	266,409	2
1210	Other receivable - related parties	(Notes 6(20)&7)	6,975	-	12,013	-
130X	Inventories	(Note 6(5))	586,609	4	522,157	4
1476	Other financial assets, current	(Notes 6(6)(20)&8)	379,427	3	239,791	2
1479	Other current assets, others	(Note 7)	73,252	1	47,035	-
			3,597,503	27	3,207,995	25
	Non-current assets:					
1517	Financial assets at fair value through other comprehensive income, non-current	(Notes 6(3)(20))	50,331	-	59,729	-
1550	Investments accounted for using equity method	(Note 6(7))	9,043,654	66	8,410,491	67
1600	Property, plant and equipment	(Notes 6(8)&7)	495,812	4	506,780	5
1755	Right-of-use assets	(Note 6(9))	2,937	-	9,732	-
1760	Investment property, net	(Note 6(10))	376,237	3	382,465	3
1821	Other intangible assets, net		9,187	-	13,948	-
1840	Deferred tax assets	(Note 6(14))	39,314	-	43,475	-
1975	Net defined benefit assets, non-current	(Note 6(13))	9,332	-	8,578	-
1990	Other non-current assets, others		590	-	195	-
			10,027,394	73	9,435,393	75
	Total Assets		**$ 13,624,897**	**100**	**12,643,388**	**100**

	Liabilities and Equity		2024.12.31 Amount	%	2023.12.31 Amount	%
	Current liabilities:					
2130	Current contract liabilities	(Notes 17&7)	$ 185,195	1	148,509	1
2170	Accounts payable	(Note 6(20))	386,133	3	462,385	4
2180	Accounts payable - related parties	(Notes 6(20)&7)	368,784	3	258,062	2
2219	Other payables, others	(Note 6(20))	267,370	2	287,402	2
2220	Other payables - related parties	(Note 6(20)&7)	34,402	-	23,218	-
2230	Current tax liabilities		148,411	1	245,458	2
2280	Current lease liabilities	(Notes 6(11)(20)&7)	3,011	-	6,931	-
2399	Other current liabilities		16,134	-	26,902	-
			1,409,440	10	1,458,867	11
	Non-current liabilities:					
2570	Deferred tax liabilities	(Note 6(14))	1,072,817	8	995,039	8
2580	Non-current lease liabilities	(Notes 6(11)(20)&7)	-	-	2,951	-
2670	Other non-current liabilities, others		98,330	1	96,599	1
			1,171,147	9	1,094,589	9
	Total liabilities		2,580,587	19	2,553,456	20
	Equity attributable to owners of parent 6(15)					
3100	Share capital		1,765,978	13	1,765,978	14
3200	Capital surplus		837,554	6	845,521	7
	Retained earnings:					
3310	Legal reserve		2,040,627	15	1,902,369	15
3320	Special reserve		385,290	3	453,579	4
3350	Unappropriated retained earnings		6,315,336	46	5,507,775	44
			8,741,253	64	7,863,723	63
3400	Other equity		(300,475)	(2)	(385,290)	(4)
	Total equity		11,044,310	81	10,089,932	80
	Total Liabilities and Equity		**$ 13,624,897**	**100**	**12,643,388**	**100**

(See accompanying notes to the financial statements)

Chairman: Meiji Chang　　Manager: Jordan Jiang　　Account Officer: Iris Wei

IEI INTEGRATION CORP.

Statement of Comprehensive Income

From January 1 to December 31, 2024 and 2023

(Expressed in thousands of NTD)

		2024 Amount	2024 %	2023 Amount	2023 %
4110	**Sales revenue**	$ 4,438,742	100	4,982,945	100
4170	Less: Sales returns and discounts	10,645	-	16,425	-
	Net sales revenue (Notes 6(17)&7)	4,428,097	100	4,966,520	100
5110	**Cost of sales** (Notes 6(5)&7&12)	3,090,702	70	3,536,983	71
	Gross profit	1,337,395	30	1,429,537	29
5910	Unrealized profit (loss) from sales	(43,028)	(1)	(40,922)	(1)
5920	Realized profit (loss) from sales	40,922	1	49,791	1
	Gross profit from operations	1,335,289	30	1,438,406	29
	Operating expenses (Notes 6(4)(18)&7&12)				
6100	Selling expenses	315,085	7	308,091	6
6200	Administrative expenses	110,074	2	129,187	3
6300	Research and development expenses	347,457	8	335,829	7
6450	Expected credit impairment loss (gain on reversal)	(22,929)	(1)	8,486	-
	Total operating expenses	749,687	16	781,593	16
	Net operating income	585,602	14	656,813	13
	Non-operating income and expenses (Notes 6(7)(11)(12)(19)&7)				
7100	Interest income	59,077	1	50,040	1
7010	Other income	51,087	1	91,481	2
7020	Other gains and losses, net	178,315	4	13,005	-
7050	Financial costs	(140)	-	(259)	-
7060	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	935,369	21	826,862	17
	Total non-operating income and expenses	1,223,708	27	981,129	20
	Profit (loss) from continuing operations before tax	1,809,310	41	1,637,942	33
7950	**Less: Income tax expense** (Note 6(14))	268,640	6	255,786	5
	Profit (loss)	1,540,670	35	1,382,156	28
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss** (Notes 6(13)(15)(20))				
8311	Re-measurements from defined benefit plans	657	-	506	-
8316	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	(24,398)	(1)	16,204	-
8330	Share of other comprehensive gain (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(41,877)	(1)	77,093	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(131)	-	(101)	-
		(65,749)	(2)	93,702	2
8360	**Components of other comprehensive income that will be reclassified to profit or loss** (Notes 6(15)(20))				
8361	Exchange differences on translation of foreign financial statements	136,236	3	(25,972)	(1)
8380	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	17,623	-	971	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	153,859	3	(25,001)	(1)
8300	**Other comprehensive income, net of income tax**	88,110	1	68,701	1
	Total comprehensive income for the period	**$ 1,628,780**	**36**	**1,450,857**	**29**
	Earnings per share (NT$)				
	Basic earnings per share (NT$) (Note 6(16))	**$**	**8.72**		**7.83**
	Diluted earnings per share (NT$) (Note 6(16))	**$**	**8.66**		**7.77**

(See accompanying notes to the financial statements)

Chairman: Meiji Chang Manager: Jordan Jiang Account Officer: Iris Wei

IEI INTEGRATION CORP.
Statement of Changes in Equity
From January 1 to December 31, 2024 and 2023

(Expressed in thousands of NTD)

Subject Code		Share capital: Ordinary Shares	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Total other equity interest: Exchange differences on translation of foreign financial statements	Total other equity interest: Unrealized (loss) gain on financial assets at fair value through other comprehensive income	Total other equity interest: Total	Total equity
A1	**Balance at January 1, 2023**	$ 1,765,978	820,437	1,753,262	687,892	4,658,093	7,099,247	(410,176)	(43,403)	(453,579)	9,232,083
D1	Profit (loss)	-	-	-	-	1,382,156	1,382,156	-	-	-	1,382,156
D3	Other comprehensive income, net of income tax	-	-	-	-	412	412	(25,001)	93,290	68,289	68,701
D5	Total comprehensive income for the period	-	-	-	-	1,382,568	1,382,568	(25,001)	93,290	68,289	1,450,857
	Appropriation and distribution of retained earnings:										
B1	Legal reserve	-	-	149,107	-	(149,107)	-	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)
B17	Reversal of special reserve	-	-	-	(234,313)	234,313	-	-	-	-	-
	Others changes in capital surplus:										
C7	Changes in equity of associates accounted for using equity method	-	24,764	-	-	-	-	-	-	-	24,764
C17	Other changes in capital surplus	-	320	-	-	-	-	-	-	-	320
	Balance at December 31, 2023	1,765,978	845,521	1,902,369	453,579	5,507,775	7,863,723	(435,177)	49,887	(385,290)	10,089,932
D1	Profit (loss)	-	-	-	-	1,540,670	1,540,670	-	-	-	1,540,670
D3	Other comprehensive income, net of income tax	-	-	-	-	476	476	153,859	(66,225)	87,634	88,110
D5	Total comprehensive income for the period	-	-	-	-	1,541,146	1,541,146	153,859	(66,225)	87,634	1,628,780
	Appropriation and distribution of retained earnings:										
B1	Legal reserve	-	-	138,258	-	(138,258)	-	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(618,092)	(618,092)	-	-	-	(618,092)
B17	Reversal of special reserve	-	-	-	(68,289)	68,289	-	-	-	-	-
	Others changes in capital surplus:										
C7	Changes in equity of associates accounted for using equity method	-	(7,669)	-	-	-	-	-	-	-	(7,669)
C17	Other changes in capital surplus	-	62	-	-	-	-	-	-	-	62
M3	Disposal of investments accounted for using the equity method	-	(360)	-	-	2,495	2,495	(324)	(2,495)	(2,819)	(684)
M7	Changes in ownership interests in subsidiaries	-	-	-	-	(48,019)	(48,019)	-	-	-	(48,019)
Z1	**Balance at December 31, 2024**	**$ 1,765,978**	**837,554**	**2,040,627**	**385,290**	**6,315,336**	**8,741,253**	**(281,642)**	**(18,833)**	**(300,475)**	**11,044,310**

(See accompanying notes to the financial statements)

Chairman: Meiji Chang　　Manager: Jordan Jiang　　Account Officer: Iris Wei

IEI INTEGRATION CORP.

Statement of Cash Flows

From January 1 to December 31, 2024 and 2023

(Expressed in thousands of NTD)

		2024	2023
AAAA	**Cash flows from (used in) operating activities:**		
A10000	**Profit (loss) from continuing operations before tax**	$ 1,809,310	1,637,942
A20000	**Adjustments:**		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	42,844	52,311
A20200	Amortization expense	20,505	20,473
A20300	Expected credit loss (gain on reversal)	(22,929)	8,486
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(8,339)	(5,840)
A20900	Interest expense	140	259
A21200	Interest income	(59,077)	(50,040)
A21300	Dividend income	(2,047)	(6,497)
A22400	Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(935,369)	(826,862)
A22500	Loss (gain) on disposal of property, plant and equipment	(2,580)	(375)
A23200	Gain on disposal of investments accounted for using equity method	(103,534)	-
A23700	Allowance for inventory valuation and obsolescence loss	22,329	24,789
A24000	Unrealized profit (loss) from sales	2,106	(8,869)
A24100	Unrealized foreign exchange (gain) loss	(5,389)	2,549
A20010	Adjustments to reconcile profit (loss)	(1,051,340)	(789,616)
A30000	Changes in operating assets and liabilities:		
A31115	Decrease (increase) in financial assets at fair value through profit or loss	(31,010)	(215,310)
A31150	Decrease (increase) in accounts receivable	(233,604)	(84,156)
A31160	Decrease (increase) in accounts receivable due from related parties	24,856	(8,802)
A31190	Decrease (increase) in other receivable due from related parties	5,496	(731)
A31200	Decrease (increase) in inventories	(86,781)	(27,402)
A31240	(Increase) Decrease in other current assets	(28,412)	33,583
A31990	(Increase) Decrease in defined benefit assets	(97)	21
A32000	Changes in operating liabilities:		
A32125	Increase (decrease) in contract liabilities	36,686	(35,526)
A32150	(Decrease) Increase in accounts payable	(111,728)	42,516
A32160	Increase (decrease) in accounts payable to related parties	110,722	(124,118)
A32180	(Decrease) Increase in other payables	(23,469)	37,800
A32190	Increase (decrease) in other payable to related parties	11,184	6,742
A32230	(Decrease) Increase in other current liabilities	(10,768)	3,836
A30000	Total changes in operating assets and liabilities:	(336,925)	(371,547)
A20000	Total Adjustments:	(1,388,265)	(1,161,163)
A33000	Cash inflow (outflow) generated from operations	421,045	476,779
A33100	Interest received	61,276	45,327
A33200	Dividends received	395,786	400,217
A33300	Interest paid	(140)	(259)
A33500	Income taxes refund (paid)	(283,879)	(218,320)
AAAA	**Cash flows from (used in) operating activities:**	594,088	703,744

IEI INTEGRATION CORP.

Statement of Cash Flows (Continued)

From January 1 to December 31, 2024 and 2023

(Expressed in thousands of NTD)

		2024	2023
BBBB	**Cash flows from (used in) investing activities**		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(15,000)	(15,000)
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,500
B01800	Acquisition of investments accounted for using equity method	(78,689)	-
B01900	Disposal of investments accounted for using equity method	146,300	-
B02300	Return of capital from subsidiary liquidation	-	264
B02700	Acquisition of property, plant and equipment	(18,465)	(23,561)
B02800	Proceeds from disposal of property, plant and equipment	3,656	-
B04500	Acquisition of intangible assets	(15,167)	(19,298)
B06600	Increase in other financial assets	(139,636)	(232,531)
B06700	Increase in other non-current assets	(395)	-
BBBB	**Cash flows from (used in) investing activities**	(117,396)	(286,626)
CCCC	**Cash flows from (used in) financing activities**		
C04020	Payments of lease liabilities	(6,871)	(7,347)
C04500	Cash dividends paid	(618,092)	(618,092)
C09900	Other financing activities	62	320
CCCC	**Cash flows from (used in) financing activities**	(624,901)	(625,119)
EEEE	Net increase (decrease) in cash and cash equivalents	(148,209)	(208,001)
E00100	Cash and cash equivalents at beginning of period	1,047,602	1,255,603
E00200	Cash and cash equivalents at end of period	**$ 899,393**	**1,047,602**

(See accompanying notes to the financial statements)

Chairman: Meiji Chang Manager: Jordan Jiang Account Officer: Iris Wei

IEI INTEGRATION CORP.
Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. **Company history**

IEI INTEGRATION CORP. (the "Company" or "IEI") was incorporated with the approval of the Ministry of Economic Affairs, R.O.C. on April 17, 1997. The principal business involves the manufacturing and sales of computers, computer components and peripherals and related trading.

2. **Approval date and procedures of the financial statements**

The parent-company-only financial statements have been approved for issuance by the Board of Directors on February 25, 2025.

3. **New standards, amendments and interpretations adopted**

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2024.

- Amendments to IAS 1 "Classifying Liabilities as Current or Non-current"
- Amendments to IAS 1, "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 regarding "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Leases Liabilities in a Sale and Leaseback Transactions"

(2) The impact of IFRS endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective from January 1, 2025, which are not expected to have a material impact on the parent-company-only financial statements.

- Amendments to IAS 21: "Lack of Exchangeability"

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The impact of IFRS issued by the IASB but not yet endorsed by the FSC, which may be relevant to the Company, is as follows:

New or amended standards	Main amendments	Effective date issued by IASB
IFRS 18, "Presentation and Disclosure in Financial Statements"	• The new standards introduce three categories of revenue and expenses, two subtotals in the income statement, and a single note on the measurement of management performance. These three amendments and enhancements to the guidelines on segmenting information in financial statements establish a foundation for providing users with better and more consistent information and will impact all companies.	January 1, 2027

New or amended standards	Main amendments	Effective date issued by IASB
IFRS 18, "Presentation and Disclosure in Financial Statements"	• More Structured Income Statement: In accordance with current standards, companies utilize different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new guidelines implement a more structured income statement by introducing a new subtotal termed "operating profit." They also stipulate that all revenues and expenses will be categorized into three distinct classifications based on the company's primary business activities. • Management Performance Measurement (MPM): The new guidelines introduce a definition for management performance measurement and require companies to include a single note in the financial statements. This note must explain why each measurement indicator provides useful information, how it is calculated, and how it reconciles with the amounts recognized under International Financial Reporting Standards. • Detailed Information: The new guidelines outline the company's approach to improving the guidance on information grouping within its financial statements. This includes guidance on whether information should be included in the primary financial statements or further detailed in the notes.	January 1, 2027

The Company is currently assessing the impact of the aforementioned guidelines and interpretations on its financial condition and operating results. The relevant impacts will be disclosed upon the completion of this assessment.

The Company anticipates that the newly released and amended standards, which have not yet been approved, will not have a significant impact on the parent-company-only Financial Statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17, "Insurance Contracts," and Amendments to IFRS 17
- Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- IFRS 9 and Amendments to IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- IFRS 9 and Amendments to IFRS 7 "Contracts Referencing Nature-dependent Electricity"

4. Summary of significant accounting policies

A summary of significant accounting policies adopted in the parent-company-only financial statements is as follows. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of Compliance

These parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

A. Basis of measurement

Except for the following significant accounts in the balance sheets, the parent-company-only financial statements have been prepared on a historical cost basis:

(A) Financial instruments measured at fair value through profit or loss are measured at fair value.

(B) Financial assets measured at fair value through other comprehensive income are measured at fair value.

(C) The net defined benefit liabilities (or assets) are measured according to the fair value of the retirement fund assets minus the present value of the defined benefit obligations and the ceiling impact described in Note 4 (17).

B. Functional and presentation currency

The functional currency of each entity of the Company is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan dollar, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(3) Foreign currency

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the dates of transaction.

Exchange differences are generally recognized in profit or loss, except for equity instruments designated as measured at fair value through other comprehensive income, which are recognized in other comprehensive income.

B. Overseas Operations

The assets and liabilities of foreign operations are translated to the Company's functional currency at the exchange rates of the reporting date. The income and expenses of foreign operations are translated to New Taiwan Dollar at average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(4) <u>Classification of current and non-current assets and liabilities</u>

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current assets by the Company.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

B. It holds the asset primarily for purposes of trading;

C. It is expected to be realized within 12 months after the reporting period; or

D. The asset is cash or cash equivalent (as defined by IAS 7), unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current if it meets any of the following criteria; all other liabilities are classified as non-current:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purposes of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. There is no right to defer settlement of the liability for at least twelve months after the reporting period.

(5) <u>Cash and cash equivalents</u>

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. The time deposits that meet the definition and are held the purpose of meeting short-term cash commitments rather than for investment or other purposes should be reported as cash equivalents.

(6) Financial Instruments

Accounts receivable and debt securities issued are recognized initially when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the financial instruments. A Financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is measured initially at their transaction prices.

A. Financial assets

If the purchase or sale of financial assets conforms to the customary trading, the Company shall adopt consistent accounting treatment on the trading date or the settlement date for all purchases and sales of financial assets classified in the same manner

On initial recognition, a financial asset is classified as measured at amortized cost; Fair value through other comprehensive income (FVOCI) - debt investment, Fair value through other comprehensive income (FVOCI) - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(A) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is not designated as at fair value through profit or loss, and it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specific dates to cash flows that are solely payments of principal amount outstanding.

These assets are subsequently measured at their initially recognized values plus or minus the cumulative amortization using the effective interest method, adjusted for the amortized cost of any loss allowances. Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. On derecognition, the gains or losses are recognized in profit or loss.

(B) Financial assets at Fair value through other comprehensive income (FVOCI)

A debt investment is measured at fair value through other comprehensive income when it is not designated as measured at fair value through profit or loss and meets both of the following conditions:

- It is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- Its contractual terms give rise on specific dates to cash flows that are solely payments of principal amount outstanding.

The Company holds certain accounts receivable under a business model that is managed both to collect contractual cash flows and to sell financial assets. Accordingly, these receivables are measured at fair value through other comprehensive income and presented under accounts receivable.

On initial recognition of an equity investment that is held not for trading, the Company may irrevocably elect to present subsequent changes in the fair value of investments in other comprehensive income. The election is made on an instrument-by-instrument basis.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income, foreign currency exchange gains or losses and impairment losses calculated based on the effective interest method are recognized in profit or loss, while other net gains or losses are recognized in other comprehensive income. Upon derecognition, the accumulated other comprehensive income is reclassified to profit or loss.

Equity instruments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized on the date on which the Company's right to receive dividends is established (usually the ex-dividend date).

(C) Financial assets at Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI (e.g., held for trading and financial assets managed and evaluated based on fair value), described as above are measured at FVTPL, including derivative financial assets. Accounts receivable that the Company intends to sell immediately or in the near term are measured at fair value through profit or loss (FVTPL), but are included under accounts receivable. On initial recognition, the Company may irrevocably designate such financial assets, which meet the requirements to be measured at amortized cost or at FVOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains or losses, including any dividends and interest income, are recognized in profit or loss.

(D) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, guarantee deposits and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- Debt securities that are determined to have a low credit risk on the reporting date; and

- Other debt securities and bank deposits for which credit risk (i.e., the risk of default occurring over the expected life of the financial instruments) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether there has been a significant increase in the credit risk of a financial asset since initial recognition and when estimating ECL, the Company takes into account reasonable and supportable information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if payments are overdue under the contractual terms.

The Company considers a financial asset to be in default if it is unlikely that the borrower will be able to fulfill its credit obligation to pay the full amount to the Company.

Lifetime of ECLs are the ECLs that result from all possible default events over the expected life of the instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date, or a shorter period if the expected life of the financial instrument is less than twelve months.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all the cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted based on the effective interest rates of the financial assets.

On each reporting date, the Company assesses whether financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income are impaired. A financial asset is credit-impaired if one or more events have occurred which have an adverse effect on the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes observable information as follows:

- Significant financial difficulties of the borrower or issuer;
- A breach of contract, such as a default or exceeding credit terms over an extended period;
- The Company has made concessions that it otherwise would not have considered but for some economic or contractual reasons related to the borrower's financial difficulties;
- The borrower is likely to file for bankruptcy or undertake other financial reorganization; or

・ Loss of an active market for the financial asset due to financial difficulties.

Allowance for loss on financial assets measured at amortized cost is deducted from the carrying amount of the assets.

The Company reduces the total carrying amount of a financial asset when it cannot reasonably expect to recover all or part of the financial asset. For corporate accounts, the Company assesses the timing and amount of write-off on a case-by-case basis based on whether recovery is reasonably expected. The Company does not expect any material reversal of the amount that has thus been written off. However, financial assets that have been written off are still enforceable to comply with the Company's procedures for recovering past due amounts.

(E) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When entering into a transaction to transfer a financial asset, the Company continues to recognize a financial asset on its balance sheet if it retains all or nearly all the risks and rewards related to the ownership of the transferred financial asset.

B. Financial liabilities and equity instruments

(A) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definition of financial liabilities.

(B) Equity Transactions

An equity instrument is any contract that recognizes the Company's remaining interest in an asset from which all of its liabilities are deducted. Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

(C) Treasury share

When the Company repurchases its own equity instruments that have already been recognized, the consideration paid, including any directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are subsequently sold or reissued, the consideration received is recognized as an increase in equity. Any resulting surplus or deficit from the transaction is recognized in capital surplus, or in retained earnings if capital surplus is insufficient.

(D) Financial liabilities

Financial liabilities are classified as measured either at amortized cost or at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, are derivative instruments or are so designated at initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and the associated net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. Any gain or loss upon derecognition is also recognized in profit or loss.

(E) Derecognition of financial liabilities

The Company derecognizes a financial liability when the contractual obligations pertaining thereto expire or are discharged or cancelled. When the terms of a financial liability are amended and the cash flows per the liability are materially different upon amendment, the pre-amendment financial liability is derecognized, and the amended liability is recognized at fair value based on the amended terms.

When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(7) Inventory

Inventories are measured at its cost or net realizable value, whichever is lower. Cost includes the cost of acquisition, production or processing, plus other associated costs, incurred in bringing the inventory to the location and condition in which it becomes available for use.

Net realizable value is the estimated selling price under normal operations less the estimated costs necessary to complete the project and to make the sale.

(8) Investments in Associates

An associate is an entity over which the Company has significant influence, but not control or joint control, in its financial and operating policies. The Company's equity interest in an associate is accounted for using the equity method. Under the equity method, the original acquisition is recognized at cost, and the cost of investment includes the transaction cost. The carrying amount of an investment in an associate includes the goodwill recognizable at the time of investment, less any accumulated impairment loss.

In the parent-company-only financial statements, from the date the Company obtains significant influence until the date such influence is lost, the Company recognizes its share of the profit or loss and other comprehensive income of each associate, after making adjustments to ensure consistency with the Company's accounting policies. When an associate has changes in equity that are not included in profit or loss or other comprehensive income and that do not affect the Company's ownership interest, the Company recognizes its proportionate share of such changes in equity as capital surplus.

Unrealized gains and losses arising from transactions between the Company and its associates are recognized in the financial statements only to the extent that they are not related to the investor’s interest in the associate.

The Company ceases to recognize an associate’s losses when its share of such losses equals or exceeds its equity interest in the associate. Thereafter the Company recognizes additional losses and associated liabilities only to the extent of any legal or constructive obligations incurred or of any payments made on behalf of the investee.

From the date investment in the associate terminates, the Company ceases to use the equity method and measures any remaining interest in the associate at fair value. The difference between the fair value of the remaining interest and the disposal price and the carrying amount of the investment on the date the Company ended the equity method is recognized in profit or loss for the reporting period. All amounts previously recognized in other comprehensive income pertaining to the investment are accounted for on the same basis as that applicable in cases in which the relevant assets or liabilities are disposed of by the associate. For instance, any gains or losses previously recognized in other comprehensive income will be reclassified to profit or loss, or retained earnings, upon disposal of the relevant assets or liabilities -- i.e., when an enterprise ceases to use the equity method, the gains or losses are reclassified from equity to profit or loss, or retained earnings. If the Company continues to apply the equity method when its ownership interest in an associate has declined, the Company shall reclassify the gains or losses previously recognized in other comprehensive income that are attributable to the decrease in ownership interest and make adjustments according to the preceding method proportionate to the reduction in ownership.

When an investment in an associate becomes an investment in a joint venture, or vice versa, the Company continues to apply the equity method without remeasuring the retained interest.

When an associate issues new shares and the Company does not subscribe in proportion to its ownership interest, resulting in a change in its shareholding and thus an increase or decrease in the carrying amount of the investment, the adjustment is recognized in capital surplus and in the investment accounted for using the equity method. If the adjustment decreases capital surplus and the remaining balance of capital surplus arising from such investments is insufficient, the shortfall is debited to retained earnings. However, if the Company's failure to subscribe in proportion to its ownership interest results in a reduction in its ownership interest in the associate, the amounts previously recognized in other comprehensive income relating to the associate are reclassified to profit or loss in proportion to the reduction. The accounting treatment follows the same basis as would be applied if the associate had directly disposed of the related assets or liabilities.

(9) Investments in subsidiary

In the preparation of the parent company only financial statements, the Company accounts for its investments in subsidiaries using the equity method. Under the equity method, the Company's share of the current period profit or loss and other comprehensive income in the parent company only financial statements is consistent with the amount attributable to the owners of the parent in the consolidated financial statements. Accordingly, the owners' equity in the parent company only financial statements is also consistent with the equity attributable to the owners of the parent in the consolidated financial statements.

Changes in the ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with owners.

(10) Investment Properties

Investment properties are real properties held for rental revenue or asset appreciation, or both, but not for sale in the ordinary course of business, nor to use for production, supply of goods or services or administrative purposes.

Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment, and the methods used to account for the depreciation, useful life and residual value follows those used for property, plant and equipment.

Gain or loss upon disposal of investment property, calculated as the difference between the net price of disposal and the carrying amount of the item, is recognized in profit or loss.

Lease revenue from investment properties is recognized in non-operating income from other income using the straight-line method over the lease term. Lease incentives granted are recognized as part of lease revenue over the lease term.

When an investment property is reclassified as property, plant and equipment due to a change in use, it is reclassified at its carrying amount at the date of the change in use.

(11) Property, Plant and Equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, including capitalized borrowing costs, less accumulated depreciation and any accumulated impairment.

If the major components of property, plant and equipment have different useful lives, they are deemed separate items (primary components) of property, plant and equipment.

Gain or loss upon disposal of property, plant and equipment is recognized in profit or loss.

B. Subsequent costs

Subsequent expenditures are capitalized only if it is likely that future economic benefits will flow into the Company.

C. Depreciation

Depreciation is calculated as the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful lives of each component using the straight-line method.

Land is not account for depreciation.

The estimated useful lives for the current and comparative periods are as follows:

Premises and Buildings	3~55 years
Machinery and Equipment	3~8 years
Other Equipment	1～7years

The Company reviews the depreciation method, useful life and residual value at each reporting date and makes appropriate adjustments as necessary.

D. Reclassification to investment properties

When an owner-occupied property is reclassified as investment property due to a change in use, it is reclassified at its carrying amount at the date of the change in use

(12) Lease

The Company assesses, on the date a contract is entered into, whether a contract is a lease or includes a lease. If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease.

A. Lessee

The Company recognizes a right-of-use asset and a lease liability on the commencement date of the lease. A right-of-use asset is measured initially at cost, which comprises the original measurement of the lease liability, adjusted for any lease payments made on or before the commencement date of the lease, plus the original direct costs incurred and the estimated costs for dismantling and removing and restoring the subject asset, whether by itself or to its location, and less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to either the end of the useful life or the end of the lease term, whichever is earlier, of the right-of-use asset. In addition, the Company periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred and, when lease liability is remeasured, adjusts the right-of-use asset accordingly.

Lease liabilities are measured initially at the present value of the lease payments outstanding on the date the lease is entered into. The discount rate is set to the implied interest rate of the lease if it is readily determinable and, if it is not, to the Company's incremental borrowing rate. In general, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(A) fixed payment, including real fixed payment;

(B) variable lease payment that depends on some index or rate, measured initially using the index or rate at the commencement date of each lease;

(C) the expected payment of the balance of the lease deposit; and

(D) the price or penalty to pay to exercise purchase option or lease termination option upon a reasonable amount of certainty that it will be exercised.

The interest for lease liabilities is subsequently calculated using the effective interest method and will be remeasured when:

(A) the index or rate used to determine lease payments has changed that causes future lease payments to change;

(B) the expected payment of the balance of the lease deposit has changed;

(C) the expectation concerning the purchase option for the subject asset has changed;

(D) the expectation whether to exercise the option to extend or terminate the lease has changed that causes the expectation of the duration of the lease to change; or

(E) the subject, scope or other terms of the lease have changed.

When a lease liability is remeasured as a result of changes in the index or rate used to determine lease payments, changes in the balance of the lease deposit and changes in the assessment of purchase, extension or termination options, as described above, the carrying amount of the right-of-use asset shall be adjusted accordingly, and, when the carrying amount of the right-of-use asset is reduced to zero, the remaining amount upon remeasurement is recognized in profit or loss.

When the scope of the lease is narrowed upon amendment, the carrying amount of the right-of-use asset is reduced to reflect the termination of the lease in full or in part, and the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

The Company itemizes right-of-use assets and lease liabilities that do not meet the definition of investment properties in separate lines in the balance sheets.

The Company elects not to recognize short-term leases and leases of low-value assets as right-of-use assets or lease liabilities and, instead, recognizes the relevant lease payments as expenses on a straight-line basis over the lease term.

B. Lessor

Transactions in which the Company is the lessor are classified as finance lease if, on the date the lease was entered into, the lease contract transfers nearly all the risks and rewards associated with the ownership of the subject asset, and as operating lease if it does not. In said assessment, the Company considers pertinent specific indicators such as whether the lease term covers a significant portion of the economic life of the subject asset.

If the Company is a sublessor, it then processes the master lease and any sublease transactions separately and determines the classification of a sublease transaction based on the right-of-use assets arising from the master lease. If the master lease is a short-term lease to which a recognition exemption applies, the sublease transaction should be classified as an operating lease.

If a lease agreement includes both lease and non-lease components, the Company uses IFRS 15 to allocate the consideration in the contract.

(13) Intangible Assets

A. Recognition and measurement

Expenditures related to research activities are recognized in profit or loss when incurred.

Development expenditures are capitalized only when: the expenditures can be reliably measured; the technical or commercial feasibility of the product or process has been achieved; future economic benefits will most likely flow to the Company; and the Company intends and has sufficient resources to complete the development and use or sell the asset. Other development expenditures are recognized in profit or loss when incurred. After initial recognition, capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment.

Other intangible assets acquired by the Company with finite useful lives are measured at cost less accumulated amortization and accumulated impairment.

B. Subsequent expenditures

Subsequent expenditures are capitalized only to the extent that they will enhance the future economic benefits of the specific asset to which they relate. All other expenses, including goodwill and branding for internal development, are recognized in profit or loss when incurred.

C. Amortization

Except for goodwill, the amortizable amount is calculated by deducting the residual value from the cost of the asset.

Intangible assets are amortized on a straight-line basis over their estimated useful lives (1~3 years) from the date they are available for use, with the amortization expense recognized in the profit and loss statement.

The Company reviews the amortization method and the useful lives and residual values of intangible assets on each reporting date, and makes appropriate adjustments as necessary.

(14) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventories, contract assets and deferred tax assets) may have been impaired. If any such indication exists, the recoverable amount of the asset will then be assessed.

In detecting impairment, a group of assets with cash inflows that are predominantly independent of other individual assets or groups of assets is treated as the smallest identifiable group of assets.

The recoverable amount of an individual asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an individual asset or a cash-generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount, and the impairment loss is recognized. The impairment loss is recognized immediately in profit or loss for the period and is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro rata basis, based on the carrying amount of each asset.

The Company re-evaluates at each reporting date whether there is any indication that an impairment loss recognized for a non-financial asset in the preceding year may no longer exist or may have decreased. If there is any change in the estimates used to determine the recoverable amount, the impairment loss is reversed to increase the carrying amount of the individual asset or cash-generating unit to its recoverable amount, but not to exceed the carrying amount, less recognizable depreciation or amortization, that would have been determined if no impairment loss had been recognized for that individual asset or cash-generating unit in the preceding year.

(15) Provisions

A Provision is recognized when the Company is exposed, by a present obligation resulting from a past event, to the likelihood under which it is required to direct an outflow of economic resources to settle the obligation in the future when the amount of the obligation can reliably be estimated. The provision is discounted at a pre-tax discount rate that reflects the market's current assessments of the time value of money and the risks specific to the liability, with amortization of the discount being recognized as interest expense.

A provision for warranties is recognized upon the sale of goods or services. The reserve is measured based on historical warranty information and all possible outcomes weighted by their respective probabilities.

(16) Revenue Recognition

A. Revenue from Contracts with Customers

Revenue is measured as the consideration to which one expects to be entitled for transferring goods or services. The Company recognizes an item in revenue when it has performed the obligation by transferring control of the goods or services to customers. The Company's primary sources of revenue are described as follows:

(A) Sales of goods

The Company's primary business is the manufacture and sale of computers and computer peripherals. The Company recognizes an item in revenue when it has transferred control of a product. The transfer of control of the product means that the product has been delivered to the customer who then has the sole discretion over the marketing channel and price of the product and to whom no outstanding obligation needs to be performed for the customer's acceptance of the product. Delivery occurs when the product is delivered to the specified location at which the risks of obsolescence and loss are transferred to the customer and when the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Company has objective evidence that all the conditions for acceptance have been met.

The Company provides general warranties on products sold and recognizes them as provisions at the time of sale.

The Company recognizes accounts receivable upon delivery of goods because the Company has an unconditional right to receive consideration at that point in time.

(B) Financial components

The Company expects that the time interval between the transfer of goods or services to a customer and the payment for the goods or services by the customer will not exceed one year for all customer contracts. Therefore, the Company does not adjust the transaction price for the time value of money.

(17) Employee Benefits

A. Defined contribution plans

The contribution obligation for defined contribution pension plans is recognized as an expense over the period of service rendered by the employees.

B. Defined benefit plans

The Company's net obligation for defined benefit plans is calculated for each plan by discounting the amounts of future benefits earned by employees for the current or the preceding period to the present value, less the fair value of any plan assets.

The defined benefit obligation is actuarially determined annually by a certified actuary using the projected unit benefit method. When the result of the calculation is likely to be beneficial to the Company, the asset is recognized to the extent of the present value of any economic benefits available in the form of refund of contributions from the plan or reduction in future contributions to the plan. The present value of the economic benefits is calculated by taking into account any minimum contribution funding requirements.

The remeasurement of the net defined benefit liability, which includes actuarial gains and losses, compensation on plan assets (excluding interest), and any change in the asset ceiling effect (excluding interest) is recognized immediately in other comprehensive income and accumulated in retained earnings. The Company determines the net interest expense (or income) on the net defined benefit liability (or asset) using the net defined benefit liability (or asset) and the discount rate determined at the beginning of the annual reporting period. Net interest expense and other expenses for defined benefit plans are recognized in profit or loss.

When a plan is amended or curtailed, the change in benefits related to the previous service cost or the curtailment benefit or loss is recognized immediately in profit or loss. The Company recognizes a gain or loss on the settlement of a defined benefit plan at the time of the settlement.

C. Short-term employee benefits

A short-term employee benefit obligation is recognized as an expense when the subject services are being rendered. The amount is recognized as a liability if the Company has a present legal or constructive obligation to pay for services rendered by the employees in the past and if the obligation can reliably be estimated

(18) Income Tax

Income tax consists of the current and deferred income taxes. Income tax consists of the current and deferred income taxes. The current and deferred income taxes are recognized in profit or loss, except when they relate to business combinations or items directly recognizable in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes (including uncertain tax treatments) do not meet the definition of income tax and are therefore accounted for in accordance with IAS 37.

The Company considers that top-up taxes payable under the Global Minimum Tax – Pillar Two rules fall within the scope of IAS 12 "Income Taxes". The Company has applied the mandatory temporary exception to the recognition of deferred income taxes related to such top-up taxes, and recognizes actual top-up tax liabilities as current income tax.

The current income tax includes the estimated income tax payable or tax refund receivable based on the current year taxable income (or loss), with any adjustments for the preceding year's income tax payable or tax refund receivable. The amount is determined as the best estimate of the amount expected to be paid or received pursuant to the statutory or substantively enacted tax rate on the reporting date.

Deferred income tax is recognized for temporary differences between the carrying amount of assets and liabilities and their tax bases as of the reporting date. Deferred income tax is not recognized for temporary differences arising from the following:

A. Assets or liabilities not initially recognized in a transaction that is not a business combination and at the time of the transaction (i) do not affect accounting profit or taxable income (loss) and (ii) do not give rise to equal taxable and deductible temporary differences;

B. Temporary differences arising from investments in subsidiaries, associates and joint ventures where the Company can control the timing of the reversal of the temporary difference and where it is most likely that the temporary difference will not reverse in the foreseeable future; and

C. Taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax assets are recognized for unused tax losses and unused income tax credits in the next reporting period, with deductible temporary differences, to the extent that taxable income will most likely be available in the future. Deferred income tax assets are reassessed on subsequent reporting dates on which such assets may be written down to the extent that the relevant income tax benefit will be less likely to be realized and on which such write-down may be reversed to the extent that it appears sufficient taxable income will most likely be available.

Deferred income tax is measured based on the tax rate at the time the temporary difference is expected to be reversed, using the statutory tax rate or rate prescribed by substantive legislation.

Deferred income tax assets and deferred income tax liabilities are offset only if both of the following conditions are met:

A. There is a right by law to offset the period's income tax assets and income tax liabilities; and

B. The deferred income tax assets and deferred income tax liabilities pertain to one of the following taxable entities which are subject to income taxation by the same taxing authority:

(A) the same taxable entity; or

(B) different taxable entities, provided that each entity intends to settle each period's income tax liabilities with the period's income tax assets on a net basis, or to realize such assets and settle such liabilities at the same time, in each future period in which significant amounts of deferred income tax assets and significant amounts of deferred income tax liabilities are expected to be recovered and settled respectively.

(19) Earnings Per Share

The Company accounts for the basic and diluted earnings per share attributable to equity holders of the Company's common stock. The basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding during the period. The diluted earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company's common stock by the weighted-average number of common shares outstanding, after adjusting each first for all the potential dilutive effects of the common shares.

(20) Segments information

The Company has disclosed segments information in the consolidated financial statements; therefore, the individual financial statements do not disclose segments information.

5. Key sources of uncertainty for critical accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates, and assumptions concerning the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Management continually reviews estimates and underlying assumptions to ensure they are consistent with the Company's risk management practices and climate-related commitments. Changes in accounting estimates are recognized in the period in which the change occurs and in future periods affected.

The accounting policies involving significant judgments that materially impact the amounts recognized in the financial statements are as follows:

- Valuation of Inventory

  Because inventory is measured at the lower of cost or net realizable value, the Company evaluates the amount of inventory through normal wear and tear, obsolescence or having no market value as of the reporting date and writes down the cost of inventory to the net realizable value. Said inventory valuation is based primarily on the estimation of product demand in a specific period in the future and is subject to vary significantly due to rapid changes in the industry. Please refer to Note 6(5) for estimates in inventory valuation.

The Company's accounting policies and disclosures include the use of fair value to measure its financial or non-financial assets and liabilities. The Company verifies that independent sources of information approximate market conditions and that the sources of information are independent, reliable, consistent with other sources, and representative of executable prices. The Company regularly calibrates its valuation models, performs back testing, updates input values and information and any other necessary fair value adjustments as required by the valuation models to ensure that the outcome of the valuation is reasonable.

The Company uses observable input from the market whenever possible to measure its assets and liabilities. The fair value hierarchy is based on the input values used in the valuation technique and is set forth as follows:

- Level 1: Publicly quoted price for the identical asset or liability in an active market (unadjusted).
- Level 2: Except for the publicly available quotation in Level 1, the input value for an asset or a liability is observable either directly (i.e., the price) or indirectly (i.e., derived from the price).
- Level 3: The input value for an asset or a liability that is not based on observable market data (non-observable value).

If a transfer among the fair value hierarchy occurs, the Company recognizes it on the reporting date.

Please refer to Note 6 (20) Financial Instruments for relevant information on the assumptions used in fair value measurement.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	2024.12.31	2023.12.31
Cash on hand	$ 515	665
Bank deposits - Foreign currency and demand/checking deposits	144,823	217,902
Bank deposits - Time deposits	754,055	829,035
Cash and cash equivalents in the statement of cash flows	**$ 899,393**	**1,047,602**

A. There is no pledge guarantee for cash and cash equivalents.

B. Cash equivalents that do not meet the definition of cash have been transferred to other financial assets - current. Please refer to note 6(6).

C. Please refer to Note 6 (20) for the exchange rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

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

	2024.12.31	2023.12.31
Mandatorily measured at fair value through profit or loss:		
Fund beneficiary certificate	**$ 641,499**	**602,150**

A. The amounts remeasured at fair value through profit or loss of the Company, please refer to Note 6 (19).

B. The above financial assets have not been pledged as collateral.

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

	2024.12.31	2023.12.31
Equity instruments measured at fair value through other comprehensive income:		
Domestic unlisted common stocks	**$ 50,331**	**59,729**

A. The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes.

B. For the equity instrument investment designated as measured at fair value through other comprehensive income, the dividend incomes recognized by the Company in 2024 and 2023 were NT2,047 thousand and NT6,497 thousand respectively.

C. Please refer to Note 6 (20) for credit risk and market risk information.

D. The above financial assets have not been pledged as collateral.

(4) Notes and Accounts Receivable

	2024.12.31	2023.12.31
Notes receivable	$ 8,820	10,025
Accounts Receivable	759,975	483,742
Less: Allowance for doubtful accounts	-	(22,929)
	$ 768,795	470,838

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. Including overall economic and related industry information. The analysis of expected credit losses on notes and accounts receivable in the Taiwan region is as follows:

Group One

	2024.12.31		
	Gross carrying amount	Weighted average expected credit loss rate	Loss allowance provision
Not past due	$ 516,601	0%	-
0~90 days past due	160,353	0%	-
91~180 days past due	91,841	0%	-
	$ 768,795		-

	2023.12.31		
	Gross carrying amount	Weighted average expected credit loss rate	Loss allowance provision
Not past due	$ 331,780	0%	-
0~90 days past due	138,840	0%	-
91~180 days past due	218	0%	-
	$ 470,838		-

Group Two

	2023.12.31		
	Gross carrying amount	Weighted average expected credit loss rate	Loss allowance provision
Not past due	$ -	100%	-
0~90days past due	7,589	100%	7,589
91~180days past due	15,340	100%	15,340
	$ 22,929		22,929

The movements in the allowance for losses on notes and accounts receivable were as follows:

		2024	2023
Beginning Balance	$	22,929	14,443
Impairment loss recognized		-	8,486
Impairment loss reversed		(22,929)	-
Ending Balance	$	-	22,929

As of December 31, 2024, and December 31, 2023, there is no pledge guarantee for notes and accounts receivable.

(5) Inventory

		2024.12.31	2023.12.31
Finished goods	$	277,310	246,481
Work in progress		37,958	47,302
Raw Materials		271,341	228,374
	$	586,609	522,157

A. The cost of inventories recognized as cost of goods sold and expenses for the years ended December 31, 2024 and 2023, amounted to $3,090,702 thousand and $3,536,983 thousand, respectively. For the years ended December 31, 2024 and 2023, inventory write-down losses due to impairment to net realizable value were recognized amounting to $22,329 thousand and $24,789 thousand, respectively.

B. As of December 31, 2024, and December 31, 2023, the Company did not provide inventory as collateral.

(6) Other Financial Assets

The breakdown of the Company's other financial assets is as follows:

		2024.12.31	2023.12.31
Current:			
Time deposits over three months	$	367,770	232,488
Pledged time deposits		11,657	7,303
	$	379,427	239,791

Please refer to note 8 for information on pledges of other financial assets of the Company.

(7) Investments Accounted for Using the Equity Method

The Company's investments accounted for using the equity method as of the reporting date are as follows:

		2024.12.31	2023.12.31
Subsidiaries	$	6,753,494	6,143,978
Associates		2,290,160	2,266,513
	$	9,043,654	8,410,491

A. Subsidiaries

(A) Please refer to the consolidated financial statements for the year ended December 31, 2024.

(B) Due to the issuance of restricted employee shares by Armorlink SH Corp., the Company's ownership interest decreased from 100% to 90.70%. The impact of this change in ownership interest on equity attributable to the owners of the parent amounted to a debit of $48,019 thousand. As there was no capital surplus arising from transactions of a similar nature, the amount was offset against retained earnings.

B. Associates

On May 8, 2024, as part of a reorganization of QNAP Systems, Inc., the company transferred its independently operated investment division to Sheng Feng Co., Ltd. at book value. In exchange, Sheng Feng Co., Ltd. issued ordinary shares to the original shareholders of QNAP Systems, Inc. As a result, the Company acquired significant influence over Sheng Feng Co., Ltd.

Information on associates of significant importance to the Company is as follows:

			Percentage of ownership interest and voting rights	
Associates Name	**With the Company Nature of Relationship**	**Main business location/Country of incorporation**	**2024.12.31**	**2023.12.31**
QNAP Systems, Inc.	Sales of network security monitoring and network storage and communication related products	Taiwan	23.24%	24.45%
Sheng Feng Co., Ltd.	Real estate leasing	Taiwan	24.49%	- %

The aggregate financial information on associates of significant importance to the Company, which has been adjusted for amounts reported in the associates' financial statements prepared per IFRS standards to reflect the fair-value adjustments made upon the Company's acquisition of equity interest in the associates and the adjustments for differences in accounting policies, is as follows:

Aggregate financial information for QNAP Systems, Inc.

	2024.12.31	**2023.12.31**
Current assets	$ 3,579,445	2,615,002
Non-current assets	4,266,414	8,179,667
Current liabilities	(1,695,943)	(1,680,874)
Non-current liabilities	(210,560)	(155,685)
Net assets	**$ 5,939,356**	**8,958,110**

	2024	**2023**
Operating revenue	**$ 5,621,575**	**4,843,624**
Net income of continuing operations for the period	$ 1,205,471	1,319,793
Other comprehensive income	(92,105)	328,375
Total comprehensive income	**$ 1,113,366**	**1,648,168**
Total comprehensive income attributable to the Company	**$ 263,167**	**389,746**

		2024	2023
Carrying amount of the Company's equity interest in the associate at beginning of period	$	2,183,261	2,072,316
Total comprehensive income attributable to the Company for the period		263,167	389,746
Additions during the period		78,689	-
Share of changes in the associate		(7,669)	11
Disposals during the period		(43,450)	-
Capital reduction and spin-off		(825,002)	-
Dividends received from the associate during the period		(268,564)	(271,518)
Share of net assets of associates at end of period		1,380,432	2,190,555
Less: Elimination of unrealized gains from side-stream transactions		4,973	6,921
Elimination of unrealized gains from upstream transactions		243	373
Carrying amount of the Company's equity interest in associates at end of period	**$**	**1,375,216**	**2,183,261**

QNAP Systems, Inc. held a total of 13,367 thousand shares of the Company as of December 31, 2024 and 2023.

Aggregate financial information for Sheng Feng Co., Ltd.

		2024.12.31
Current assets	$	45,360
Non-current assets		3,322,878
Current liabilities		(1,292)
Non-current liabilities		-
Net assets	**$**	**3,366,946**

		2024
Operating revenue	**$**	**-**
Net loss of continuing operations for the period	$	(1,673)
Other comprehensive income		-
Total comprehensive income	**$**	**(1,673)**
Total comprehensive income attributable to the Company	**$**	**(410)**

	2024
Carrying amount of the Company's equity interest in the associate at beginning of period	$ -
Total comprehensive income attributable to the Company for the period	(410)
Spin-off acquisition	825,002
Share of net assets of associates at end of period	824,592
Less: Elimination of unrealized gains from side-stream transactions	-
Elimination of unrealized gains from upstream transactions	-
Carrying amount of the Company's equity interest in associates at end of period	**$ 824,592**

Sheng Feng Co., Ltd held a total of 10,596 thousand shares of the Company as of December 31, 2024

C. The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	2024.12.31	2023.12.31
Aggregate carrying amount of individual insignificant associates	**$ 90,352**	**83,252**

	2024	2023
Attributable to the Company:		
Net income from continuing operations for the period	$ 8,954	7,297
Other comprehensive income	103	(34)
Total comprehensive income	**$ 9,057**	**7,263**
Dividends received by the Company	**$ 1,958**	**1,399**

D. Collateral

As of December 31, 2024 and 2023, the Company's investments accounted for using the equity method have not been pledged as collateral.

(8) Property, Plant and Equipment

The movements in the cost, depreciation, and impairment losses of the Company's property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

	Land	Buildings and Construction	Machinery and Equipment	Other Equipment	Total
Cost or deemed cost:					
Balance at January 1, 2024	$ 276,601	297,558	16,209	261,042	851,410
Addition	-	2,298	475	17,532	20,305
Disposal	-	-	-	(11,040)	(11,040)
Balance at December 31, 2024	**$ 276,601**	**299,856**	**16,684**	**267,534**	**860,675**

	Land	Buildings and Construction	Machinery and Equipment	Other Equipment	Total
Balance at January 1, 2023	$ 276,601	297,558	15,339	250,343	839,841
Addition	-	-	870	13,138	14,008
Disposal	-	-	-	(2,439)	(2,439)
Balance at December 31, 2023	**$ 276,601**	**297,558**	**16,209**	**261,042**	**851,410**
Depreciation and impairment losses:					
Balance at January 1, 2024	$ -	100,577	13,020	231,033	344,630
Depreciation	-	8,354	1,543	19,924	29,821
Disposal	-	-	-	(9,588)	(9,588)
Balance at December 31, 2024	**$ -**	**108,931**	**14,563**	**241,369**	**364,863**
Balance at January 1, 2023	$ -	89,961	11,464	206,356	307,781
Depreciation	-	10,616	1,556	27,116	39,288
Disposal	-	-	-	(2,439)	(2,439)
Balance at December 31, 2023	**$ -**	**100,577**	**13,020**	**231,033**	**344,630**
Carrying amount:					
December 31, 2024	**$ 276,601**	**190,925**	**2,121**	**26,165**	**495,812**
January 1, 2023	**$ 276,601**	**207,597**	**3,875**	**43,987**	**532,060**
December 31, 2023	**$ 276,601**	**196,981**	**3,189**	**30,009**	**506,780**

A. Net gain or loss on the disposal of property, plant, and equipment of the Company, please refer to Note 6(19).

B. As of December 31, 2024 and 2023, the property, plant and equipment of the Company were not pledged as collateral.

(9) Right-of-use assets

The movements in the cost, depreciation, and impairment losses of right-of-use assets recognized for premises and buildings leased by the Company are as follows:

	Buildings and Construction
Cost of right-of-use assets:	
Balance at January 1, 2024	$ 20,383
Balance at December 31, 2024	**$ 20,383**
Balance at January 1, 2023	$ 20,383
Balance at December 31, 2023	**$ 20,383**
Depreciation and impairment losses of right-of-use assets:	
Balance at January 1, 2024	$ 10,651
Depreciation	6,795
Balance at December 31, 2024	**$ 17,446**
Balance at January 1, 2023	$ 3,857
Depreciation	6,794
Balance at December 31, 2023	**$ 10,651**

	Buildings and Construction
Book value:	
December 31, 2024	$ 2,937
January 1, 2023	$ 16,526
December 31, 2023	$ 9,732

(10) Investment properties

	Land and Improvements	Buildings and Construction	Total
Cost or deemed cost:			
Balance at January 1, 2024	$ 196,925	266,160	463,085
Balance at December 31, 2024	$ 196,925	266,160	463,085
Balance at January 1, 2023	$ 196,925	266,160	463,085
Balance at December 31, 2023	$ 196,925	266,160	463,085
Depreciation and impairment losses:			
Balance at January 1, 2024	$ -	80,620	80,620
Depreciation	-	6,228	6,228
Balance at December 31, 2024	$ -	86,848	86,848
Balance at January 1, 2023	$ -	74,391	74,391
Depreciation	-	6,229	6,229
Balance at December 31, 2023	$ -	80,620	80,620
Carrying amount:			
December 31, 2024	$ 196,925	179,312	376,237
January 1, 2023	$ 196,925	191,769	388,694
December 31, 2023	$ 196,925	185,540	382,465
Fair value:			
December 31, 2024			$ 1,701,240
December 31, 2023			$ 1,460,144

A. The fair value of investment real estate is based on the Company’s comprehensive evaluation based on the comparative method (information on the transaction rate of the housing agency and the actual price of the Ministry of the Interior). The input values used in the fair value valuation technique are classified as Level 3.

B. As of December 31, 2024 and 2023, none of the Company's investment properties were pledged as collateral.

(11) Lease liabilities

The Company's lease liabilities are as follows:

	2024.12.31	2023.12.31
Current	$ 3,011	6,931
Non-current	$ -	2,951

Please refer to Note 6 (20) Financial Instruments for the maturity analysis.

The amounts recognized in profit or loss are as follows:

	2024	2023
Interest expense on lease liabilities	$ 123	259
Expenses relating to short-term leases	$ 3,420	2,118

The amounts recognized in the Statement of Cash Flows are as follows:

	2024	2023
Total cash outflow for leases	$ 10,414	9,724

Lease of land, premises and buildings

In April and September 2022 respectively, the Company leased premises and buildings for use as factories for a period of one year with the option to extend, at the end of the lease, for another contractual period identical to that of the original.

(12) Operating Leases

The investment properties leased by the Company is classified as operating leases because, as described in Note 6(10), "Investment Properties," it does not transfer nearly all of the risks and rewards associated to the ownership of the subject assets to the lessee.

The maturity analysis of lease payments for accounting of the total undiscounted lease payments to be received in the future is shown in the following table:

	2024.12.31	2023.12.31
Less than one year	$ 10,085	10,099
Non-discounted future cash flows of lease	$ 10,085	10,099

The rental income generated from investment properties in 2024 and 2023 amounted to $14,854 thousand and $14,874 thousand, respectively.

(13) Employee Benefits

A. Defined benefit plans

The adjustments for the present value of the defined benefit obligations and the fair value of the plan assets of the merged company are as follows:

	2024.12.31	2023.12.31
Present value of defined benefit obligation	$ 2,518	2,148
Fair value of plan assets	(11,850)	(10,726)
Net defined benefit liability (assets)	$ (9,332)	(8,578)

The Company's defined benefit plan is contributed to the pension fund account with the Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and the average salary for the six months prior to retirement.

(A) Plan assets composition

The Company's retirement fund under the Labor Standards Act is managed by the Labor Pension Fund Supervisory Committee. According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum annual earnings to be distributed from the fund shall not be less than the earnings calculated based on the two-year time deposit rate of the local bank.
As of the reporting date, the balance of the Company's labor pension reserve account in the Bank of Taiwan amounted to $11,850 thousand. Please visit the website of the Bureau of Labor Funds, Ministry of Labor, for information on the utilization of the labor pension fund assets including the fund yield and fund asset allocation.

(B) Movement in the present value of the defined benefit obligations

The movements in the present value of the Company’s defined benefit obligations for the years ended December 31, 2024 and 2023, were as follows:

	2024	2023
Defined benefit obligation at January 1	$ 2,148	2,028
Service cost and interest for the period	116	287
Remeasurements of the net defined benefit liability (asset)		
- Actuarial gains and losses arising from experience adjustments	(81)	(477)
- Actuarial gains and losses arising from changes in demographic assumptions	335	310
Defined benefit obligation at December 31	**$ 2,518**	**2,148**

(C) Movements of the fair value of defined benefit plan assets

The movements in the fair value of the Company’s defined benefit plan assets for the years ended December 31, 2024 and 2023, were as follows

	2024	2023
Fair value of plan assets at January 1	$ (10,726)	(10,121)
Interest income	(168)	(180)
Remeasurements of the net defined benefit liability (asset)		
- Return on plan assets (excluding interest income)	(911)	(339)
Contributions made to the plan	(45)	(86)
Fair value of plan assets at December 31	**$ (11,850)**	**(10,726)**

(D) Expenses recognized in profit or loss

The breakdown of expenses reported by the Company for 2024 and 2023 were as follows:

	2024	2023
Current service cost	$ 77	251
Net interest on net defined benefit liability	(129)	(144)
	$ (52)	**107**

		2024	2023
Selling expenses		(22)	47
Research and development expenses		(30)	60
	$	(52)	107

(E) Remeasurement of net defined benefit liabilities recognized in other comprehensive income

The accumulated remeasurements of the net defined benefit liability recognized by the Company in other comprehensive income are as follows:

		2024	2023
Accumulated balance as of January 1	$	(1,426)	(1,831)
Loss recognized for the period		526	405
Accumulated balance as of December 31	$	(900)	(1,426)

(F) Actuarial assumptions

The significant actuarial assumptions used by the Company to determine the present value of its defined benefit obligations at the financial reporting date are as follows:

	2024.12.31	2023.12.31
Discount rate	1.6362%	1.5014%
Future salary increase rate	1.50%	1.25%

The Company expects to contribute $31 thousand to the defined benefit plan within one year from the 2024 reporting date.
The weighted average duration of the defined benefit obligations is 23.32 years.

(G) Sensitivity analysis

The calculation of the present value of the defined benefit obligation requires the Company to apply judgment and estimates in determining the relevant actuarial assumptions at the balance sheet date, including the discount rate, employee turnover rate, and future salary increases. Changes in these actuarial assumptions could have a material impact on the Company’s defined benefit obligation.

As of December 31, 2024 and 2023, the effects of changes in key actuarial assumptions on the present value of the defined benefit obligations are as follows:

		Effect on defined benefit obligations	
		Increase	Decrease
December 31, 2024			
Discount rate (change of 0.5%)	$	(269)	307
Future salary increase (change of 1%)		644	(506)
December 31, 2023			
Discount rate (change of 0.5%)		(234)	268
Future salary increase (change of 1%)		564	(441)

The sensitivity analysis above is based on the assumption that all other assumptions remain unchanged, analyzing the impact of changes in a single assumption. In practice, many of these assumptions may be interrelated. The sensitivity analysis is consistent with the methodology used for calculating the net defined benefit liability in the balance sheet.

The methods and assumptions used in preparing the sensitivity analysis for the current period are the same as those used in the prior period

B. Defined contribution plans

The Company's defined contribution plan is governed by the Labor Pension Act, which stipulates that 6% of employees' monthly salaries must be contributed to individual retirement accounts managed by the Bureau of Labor Insurance. Under this plan, after the Company contributes the specified amount to the Bureau of Labor Insurance, it has no further legal or constructive obligation for any additional payments.

The pension expenses under the Company's defined contribution plan for the years 2024 and 2023 amounted to $18,958 thousand and $18,212 thousand, respectively, and have been contributed to the Bureau of Labor Insurance.

(14) Income Tax

A. Details of the Company's income tax expenses for the years 2024 and 2023 are as follows:

	2024	2023
Income tax expenses for the period		
Recognized during the period	$ 173,301	168,983
Additional tax on unappropriated earnings	34,725	47,909
Adjustment to prior year’s income tax	(21,194)	(25,799)
	186,832	191,093
Deferred income tax expenses		
Originations and reversals of temporary differences	81,808	64,693
Income tax expenses	**$ 268,640**	**255,786**

B. Details of the reconciliation between income tax expense and income before tax of the Company for the years 2024 and 2023 are as follows:

	2024	2023
Income before income tax	$ 1,809,310	1,637,942
Income tax calculated at the domestic tax rate of the Company	361,862	327,588
Tax-exempted income	(22,784)	(2,468)
Share of profit of associates accounted for using the equity method	(84,084)	(89,447)
Understatement (overstatement) of prior year’s income tax	(21,194)	(25,799)
Additional tax on unappropriated earnings	34,725	47,909
Other	115	(1,997)
	$ 268,640	**255,786**

C. Deferred income tax assets and liabilities

(A) Unrecognized deferred income tax assets

The following item has not been recognized as a deferred income tax asset:

	2024.12.31	2023.12.31
Investment tax credits	$ 33,321	33,092

Investment tax credits for expenditures on equipment, technology, research and development, and personnel training are deductible from the current year's taxable income in accordance with the Statute for Industrial Innovation. These items have not been recognized as deferred income tax assets due to the significant uncertainty regarding the likelihood of their realization.

(B) Deferred income tax assets and liabilities recognized

The movements in deferred income tax assets and liabilities for the years 2024 and 2023 are as follows:

Deferred income tax assets:

	Provision for after-sales service	Deferred revenue	Inventory write-downs	Other	Total
January 1, 2024	$ 3,521	8,184	15,387	16,383	43,475
(Debit) Credit in income statement	(452)	422	3,509	(7,640)	(4,161)
December 31, 2024	**$ 3,069**	**8,606**	**18,896**	**8,743**	**39,314**
January 1, 2023	$ 3,693	9,958	11,154	9,556	34,361
(Debit) Credit in income statement	(172)	(1,774)	4,233	6,827	9,114
December 31, 2023	**$ 3,521**	**8,184**	**15,387**	**16,383**	**43,475**

Deferred income tax liabilities:

	Unappropriated earnings of subsidiaries	Defined benefit pension plans	Other	Total
January 1, 2024	$ 991,482	3,557	-	995,039
(Debit) Credit in income statement	74,782	18	2,847	77,647
(Debit) Credit in other comprehensive income	-	131	-	131
December 31, 2024	**$ 1,066,264**	**3,706**	**2,847**	**1,072,817**
January 1, 2023	$ 917,469	3,460	202	921,131
(Debit) Credit in income statement	74,013	(4)	(202)	73,807
(Debit) Credit in other comprehensive income	-	101	-	101
December 31, 2023	**$ 991,482**	**3,557**	**-**	**995,039**

D. The Company's profit-seeking enterprise income tax filings have been assessed and approved by the tax authority up to the year 2022.

(15) Capital and Other Equity

As of December 31, 2024 and 2023, the total authorized share capital of the Company is $3,500,000 thousand, with a par value of $10 per share and a total of 350,000 thousand shares. The issued shares capital consists of 176,598 thousand shares, all of which have been fully paid.

A. Capital surplus

The Company's capital surplus comprises the following:

		2024.12.31	2023.12.31
Additional paid-in capital	$	46,223	46,223
Additional paid-in capital arising from bond		730,821	730,821
Treasury share transaction		13,187	13,187
Changes in equity of associates accounted for using equity method		28,999	37,028
Other		18,324	18,262
	$	837,554	845,521

B. Retained earnings

Pursuant to the Company's Articles of Incorporation, if there are any profits in the Company's annual final accounts, the Company shall reserve taxes to be paid, offset losses, set aside 10% of the remainder as the legal capital reserve, and set aside or reverse the special reserve as required by law. If there is any remaining balance, the Board of Directors shall prepare a proposal for the distribution of the surplus, together with the accumulated undistributed earnings, and submit it to the shareholders for resolution.

The Company is in a business growth phase. In response to the overall industry environment and for needs in business expansion, the future dividend distribution will be based on mid- to long-term capital budget planning, with the goal of pursuing a balanced dividend policy and stable and sustainable business development. The Board of Directors will consider the past issuance, industry standards and future operating capacity and other factors in formulating a proposal for dividends to shareholders. The total amount of dividends to shareholders shall not exceed 90% of the accumulated earnings available for distribution each year, of which the percentage of cash dividends shall not be less than 5% of the total amount of dividends to shareholders.

(A) Legal reserve

When it has incurred no loss, the Company may distribute dividends in new shares or cash from the legal capital reserve by resolution at the shareholders' meeting. The distribution is limited to the portion of the reserve in excess of 25% of the paid-in capital.

(B) Special reserve

In accordance with the regulations of the FSC, when it distributes distributable earnings, the Company shall set aside a special reserve equivalent to the current period's net debit balance of the other components of the shareholders' equity from the current period's profit or loss and the prior period's undistributed earnings. The amount of the debit balance in the other components of the shareholders' equity carried over from the prior period is not distributable from the special capital reserve set aside from the prior period's undistributed earnings. If there is a reversal of the debit balance in other components of the shareholders' equity subsequently, the amount reversed may be distributed as distributable earnings.

(C) Earnings distribution

The Company resolved to distribute dividends to shareholders for the years 2023 and 2022 at the respective shareholders' meetings held on June 18, 2024, and June 16, 2023. The amounts to be distributed to shareholders are as follows:

	2023			2022	
		Per share (NT$)	Amount	Per share (NT$)	Amount
Dividends to common shareholders:					
Cash	$	3.50	618,092	3.50	618,092

C. Other equity (net of tax)

		Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2024	$	(435,177)	49,887	(385,290)
Exchange differences arising from the translation of net assets of foreign operations		136,236	-	136,236
Reclassification of disposal of associates accounted for using the equity method		(324)	(2,495)	(2,819)
Unrealized (loss) gain on financial assets at fair value through other comprehensive income		-	(24,398)	(24,398)
Share of unrealized gain or loss on financial assets at fair value through other comprehensive income attributed to subsidiaries and affiliates		-	(41,827)	(41,827)
Share of exchange differences on translation attributed to affiliates		17,623	-	17,623
Balance at December 31, 2024	$	(281,642)	(18,833)	(300,475)
Balance at January 1, 2023	$	(410,176)	(43,403)	(453,579)
Exchange differences arising from the translation of net assets of foreign operations		(25,972)	-	(25,972)
Unrealized (loss) gain on financial assets at fair value through other comprehensive income		-	16,204	16,204
Share of unrealized gain or loss on financial assets at fair value through other comprehensive income attributed to affiliates		-	77,086	77,086
Share of exchange differences on translation attributed to affiliates		971	-	971
Balance at December 31, 2023	$	(435,177)	49,887	(385,290)

(16) Earnings Per Share

The calculations of the Company's basic earnings per share and diluted earnings per share are as follows:

		2024	2023
Basic earnings per share (NT$)			
Net income attributable to ordinary shareholders of the Company	$	1,540,670	1,382,156
Weighted-average number of outstanding common shares (in thousands)		176,598	176,598
	$	8.72	7.83

		2024	2023
Diluted earnings per share (NT$)			
Net income attributable to ordinary shareholders of the Company (after adjusting for the effects of dilutive potential ordinary shares)	$	1,540,670	1,382,156
Weighted-average number of outstanding ordinary shares		176,598	176,598
Effect of dilutive potential ordinary shares			
Effect of stock-based employee compensation		1,398	1,234
Weighted-average number of outstanding ordinary shares (after adjusting for the effects of dilutive potential ordinary shares)		177,996	177,832
	$	8.66	7.77

(17) Revenue from Contracts with Customers

A. Revenue sources

		2024	2023
Major markets:			
Domestic	$	434,993	621,527
America		2,079,651	2,397,467
Europe		589,112	698,495
Asia		1,282,351	1,220,524
Others		41,990	28,507
	$	4,428,097	4,966,520

B. Contract balances

		2024.12.31	2023.12.31	2023.1.1
Notes and Accounts Receivable	$	768,795	493,767	427,715
Accounts receivable - related parties		241,553	266,409	257,607
Less: Allowance for doubtful accounts		-	(22,929)	(14,443)
Total	$	1,010,348	737,247	670,879
Contract liabilities - Advance payments	$	185,195	148,509	184,035

Please refer to Note 6(4) for the disclosure of notes receivable, accounts receivable and the impairment thereof.

The initial balances of contract liabilities as of January 1, 2024 and 2023, recognized as revenue for the years 2024 and 2023 amounted to $148,509 thousand and $184,035 thousand, respectively

(18) Remuneration for employees, directors and supervisors

According to the Company's articles of association, if there is a profit for the year, 5%~20% shall be allocated for employee compensation and not more than 3% for directors' and supervisors' remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The aforementioned employees' remuneration includes that of the employees of the Company's subsidiaries which meet the predefined criteria.

The estimated employee compensation for the Company in 2024 and 2023 was $95,401 thousand and $86,381 thousand respectively. Director remuneration was estimated at $3,300 thousand for both years. These estimations are based on the Company's taxable income for each period, after deducting employee and director remuneration, multiplied by the distribution percentage of employee and director remuneration as stipulated in the Company's articles of association, and reported as operating costs or expenses for 2024 and 2023. If the amounts actually distributed differ from the estimated amounts in the ensuing year, the differences are deemed as changes in accounting estimate and recognized in profit or loss for the that year. Relevant information can be found on the Market Observation Post System. There were no differences between the provision and the actual distribution for the aforementioned remuneration for employees, directors and supervisors for the years 2024 and 2023.

(19) Non-operating Income and Expenses

A. Interest income

The detailed breakdown of interest income for the Company in 2024 and 2023 is as follows:

	2024	2023
Interest income from bank deposits	$ 59,077	50,040

B. Other income

The detailed breakdown of other income for the Company in 2024 and 2023 is as follows:

	2024	2023
Lease income	$ 14,854	14,874
Dividend income	2,047	6,497
Other income	34,186	70,110
Total	$ 51,087	91,481

C. Other gains and losses

The detailed breakdown of other gains and losses for the Company in 2024 and 2023 is as follows:

	2024	2023
Foreign currency exchange gain	$ 97,591	13,531
Proceeds from disposal of investment	103,534	-
Net gains on financial assets at fair value through profit or loss	8,339	5,840
Gain on disposal of property, plant and equipment	2,580	375
Compensation for losses	(26,918)	-
Others	(6,811)	(6,741)
Total	$ 178,315	13,005

D. Financial costs

The detailed breakdown of financial costs for the Company in 2024 and 2023 is as follows:

	2024	2023
Interest expense		
Other financial expense	$ 140	259

(20) Financial Instruments

A. Credit risk

(A) Credit risk exposure

The carrying amount of financial assets represents the maximum amount of credit risk.

(B) Credit risk concentration

As of December 31, 2024 and 2023, 81.64% and 66.30% of the Company's accounts receivable balances were attributable to five and four customers, respectively. This indicates a significant concentration of credit risk for the Company in 2024.

(C) Credit risk with accounts receivable

Please refer to Note 6(4), for information on the credit risk exposure concerning notes and accounts receivable.

Other financial assets measured at amortized cost include other receivables and other financial assets, among others. Please refer to Note 6(6), for information on relevant investments. All of these financial assets carry low credit risk, and, therefore, the allowance for loss is measured at the amount of expected credit loss for the 12-month period. The Company's time deposit institutions and trading and contractual counterparties are considered to have low credit risk because they are financial institutions with investment grade or above.

Please refer to Note 6(4) for information on the provision for bad debts for the years 2024 and 2023.

B. Liquidity risk

The following table shows the contract maturities for financial liabilities, including estimated interest but excluding the effect of netting agreements:

	Book value	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2024						
Non-derivative financial liabilities						
Non-interest-bearing liabilities (including related parties)	$ 1,056,689	1,056,689	961,288	95,401	-	-
Lease liabilities	3,011	3,023	2,586	437	-	-
	$ 1,059,700	1,059,712	963,874	95,838	-	-
December 31, 2023						
Non-derivative financial liabilities						
Non-interest-bearing liabilities (including related parties)	$ 1,031,067	1,031,067	944,686	86,381	-	-
Lease liabilities	9,882	10,018	3,497	3,497	3,024	-
	$ 1,040,949	1,041,085	948,183	89,878	3,024	-

The Company does not expect the timing of the cash flows in the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

C. Exchange rate risk

(A) Exchange rate risk exposure

The Company's financial assets and liabilities that are exposed to significant foreign currency exchange rate risk are as follows:

		2024.12.31			2023.12.31		
		Foreign currency	**Exchange Rate**	**NTD**	**Foreign currency**	**Exchange Rate**	**NTD**
Financial assets							
Monetary items							
USD : NTD	$	57,006	32.785	1,868,955	62,236	30.705	1,910,966
Financial liabilities							
Monetary items							
USD : NTD		21,436	32.785	702,786	21,071	30.705	646,976

(B) Sensitivity Analysis

The exchange rate risk for the Company's monetary items arises primarily from foreign currency denominated cash and cash equivalents, accounts receivable and other receivables, accounts payable and other payables, which generate foreign exchange gains or losses when translated. As of December 31, 2024 and 2023, if the New Taiwan Dollar depreciates or appreciates by 5% relative to the USD, while all other factors remain constant, the post-tax net profit for the fiscal years 2024 and 2023 would respectively decrease or increase by $46,647 thousand and $50,560 thousand. The two-period analysis is conducted on the same basis.

(C) Foreign exchange gains or losses on monetary items

Due to the diverse functional currencies within the Company, information on foreign exchange gains or losses on monetary items is disclosed on an aggregated basis. For the fiscal years 2024 and 2023, the foreign exchange gains (including realized and unrealized) were $97,591 thousand and $13,531 thousand respectively.

D. Interest rate risk

The Company's interest rate risk exposure of financial assets and financial liabilities is discussed in the foregoing liquidity risk section in this note.

The sensitivity analysis below is based on the interest rate risk of derivative and non-derivative financial instruments as of the reporting date. In the case of floating-rate liabilities, the analysis assumes that the outstanding amount as of the reporting date remains in effect throughout the year.

The rate of change used in internal interest rate reporting to the Company’s key management is an increase or decrease of five basis points, which also reflects management’s assessment of the reasonably possible range of interest rate fluctuations.

If the interest rate increases or decreases by five basis points, with all other variables held constant, the post-tax net profit of the Company for the years ended December 31, 2024 and 2023 would respectively decrease or increase by $ 58 thousand and $87 thousand.

E. Other price risk

The effects on comprehensive income of changes in commodity prices or equity securities prices, with all other factors held constant, as of the reporting dates for the following periods, which are analyzed on the same basis for both periods, are as follows:

	2024		2023	
Securities prices as of reporting date	**Other comprehensive income, after tax**	**Post-tax profit or loss**	**Other comprehensive income, after tax**	**Post-tax profit or loss**
Increase by 5%	$ 2,517	32,075	2,986	30,108
Decrease by 5%	$ (2,517)	(32,075)	(2,986)	(30,108)

F. Fair value analysis

(A) Types of financial instruments and fair values

The Company's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values, including fair value hierarchy information, of different types of financial assets and financial liabilities are presented as follows (the carrying amount of a financial instrument not carried at fair value is a reasonable approximation of fair value, and the disclosure of fair value information on lease liabilities is not required under the regulations):

	2024.12.31				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at Fair value through profit or loss (FVTPL)					
Fund beneficiary certificate	$ 641,499	641,499	-	-	641,499
Financial assets at Fair value through other comprehensive income					
Domestic unlisted stocks	$ 50,331	-	-	50,331	50,331
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 899,393	-	-	-	-
Notes and accounts receivable (including related parties)	1,010,348	-	-	-	-
Other receivables - related parties	6,975	-	-	-	-
Other Financial Assets	379,427	-	-	-	-
subtotal	2,296,143	-	-	-	-
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	$ 754,917	-	-	-	-
Other payables (including related parties)	301,772	-	-	-	-
Lease liabilities	3,011	-	-	-	-
subtotal	1,059,700	-	-	-	-

	Dec. 31, 2023				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at Fair value through profit or loss (FVTPL)					
Fund beneficiary certificate	$ 602,150	602,150	-	-	602,150
Financial assets at Fair value through other comprehensive income (FVOCI)					
Domestic unlisted stocks	59,729	-	-	59,729	59,729
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,047,602	-	-	-	-
Notes and accounts receivable (including related parties)	737,247	-	-	-	-
Other receivables - related parties	12,013	-	-	-	-
Other Financial Assets	239,791	-	-	-	-
subtotal	2,036,653	-	-	-	-
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	$ 720,447	-	-	-	-
Other payables (including related parties)	310,620	-	-	-	-
Lease liabilities	9,882	-	-	-	-
subtotal	1,040,949	-	-	-	-

(B) Fair value valuation techniques for financial instruments not carried at fair value

The methods and assumptions used by the Company to estimate values of instruments that are not measured at fair value are as follows:

a. Financial assets measured at amortized cost and financial liabilities measured at amortized cost
If information on relevant transactions or quotations from the market maker is available, the most recent transaction price and quotation information will be used as the basis for assessing the fair value. If there is no market value available for reference, a valuation approach is used for estimation. The estimation and assumptions used in the valuation approach are discounted cash flow valuation to estimate the fair value.

(C) Fair value valuation techniques for financial instruments carried at fair value

a. Non-derivative financial instruments
If there is a public quotation on a financial instrument in the active market, the fair value of the instrument will be based on the quotation. The fair values of listed equity instruments and of debt instruments with quotations in the active market are based on the market prices announced by the major exchanges and, for instruments that are deemed popular, by the Taipei Exchange.
A financial instrument has a public quotation in the active market if quotations can be obtained, timely and routinely, from exchanges, brokers, underwriters, industry associations, pricing services or the competent authority and if the price represents those of actual and normal fair market transactions. If the aforementioned conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a

significant increase in the bid-ask spread, or a low volume of transactions are all indicators of an inactive market.

Except for the aforementioned financial instruments with quotes in active markets, the fair values of all other financial instruments are obtained using the valuation techniques or by reference to quoted prices from counterparties. The fair value obtained through the valuation techniques may be determined by reference to the current fair values of other financial instruments with similar substantive conditions and characteristics, or using the discounted cash flow method, or using other valuation techniques, including computation using models built on market information available as of the date of the balance sheet.

b. Derivative financial instruments

Derivative financial instruments are measured using valuation models widely accepted by market participants, such as the discounted cash flow method and option pricing models. Forward foreign exchange contracts are generally valued based on current forward exchange rates. Structured interest rate derivatives are valued using appropriate option pricing models (e.g., the Black-Scholes model) or other valuation techniques, such as Monte Carlo simulation.

(D) Transfer between Level 1 and Level 2: None.

(E) Table of changes in Level 3

	At fair value through other comprehensive income	
	Financial instruments without public quotation	
January 1, 2024	$	59,729
Total gains or losses		
Recognized in other comprehensive income		(24,398)
Addition		15,000
December 31, 2024	**$**	**50,331**
January 1, 2023	$	32,025
Total gains or losses		
Recognized in other comprehensive income		16,204
Addition		15,000
Cash capital reduction		(3,500)
December 31, 2023	**$**	**59,729**

The foregoing total gains or losses was reported in "unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income." The relevant assets still held as of December 31, 2024 and 2023, are as follows:

		2024	**2023**
Total gains or losses			
Recognized in other comprehensive income (reported in "Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income")	$	(24,398)	16,204

(F) Quantitative information on fair value measurements of significant unobservable input (Level 3)

The Company's fair value measurements classified as Level 3 apply primarily to financial assets measured at fair value through other comprehensive income - equity securities investments.

The majority of the Company's fair values that are classified as Level 3 have only one single significant unobservable input, and only investments in equity instruments without an active market have multiple significant unobservable inputs. Significant unobservable inputs to investments in equity instruments with no active market are not correlated with one another as they are independent of any other.

The quantitative information of significant unobservable input values is listed below:

Assets	Valuation techniques	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income - investments in equity	Discounted cash flow method Asset approach Comparable market approach	• Weighted average cost of capital (7.68% as of 2024.12.31 and 12.13% as of 2023.12.31) • Lack of marketability discount (20.00% as of both 2024.12.31 and 2023.12.31) • Minority interest discount (ranging from 18.57%~21.30% as of both 2024.12.31 and 2023.12.31) • Price-to-book ratio (1.42 as of 2024.12.31 and 1.38 as of 2023.12.31) • Price-to-sales ratio (2.63 as of 2024.12.31 and 2.60 as of 2023.12.31)	• The higher the weighted average cost of capital, minority interest discount, and lack of marketability discount, the lower the fair value. • The lower the multiplier, the lower the fair value.

(G) Analysis of sensitivity of fair values to reasonably possible alternatives for Level 3 fair value measurement

The Company's fair value measurements of financial instruments may differ if different valuation models or valuation parameters are used.

(21) Financial Risk Management

A. Overview

The Company is exposed to the following risks due to the use of financial instruments:

(A) Credit risk

(B) Liquidity risk

(C) Market risk

This Note presents information on the Company's exposure to each of the risks in the above and the Company's objectives, policies and procedures for measuring and managing the risks.

For further quantitative disclosures, please refer to the respective notes to the financial statements.

B. Risk management framework

The Board of Directors is fully responsible for and oversees the risk management of the Company. The Board of Directors is responsible for and controls the Company's risk management policies and reports regularly to the directors on its operations.

The Company's risk management policy is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and control, and to monitor risks and compliance with risk limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures so that all employees understand their roles and responsibilities.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the Company's risk management framework with respect to the risks it faces. Internal audit personnel assist the Audit Committee of the Company in its oversight role. Said personnel conduct regular and non-regular reviews of risk management controls and procedures and report the results of these reviews to management.

C. Credit risk

Credit risk is the risk of financial loss arising from the failure of the Company's customers or financial instruments counter-parties to meet their contractual obligations. It is inherent primarily in the Company's accounts receivable from customers and Investments in securities.

(A) Accounts receivable and other receivables

The Company's policy is to transact only with counterparties of reputable creditworthiness or with whom it has long-standing business relationships. The Company transacts only with entities rated equivalent to investment grade. Such information is provided by independent rating agencies; in the absence of such information, the Company will utilize other publicly available financial information and transaction records to assess the creditworthiness of major customers. The Company monitors credit risk exposures and counterparty credit ratings on an ongoing basis, and it disperses the total transaction volume over customers with qualified credit ratings and controls exposures to credit risk by reviewing counterparty credit limits annually.

(B) Investment

The credit risk in bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Company's finance department. The Company's transactional and contractual counter-parties are financial institutions, corporate organizations and government agencies with outstanding credit ratings so as to cast no significant doubt about their performance and, thus, to give rise to no significant credit risk.

(C) Guarantee

As of December 31, 2024 and 2023, the Company did not provide any endorsement guarantees.

D. Liquidity risk

The Company manages and maintains sufficient amounts of cash and cash equivalents to support the Company's operations and mitigate the impact of cash flow fluctuations. All of the non-derivative financial instruments for which the Company has definitive repayment dates are financial liabilities due in one year (including mostly short-term borrowings, notes and accounts payable, accounts payable - related parties, other payables and other payables - related parties). At current, the Company has sufficient capital and working capital to meet all of its contractual obligations and, thus, is not exposed to liquidity risk which might arise from its inability to raise capital to meet contractual obligations. As of December 31, 2024 and 2023, the unused financing facilities of the Company amounted to $300,000 thousand and $500,000 thousand respectively.

E. Market risk

Market risk is the risk that subjects the Company's earnings or the values of the financial instruments it holds to the influence of changes in the market price, such as changes in exchange rates, interest rates or prices of equity instruments. The goal of market risk management is to control the degree of exposure to market risk within acceptable levels and to optimize investment returns. The Company's market risk management practices are as follows:

(A) Exchange rate risk

The Company is exposed to exchange rate risk in the sales, purchase and borrowing transactions that are not denominated in a functional currency. The principal currencies in which these transactions are denominated are NTD and USD.

When there is a short-term imbalance in a monetary asset or liability denominated in one of the other foreign currencies, the Company purchases or sells the foreign currency at the prevailing exchange rate to ensure that the net risk exposure is maintained at an acceptable level.

(B) Interest rate risk

The Company's policy is to adopt a fixed interest rate for time deposit. Considering that market interest rates at present are relatively low, the Company has not entered into any interest rate swap contracts. However, it may consider using an interest rate swap to reduce risk should the interest rates increase.

(C) Other market price risk

The Company is exposed to equity price risk due to its investments in listed equity securities. The equity investments are not held for trading and are for strategic purposes. The Company does not actively trade these investments, and its management manages the risk by maintaining an investment portfolio with different risks.

(22) Capital Management

The Company's objectives in capital management are to ensure the ability to continue as a going concern in order to continue to provide compensations to shareholders and profits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust dividend distributions to shareholders, undertake capital reductions to return funds to shareholders, or issue new shares.

As standard practice in the industry, the Company bases its capital control on the liability to capital ratio. This ratio is calculated by dividing net liability by total capital. Net liability is total liabilities as shown in the balance sheet less cash and cash equivalents. Total capital is the sum of all components of equity (i.e., capital stock, capital surplus, retained earnings and other equity) plus net debt.

The capital management strategy of the Company for the year 2024 remained consistent with that of 2023. The debt-to-capital ratio as of December 31, 2024 and 2023 is as follows:

	2024.12.31	**2023.12.31**
Total liabilities	$ 2,580,587	2,553,456
Less: cash and cash equivalents	(899,393)	(1,047,602)
Net liability	**$ 1,681,194**	**1,505,854**
Total equity	**$ 11,044,310**	**10,089,932**
Liability to capital ratio	**15.22%**	**14.92%**

7. Related party transactions

(1) Name of related party with relationship

The related parties that had transactions with the Company during the period covered by these separate financial statements, including its subsidiaries and other related entities, were as follows:

Name of Related Party	Relationship with the Company
BriteMED Technology Inc.	Subsidiary
Armorlink SH Corp.	Subsidiary
IEI Technology (Shanghai) Co., Ltd.	Subsidiary
Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary
Ailean Technologies Corp.	Subsidiary
ASH ENERGY GROUP LIMITED	Subsidiary
SYNCDA International Limited.	Subsidiary
ICP Electronics Limited	Subsidiary
Internet Application Technology Ltd.	Subsidiary
Fortunetec International Corp.	Subsidiary
Fortune Name Holdings Limited (Note 1)	Subsidiary
Rich Excel Corporation Holdings Limited	Subsidiary
IEI Technology USA Corporation	Subsidiary
Equilico Inc.	Subsidiary
Potency Inc.	Subsidiary
Suntend LLC	Subsidiary
QNAP Systems, Inc.	Associate
Sheng Feng Co., Ltd. (Note 2)	Associate
Oring Industrial Networking Corp.	Associate
Anewtech Systems Pte Ltd.	Associate
Acquire System Inc.	Associate
QNAP Inc. (USA)	Associate
QNAP Inc. (CANADA)	Associate
QNAP Co., Ltd (Japan)	Associate
QNAP GmbH	Associate
QNAP UK Limited	Associate
QNAP KOREA Co., Ltd (Note 3)	Associate
QNAP HK Limited	Associate

Note 1: On May 6, 2024, the Company newly established Fortune Name Holdings Limited.

Note 2: The associated company QNAP Systems, Inc. undertook a capital reduction and division in May 2024. For further details, please refer to Note 6(7).

Note 3: On May 29, 2024, QNAP KOREA Co., Ltd. was newly established by the Group to which the associate company belongs.

(2) Significant transactions with related parties

A. Operating revenue

The Company's significant sales to related parties were as follows:

	2024	2023
Subsidiary－IEI Technology USA Corporation	$ 834,144	1,430,530
Subsidiary－BriteMED Technology Inc.	171,559	246,669
Associates	35,170	38,694
	$ 1,040,873	1,715,893

The sales terms for transactions with subsidiaries and affiliates were not significantly different from those for general sales. The collection period for transactions with related parties ranged from 30 to 90 days after the end of the month.

B. Purchases

The Company's purchases from related parties were as follows:

	2024	2023
Subsidiary - Armorlink SH Corp.	$ 1,133,014	1,645,569
Subsidiary－BriteMED Technology Inc.	155,418	217
Subsidiaries	58	161
Associates	29,487	35,587
	$ 1,317,977	1,681,534

The purchase prices for transactions with affiliated companies did not differ significantly from those with the Company’s unrelated suppliers.

C. Receivables and payables

The details of the Company’s receivables from and payables to related parties are as follows:

Account Item	Related Party	2024.12.31	2023.12.31
Accounts Receivable	Subsidiary - IEI Technology USA Corporation	$ 205,740	227,305
Accounts Receivable	Subsidiary－BriteMED Technology Inc.	14,503	35,717
Accounts Receivable	Subsidiaries	5,332	-
Accounts Receivable	Associates	15,978	3,387
		$ 241,553	266,409
Other receivables	Subsidiary - Armorlink SH Corp.	$ -	9,826
Other receivables	Subsidiary－IEI Technology USA Corporation	749	698
Other receivables	Subsidiaries	126	331
Other receivables	Associate - QNAP Systems, Inc.	6,100	1,158
		$ 6,975	12,013
Accounts payable	Subsidiary - Armorlink SH Corp.	$ (225,051)	(255,060)
Accounts payable	Subsidiary－BriteMED Technology Inc.	(139,638)	(96)

Account Item	Related Party	2024.12.31	2023.12.31
Accounts payable	Subsidiaries	(11)	-
Accounts payable	Associates	(4,084)	(2,906)
		$ (368,784)	(258,062)
Other payables	Subsidiary－IEI Technology USA Corporation	$ (13,612)	-
Other payables	Subsidiary - Armorlink SH Corp.	(9,622)	(6,958)
Other payables	Subsidiaries	(4)	-
Other payables	Associate - QNAP Systems, Inc.	(10,927)	(16,260)
Other payables	Associates	(237)	-
		$ (34,402)	(23,218)

As of December 31, 2024 and 2023, the Company had no overdue accounts receivable or other receivables from related parties, and no expected credit losses were recognized.

D. Prepayments

The details of the Company's prepayments to related parties (classified under other current assets) are as follows:

	2024.12.31	2023.12.31
Subsidiary - Armorlink SH Corp.	$ 16,361	16,089

E. Contract liabilities

The details of the Company's contract liabilities to related parties are as follows:

	2024.12.31	2023.12.31
Subsidiary－IEI Technology USA Corporation	$ 1,723	2,432
Subsidiary－BriteMED Technology Inc.	-	5,943
	$ 1,723	8,375

F. Property transactions

(A) Acquisition of property, plant and equipment

The total acquisition prices of property, plant and equipment acquired by the Company from related parties are summarized as follows:

	2024	2023
Subsidiary - Armorlink SH Corp.	$ 185	-

(B) Disposal of property, plant and equipment

The total disposal proceeds from the sale of property, plant and equipment by the Company to related parties are summarized as follows:

	2024	2023
Associate - QNAP Systems, Inc.	$ 3,656	-

G. Lease

(A) Lessee

Account Item	Related Party	2024	2023
Rental income	Subsidiary－BriteMED Technology Inc.	$ 5,771	5,771
Rental income	Associate - QNAP Systems, Inc.	8,023	8,023
Rental income	Associates	460	480
		$ 14,254	**14,274**

(B) Lessor

In April and September 2022, the Company entered into lease agreements with a related party, QNAP Systems, Inc., for the rental of plant buildings. The contract terms were determined with reference to prevailing rental rates in the surrounding area. Upon commencement of the leases, the Company recognized right-of-use assets and lease liabilities in the amount of $20,383 thousand. Interest expenses recognized under these leases amounted to $123 thousand and $259 thousand for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the lease liabilities amounted to $3,011 thousand and $9,882 thousand, respectively.

H. Others

Account Item	Related Party	2024	2023
Other income	Subsidiary - Armorlink SH Corp.	$ -	10,255
Other income	Subsidiaries	5,393	5,600
Other income	Associate - QNAP Systems, Inc.	10,268	9,288
Other income	Associates	-	3,573
		$ 15,661	**28,716**
Manufacturing and other operating costs and expenses	Subsidiaries	$ (39,797)	(44,448)
Manufacturing and other operating costs and expenses	Associates	(53,972)	(48,549)
		$ (93,769)	**(92,997)**

(3) Transactions with key management personnel

Compensation of key management personnel includes:

	2024	2023
Short-term employee benefits	$ 27,907	29,402
Post-employment benefits	635	642
	$ 28,542	**30,044**

8. Pledged assets

The carrying values of the assets pledged by the Company were as follows:

Asset Name	Pledged collateral subject	2024.12.31	2023.12.31
Other financial assets – current	Duties and taxes payable for goods released before payment Government grant performance guarantees	$ 11,657	7,303

9. Significant contingent liabilities and unrecognized contractual commitments: None.

10. Significant losses from disasters: None.

11. Significant subsequent events: None.

12. Others

The employee benefits, depreciation, amortization expenses are summarized by function as follows:

Function / Nature	2024			2023		
	Recognized in cost of sales	Recognized in operating expenses	Total	Recognized in cost of sales	Recognized in operating expenses	Total
Employee benefit expense						
Salaries and Wages	35,789	395,620	431,409	27,904	424,099	452,003
Labor and Health Insurance	3,592	31,936	35,528	2,595	31,781	34,376
Pension	1,105	17,801	18,906	1,058	17,261	18,319
Director's remuneration	-	3,300	3,300	-	3,300	3,300
Other employee benefits	937	13,822	14,759	910	11,477	12,387
Depreciation expense	8,567	28,049	36,616	9,481	36,601	46,082
Amortization expense	76	20,429	20,505	-	20,473	20,473

The above depreciation expenses do not include depreciation charges related to investment properties, which were recognized under non-operating expenses. The amounts are as follows:

	2024	2023
Depreciation on investment properties	$ 6,228	6,229

Additional Information on employee headcount and employee benefits for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Number of employees	434	398
Number of directors not concurrently serving as employees	5	6
Average employee benefit expenses	$ 1,167	1,319

	2024	2023
Average employee salary expenses	$ 1,006	1,153
Changes in average employee salary expenses	(12.75)%	1.41%
Remuneration for supervisors	$ -	-

The Company's compensation policy (including for directors, managers, and employees) is as follows:

(1) Directors:

Remuneration for directors (including independent directors) is allocated at a percentage stipulated in the Articles of Incorporation and is paid annually. Compensation for directors' services is adjusted based on the individual director's level of participation and contribution.

(2) Managers and Employees:

A. In accordance with the "Organizational Regulations of the Compensation Committee," the Company's Compensation Committee formulates and periodically reviews the compensation policies, systems, standards, and structures for directors and managers. Compensation is determined with reference to prevailing industry standards.

B. If the Company reports profits, employee remuneration is allocated at the rate specified in the Articles of Incorporation

C. The Company has established a "Compensation Management Policy," which sets out the structure of regular employee compensation as the basis for salary determination. Year-end bonuses are calculated based on the Company's operating performance and profitability, as well as departmental and individual employee performance evaluations. A corresponding salary adjustment mechanism is also in place to provide employees with competitive compensation and benefits.

13. Additional disclosures

(1) Material Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports of Securities Issuers for the year 2024, the Company is required to disclose additional information regarding significant transactions as follows:

A. Loans to other parties

(Expressed in thousands of NTD)

Serial Number (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance (Note 2)	Amount Actually Drawn (Note 2)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing limits for each borrowing company (note 3)	Financing company's total financing amount limits (note 3)
													Name	Value		
1	Fortunetec International Corp.	QNAP Co., Ltd (Japan)	Other receivables - related parties	Yes	324,500	-	-	5.90%	Shor-term Financing	-	Operating capital	-	Property owned	390,469	1,882,395	1,882,395

Note 1: Explanation of serial number:
(1) Fill in 0 for the issuer.
(2) The invested companies are sequentially numbered starting from 1 using Arabic numerals according to the Company.

Note 2: The above amounts have been translated at the exchange rate of USD$1 = NT$32.7850 as of the end of December 2024.

Note 3: The individual and total limits for lending to specific entities are capped at 40% of the net worth as of December 31, 2024, based on the most recent financial statements of the lending company.

Note 4: The aforementioned transactions have been offset in the preparation of the consolidated financial statements.

B. Endorsements and guarantees: None.

C. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

(Expressed in thousands of NTD)

Held Company Name	Marketable Securities Type and Name (Note 1)	Relationship with the Company	Financial Statement Account	Ending Balance				Remark
				Shares/ Units (In Thousands)	Book value	Percentage of Ownership	Fair value	
IEI Integration Corp.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	30,958	404,950	- %	404,950	
〃	Jih Sun Money Market Fund	-	〃	12,034	186,169	- %	186,169	
〃	Franklin Templeton Sinoam Money Market Fund	-	〃	4,673	50,380	- %	50,380	
〃	Hundure Technology Co. Ltd.	-	Financial assets at Fair value through other comprehensive income- non-current	497	4,974	4.78 %	4,974	
〃	Hua Da Venture Capital Corp.	-	〃	150	4,947	10.00 %	4,947	
〃	Anteya Technology Corp.	-	〃	500	-	5.26 %	-	
〃	Genesis Photonics Inc.	-	〃	309	-	0.41 %	-	
〃	Castec International Corp.	-	〃	2,400	17,483	6.60 %	17,483	
〃	Zhunsheng Innovation Investment Co., Ltd.	-	〃	3,000	22,927	10.00 %	22,927	
BriteMED Technology Inc.	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,651	41,015	- %	41,015	
〃	Mega Diamond Money Market Fund	-	〃	9,222	120,624	- %	120,624	
〃	Franklin Templeton Sinoam Money Market Fund	-	〃	5,608	60,464	- %	60,464	
Ailean Technologies Corp.	Zunxiang Season Surplus No. 1 Collective Asset Management Plan	-	〃	9,051	24,137	- %	24,137	
Fortunetec International Corp.	Berkshire Hathaway Financial Corp. 4.2% 08/15/48 USD Foreign Bond (US084664CQ25)	-	Financial assets at fair value through profit or loss - non-current	-	14,588	- %	14,588	
〃	Johnson&Johnson, 3.7% 1mar2046, USD Foreign Bonds (US478160BV55)	-	〃	-	14,698	- %	14,698	
Fortune Name Holdings Limited	OPCOM Medical Inc.	-	Financial assets at Fair value through other comprehensive income- non-current	438	6,163	10.29 %	6,163	

Note 1: "Marketable Securities" in this table refers to stocks, bonds, beneficiary certificates and other marketable securities derived from the aforementioned items that fall within the scope of IFRS 9, "Financial Instruments."

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital:

Unit: In thousands of NTD

Company Name	Marketable security Type and Name	Financial Statement Account	Transaction Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/ Units (In Thousands)	Amount	Shares/ Units (In Thousands)	Amount	Shares/ Units (In Thousands)	Amount	Carrying Value	Gain/loss on Disposal	Shares/ Units (In Thousands)	Amount
IEI Integration Corp.	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	39,670	510,718	49,417	643,000	58,129	756,035	(750,000)	6,035	30,958	404,950

Note: The beginning balance includes a fair value (loss) gain of $718 thousand dollars, and the ending balance includes a fair value (loss) gain of $1,950 thousand dollars.

E. Acquisition of individual real estate properties at costs of at least $300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at prices of at least $300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital:

(Expressed in thousands of NTD)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal transaction		Notes/Accounts Payable or Receivable		Remark
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total Notes/ Accounts Payable or Receivable	
IEI INTEGRATION CORP.	BriteMED Technology Inc.	Subsidiary	Sales	(171,559)	(3.87) %	Net 60 days	-	-	14,503	1.44%	
BriteMED Technology Inc.	IEI INTEGRATION CORP.	Ultimate parent company	Purchases	171,559	51.54 %	Net 60 days	-	-	(14,503)	(19.53)%	
BriteMED Technology Inc.	IEI INTEGRATION CORP.	Ultimate parent company	Sales	(155,418)	24.59 %	Net 45 days	-	-	139,638	99.33%	
IEI INTEGRATION CORP.	BriteMED Technology Inc.	Subsidiary	Purchases	155,418	5.12 %	Net 45 days	-	-	(139,638)	(18.50)%	
IEI INTEGRATION CORP.	IEI Technology USA Corporation	Subsidiary	Sales	(834,144)	(18.84) %	Net 60 days	-	-	205,740	20.36%	
IEI Technology USA Corporation	IEI INTEGRATION CORP.	Ultimate parent company	Purchases	834,144	79.70 %	Net 60 days	-	-	(205,740)	(95.12)%	
Armorlink SH Corp.	IEI INTEGRATION CORP.	Ultimate parent company	Sales	(1,133,014)	(41.27) %	Net 60 days	-	-	225,051	30.68%	
IEI INTEGRATION CORP.	Armorlink SH Corp.	Subsidiary	Purchases	1,133,014	37.30 %	Net 60 days	-	-	(225,051)	(29.81)%	
Armorlink SH Corp.	IEI Technology (Shanghai)Co., Ltd.	Subsidiary	Sales	(883,169)	(32.17) %	Net 90 days	-	-	267,778	36.50%	
IEI Technology (Shanghai)Co., Ltd.	Armorlink SH Corp.	Parent company	Purchases	883,169	99.56 %	Net 90 days	-	-	(267,778)	(83.97)%	
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	Sales	(329,381)	(12.00) %	Net 90 days	-	-	120,676	16.45%	
Weibotong Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	Parent company	Purchases	329,381	100.00 %	Net 90 days	-	-	(120,676)	(99.95)%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Sales	(297,667)	(10.84) %	Net 60 days	-	-	75,518	10.29%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Purchases	297,667	14.04 %	Net 60 days	-	-	(75,518)	17.54%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Sales	(152,988)	(2.91) %	Net 60 days	-	-	28,385	2.64%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Purchases	152,988	7.05 %	Net 60 days	-	-	(28,385)	(3.61)%	

H. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital:

(Expressed in thousands of NTD)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action taken		
IEI Integration Corp.	IEI Technology USA Corporation	Subsidiary	206,489	3.85 times	-	-	67,392	-
BriteMED Technology Inc.	IEI INTEGRATION CORP.	Ultimate parent company	139,642	2.22 times	-	-	52,012	-
Armorlink SH Corp.	IEI Integration Corp.	Ultimate parent company	234,673	4.72 times	-	-	107,441	-
Armorlink SH Corp.	IEI Technology (Shanghai)Co., Ltd.	Subsidiary	267,778	3.89 times	-	-	85,990	-
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	120,676	2.56 times	-	-	36,486	-
IEI Technology USA Corporation	QNAP Inc. (USA)	Associate	145,801	4.62 times	-	-	64,411	-
Fortunetec International Corp.	Armorlink SH Corp.	Subsidiary	1,312,014	-	-	-	-	-

Note 1: Parent-subsidiary transaction has been offset in preparing the consolidated financial statements.
Note 2: The turnover calculation did not include other receivables.

I. Information about the derivative financial instruments transaction: None.

IEI INTEGRATION CORP.
Notes to the Financial Statements (continued)

(2) Information on investees

Information on the Company's equity method investments for the year 2024 (excluding Mainland China investee companies) is as follows:

(Expressed in thousands of NTD)

Name of Investor	Name of investee	Location	Main business and products	Original Investment Amount (Note 1)		Ending Balance (Note 1)			Net Income (Losses) of the Investee Company	Investment income (loss) recognized (Note 2)	Remark
				December 31, 2024	December 31, 2023	Shares (in thousands)	Percentage of ownership	Book value			
IEI INTEGRATION CORP.	ICP Electronics Limited	Samoan Islands	Holding company and selling computer-related products	219,313	219,313	5,000	100.00%	4,959,659	389,561	380,733	Subsidiary
IEI INTEGRATION CORP.	QNAP Systems, Inc.	Taiwan	Sales of network security monitoring and network storage and communication related products	662,794	584,106	6,974	23.24%	1,375,216	1,205,471	280,722	Investments Accounted for Using the Equity Method
IEI INTEGRATION CORP.	Internet Application Technology Ltd.	Samoan Islands	Holding company and selling computer-related products	375,897	375,897	11,853	100.00%	1,486,351	134,215	134,215	Subsidiary
IEI INTEGRATION CORP.	BriteMED Technology Inc.	Taiwan	Manufacturing and selling electronic components	80,000	80,000	8,000	100.00%	307,484	131,156	131,156	Subsidiary
IEI INTEGRATION CORP.	Oring Industrial Networking Corp.	Taiwan	Sales of products related to network storage and communication and electronic materials	30,510	30,510	2,797	16.36%	90,352	54,745	8,954	Investments Accounted for Using the Equity Method
IEI INTEGRATION CORP.	Sheng Feng Co., Ltd.	Taiwan	Real estate leasing	825,002	-	341	24.49%	824,592	(1,673)	(410)	Investments Accounted for Using the Equity Method
ICP Electronics Limited	Fortunetec International Corp.	Mauritius	Holding company and selling computer-related products	163,925	163,925	500	100.00%	4,705,987	397,087	Exempt from disclosure	Subsidiary
ICP Electronics Limited	FORTUNE NAME HOLDINGS LIMITED	Samoan Islands	Holding company and selling computer-related products	22,950	-	700	100.00%	11,464	20	Exempt from disclosure	Subsidiary
ICP Electronics Limited	Acquire System Inc.	Mauritius	Holding company and selling computer-related products	62,371	62,371	199	49.71%	136,064	(46,366)	Exempt from disclosure	Investments Accounted for Using the Equity Method
Internet Application Technology Ltd.	Rich Excel Corporation Holdings Limited	British Virgin Islands	Holding company and selling computer-related products	381,208	381,208	11,628	100.00%	1,323,596	128,528	Exempt from disclosure	Subsidiary
BriteMED Technology Inc.	Oring Industrial Networking Corp.	Taiwan	Sales of products related to network storage and communication and electronic materials	30,517	30,517	1,483	8.67%	48,450	54,745	Exempt from disclosure	Investments Accounted for Using the Equity Method
Rich Excel Corporation Holdings Limited	Equilico Inc.	U.S	Real estate leasing	212,574	212,574	6,484	100.00%	259,670	35,650	Exempt from disclosure	Subsidiary
Rich Excel Corporation Holdings Limited	Potency Inc.	Samoan Islands	Holding company and selling computer-related products	243,641	243,641	5,840	100.00%	1,026,208	91,161	Exempt from disclosure	Subsidiary
Equilico Inc.	Suntend LLC	U.S	Real estate leasing	130,284	130,284	-	100.00%	253,592	37,399	Exempt from disclosure	Subsidiary
Potency Inc.	IEI Technology USA Corporation	U.S	Sales of industrial computers and related products	59,475	59,475	14,000	100.00%	825,372	77,578	Exempt from disclosure	Subsidiary
Potency Inc.	Anewtech Systems Pte. Ltd	Singapore	Sales of industrial computers and related products	39,898	39,898	400	31.68%	63,575	(4,502)	Exempt from disclosure	Investments Accounted for Using the Equity Method
Armorlink SH Corp.	SYNCDA International Limited.	Hong Kong	Logistics center and selling industrial computer products	9,836	9,836	300	100.00%	10,127	323	Exempt from disclosure	Subsidiary

Note 1: The original investment amount and the year-end carrying value are converted based on the exchange rate of USD to NTD 32.785 as of December 31, 2024.

Note 2: The current period's gains and losses are converted at the average exchange rate of USD to NTD 32.112.

(3) Information on investment in Mainland China:

A. Relevant information about investments in Mainland China:

(Expressed in thousands of NTD)

Name of investee in Mainland China	Main business and products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of 01/01/2024	Investment Flows for the period		Accumulated Outflow of Investment from Taiwan as of 12/31/2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/ Losses	Carrying Amount as of 12/31/2024	Accumulated inward remittance of earnings as of 12/31/2024
					Outflow	Inflow						
IEI Technology (Shanghai)Co., Ltd.	Logistics center and selling industrial computer products	119,316 (RMB26,161)	Investee company of Armorlink SH Corp.	116,387 (USD3,550)	-	-	116,387 (USD3,550)	(79)	90.70%	(72)	108,217	-
Xingwei Computer (Kunshan) Co., Ltd.	Logistics center and selling industrial computer products	157,368 (USD4,800)	Investing in Mainland China through Acquire System Inc. in a third-party territory.	62,357 (USD1,902)	-	-	62,357 (USD1,902)	(8,872)	49.71%	(4,410)	125,576	-
Armorlink SH Corp.	Manufacturing products and selling related computer products	289,173 (USD8,820)	Investing in Mainland China through Fortunetce International Corp. in a third-party territory.	65,570 (USD2,000)	-	-	65,570 (USD2,000)	211,058	90.70%	192,553	1,197,113	159,696 (USD4,871)
Ailean Technologies Corp.	Manufacturing products and selling related computer products	267,441 (RMB58,639)	Investee company of Armorlink SH Corp.	196,710 (USD6,000)	-	-	196,710 (USD6,000)	(9,456)	90.70%	(8,577)	464,164	299,294 (USD9,129)
ASH ENERGY GROUP LIMITED	Supply chain management	45,608 (RMB10,000)	Investee company of Ailean Technologies Corp.	-	-	-	-	844	90.70%	766	56,013	-
Weibotong Technology (Shanghai) Co., Ltd.	Logistics center and selling industrial computer products	9,122 (RMB2,000)	Investee company of Armorlink SH Corp.	-	-	-	-	(9,979)	90.70%	(9,051)	(40,516)	-

B. Investment limit to Mainland China:

Accumulated investment in Mainland China as of December 31, 2024	Investment amounts authorized by the Investment Commission, MOEA			Upper Limit on Investment (Note 3)
441,024 (USD13,452)	IEI Technology (Shanghai)	$116,387	(USD3,550)	6,722,410
	Xingwei Computer	$ 77,274	(USD2,357)	
	Armorlink	$418,009	(USD12,750)	
	Ailean Technologies	$811,429	(USD24,750)	

USD exchange rate: End-of-period rate: 32.785 Average rate:32.112
RMB exchange rate: End-of-period rate: 4.5608 Average rate:4.5099

Note 1: Investment methods are categorized as follows:
(1) Direct investment in Mainland China.
(2) Reinvestment in Mainland China through a third region company.
(3) Other method.

Note 2: The relevant figures in this table are presented in NTD. The net investment income recognized for the period and the carrying value of investments at the end of the period that were measured in foreign currencies are translated into NTD using the average exchange rate for the financial reporting period and the exchange rate as of the date of the financial report, respectively.

Note 3: Calculation of investment limit: The limit is determined as 60% of either the net value or the consolidated net value, whichever is higher. Net equity for the period×60%＝11,204,016 thousand ×60%＝6,722,410 thousand.

C. Material transactions:

Details of significant transactions between the Company and Mainland China investees during the year 2024 are provided in the "Information on Material Transactions" section.

(4) Major Shareholders

In unit of shares

Shares / Shareholder	Total shares owned	Percentage of Ownership
Po-Ta Kuo	21,932,396	12.41%
QNAP Systems, Inc.	13,367,140	7.56%
Sheng Feng Co., Ltd.	10,595,867	5.99%

14. Segments information

Please refer to the consolidated financial statements for the year ended December 31, 2024.

IEI INTEGRATION CORP.

Schedule of Cash and Cash Equivalents

As of December 31, 2024 **Unit: NT$ Thousand**

Item	Description	Amount
Cash	Cash on hand	$ 515
Bank deposits		
Foreign currency deposits	USD 1,900 thousand (Exchange rate: 32.785)	62,293
	EUR 186 thousand (Exchange rate: 34.14)	6,353
	JPY 107,821 thousand (Exchange rate: 0.2099)	22,632
	GBP 38 thousand (Exchange rate: 41.19)	1,567
	RMB 3 thousand (Exchange rate: 4.5608)	15
Demand deposits		51,963
		144,823
Time Deposits	USD 23,000 thousand (Exchange rate: 32.785)	754,055
		$ 899,393

Schedule of Accounts Receivable

As of December 31, 2024 **Unit: NT$ Thousand**

Customer Name	Description	Amount
Non-related party		
A	Trade receivable	$ 182,640
B	〃	176,428
C	〃	176,082
D	〃	83,966
Others (Note)	〃	149,679
Subtotal		768,795
Less: Allowance for expected credit losses		-
Net amount		**$ 768,795**

Note: Amounts less than 5% of the account balance are not disclosed.

IEI INTEGRATION CORP.

Schedule of Financial Assets at Fair Value
Through Profit or Loss – Current

As of December 31, 2024 **Unit: NT$ Thousand**

Name of Financial Instruments	Description	Quantity (in thousands)	Total amount	Acquisition Cost	Fair value: Unit Price	Fair value: Total amount	Remark
Mega Diamond Money Market Fund	Beneficiary Certificate	30,958	$ 404,950	403,000	13.0805	404,950	
Jih Sun Money Market Fund	Beneficiary Certificate	12,034	186,169	185,000	15.4706	186,169	
Franklin Templeton Sinoam Money Market Fund	Beneficiary Certificate	4,673	50,380	50,000	10.7814	50,380	
			$ 641,499			**641,499**	

IEI INTEGRATION CORP.

Schedule of Changes in Investments Accounted for Using the Equity Method

From January 1 to December 31, 2024 **Unit: NT$ Thousand**

Name of investee	Beginning Balance			Additions		Deductions		Ending Balance			Market price or net asset value		Pledge or Guarantee Status
	Shares	Ownership	Amount	Shares	Amount	Shares	Amount	Shares	Ownership	Amount	Unit Price	Total Value	
Subsidiary													
ICP Electronics Limited	5,000	100%	$ 4,570,879	-	448,135	-	(59,355)	5,000	100%	4,959,659	-	4,984,768	None
Internet Application Technology Ltd.	11,853	100%	1,273,606	-	212,745	-	-	11,853	100%	1,486,351	-	1,486,351	〃
BriteMED Technology Inc.	8,000	100%	299,493	-	131,210	-	(123,219)	8,000	100%	307,484	-	307,484	〃
Associate													
QNAP Systems, Inc.	33,930	24.45%	2,183,261	437	367,180	(27,393)	(1,175,225)	6,974	23.24%	1,375,216	-	1,380,432	〃
Oring Industrial Networking Corp.	2,797	16.36%	83,252	-	9,057	-	(1,957)	2,797	16.36%	90,352	-	90,352	〃
Sheng Feng Co., Ltd.	-	- %	-	341	825,002	-	(410)	341	24.49%	824,592	-	824,592	〃
Total			$ 8,410,491		1,993,329		(1,360,166)			9,043,654			

Note 1: The additions for the period include: $78,689 thousand for new investments accounted for using the equity method, $825,002 thousand from spin-off acquisitions, $935,779 thousand recognized as the Company's share of profit from subsidiaries and associates under the equity method, and $153,859 thousand from exchange differences on translation of the financial statements of foreign operations.

Note 2: The deductions for the current period include: $43,450 thousand from disposals of investments accounted for using the equity method, $825,002 thousand from capital reduction through spin-off, $410 thousand recognized as the Company's share of loss from subsidiaries and associates under the equity method, $48,019 thousand for changes in ownership interests in subsidiaries, $7,669 thousand for changes in associates, $41,877 thousand in other comprehensive income, and $393,739 thousand in cash dividends received from investees

IEI INTEGRATION CORP.

Schedule of Deferred Tax Liabilities

As of December 31, 2024 **Unit: NT$ Thousand**

Please refer to Note 6(14) for more information.

Schedule of Operating Revenue

From January 1 to December 31, 2024 **Unit: NT$ Thousand**

Item	Quantity (in thousands)	Amount	Remark
Industrial computer products	174	$ 3,121,575	
Industrial computer components and peripherals	1,459	1,168,390	
Others		148,777	
Subtotal		4,438,742	
Less: Sales returns		(2,763)	
Sales discounts		(7,882)	
Net amount		**$ 4,428,097**	

IEI INTEGRATION CORP.

Schedule of Operating Costs

From January 1 to December 31, 2024 **Unit: NT$ Thousand**

Item		Amount
Beginning raw materials inventory		$ 262,903
Add:	Current purchases of raw materials	1,763,550
	Transfers from finished goods	54,114
Less:	Ending raw materials and supplies	(319,616)
	Departmental requisitions	(32,668)
	Others	(305)
Direct materials used		1,727,978
Direct labor		22,866
Manufacturing overhead		151,541
Total manufacturing costs		1,902,385
Add:	Beginning work in process	49,326
	Reintroduced finished goods	986,648
Less:	Ending work in process	(43,034)
Cost of finished goods manufactured		2,895,325
Add:	Beginning finished goods inventory	286,865
	Current purchases of finished goods	1,273,610
Less:	Ending finished goods inventory	(318,442)
	Reintroduced finished goods	(986,648)
	Departmental requisitions	(21,296)
	Scrap	(4,784)
	Reclassified as raw materials	(54,114)
Cost of goods sold		3,070,516
Less:	Processing cost adjustments for customer-supplied materials	(27,932)
Other operating costs		25,789
Inventory valuation losses		22,329
Total operating costs		**$ 3,090,702**

IEI INTEGRATION CORP.

Schedule of Operating Expenses

From January 1 to December 31, 2024 **Unit: NT$ Thousand**

Item	Selling expenses	Administrative expenses	Research and development expenses	Total
Salaries and Wages	$ 135,632	61,816	219,274	416,722
Insurance expenses	12,963	4,896	17,908	35,767
Depreciation	2,997	3,585	21,467	28,049
Entertainment Expenses	2,323	6,032	156	8,511
Amortization	2,250	5,620	12,559	20,429
Professional service fees	25,075	6,009	109	31,193
Sample expenses	8,941	-	24,490	33,431
Tool Expenses	4,503	-	21,519	26,022
Commission expenses	20,240	-	-	20,240
Repair and Maintenance	31,933	-	-	31,933
Other expenses (Note)	68,228	22,116	29,975	120,319
Total	**$ 315,085**	**110,074**	**347,457**	**772,616**

Note: None of the individual balances exceeds 5% of the total balance of the respective account.