Stock Code: 3022

IEI INTEGRATION CORP.
AND SUBSIDIARIES

Consolidated 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 consolidated 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 consolidated financial statements, the Chinese version shall prevail.

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Statement of Nonrepetitive Reporting

The companies included in the preparation of the consolidated financial statements for affiliated enterprises, as required by the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," and the companies included in the preparation of the consolidated financial statements for parent and subsidiary companies in accordance with IFRS 10, as endorsed by the Financial Supervisory Commission, are the same for the fiscal years 2024 and 2023 (from January 1 to December 31). Furthermore, all relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Therefore, separate consolidated financial statements for affiliated enterprises are not required.

Respectfully yours,

IEI INTEGRATION CORP.

Meiji Chang, Chairman

February 25, 2025

Independent Auditors' Report

To the Board of Directors of IEI INTEGRATION CORP.:

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition
   Please refer to note 4(16) for details of the accounting policies of the revenue recognition and note 6(20) of the consolidated financial statement.

Description of key audit matter

The Group transacts sales by directly shipping the final products to the customers from the overseas manufacturing plant in mainland China. The Group 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 Group 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(8), 5(1) and 6(5) of the consolidated 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 consolidated 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 expense ratio to ensure the reasonableness of net realizable values adopted by the Group.

Other Matter

IEI INTEGRATION CORP. has prepared its parent-company-only financial statements for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

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

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

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

Auditors' Responsibilities in Auditing the Consolidated Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China. The independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

IEI INTEGRATION CORP. AND SUBSIDIARIES

Consolidated 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)(23))	$ 2,953,969	20	4,757,865	33
1110	Financial assets at fair value through profit and loss – current	(Notes 6(2)(23))	887,739	6	722,917	5
1170	Notes & accounts receivable, net	(Notes 6(4)(20)(23))	1,152,255	7	962,531	7
1180	Accounts receivable - related parties, net	(Notes 6(23)&7)	105,645	1	35,513	-
1210	Other receivable - related parties	(Notes 6(23)&7)	232,949	1	184,645	1
130X	Inventories	(Note 6(5))	1,436,906	10	1,305,085	9
1476	Other financial assets, current	(Notes 6(6)(23)&8)	3,701,952	25	1,745,373	12
1479	Other current assets		217,336	1	312,755	2
			10,688,751	71	10,026,684	69
	Non-current assets:					
1510	Financial assets at fair value through profit and loss - non-current	(Notes 6(2)(23))	29,286	-	-	-
1517	Financial assets at fair value through other comprehensive income, non-current	(Notes 6(3)(23))	56,494	-	59,729	-
1550	Investments accounted for using equity method	(Note 6(7))	2,537,700	17	2,525,069	18
1600	Property, plant and equipment	(Note 6(9))	1,249,763	9	1,260,982	10
1755	Right-of-use assets	(Note 6(10))	2,937	-	13,870	-
1760	Investment property, net	(Note 6(11))	265,783	2	271,537	2
1821	Other intangible assets, net		14,371	-	19,051	-
1840	Deferred tax assets		106,958	1	112,068	1
1975	Net defined benefit assets, non-current		9,332	-	8,578	-
1990	Other non-current assets, others		20,950	-	24,743	-
			4,293,574	29	4,295,627	31
	Total Assets		**$ 14,982,325**	**100**	**14,322,311**	**100**

	Liabilities and Equity		2024.12.31 Amount	%	2023.12.31 Amount	%
	Current liabilities:					
2100	Current borrowings	(Note 6(12))	$ -	-	173,408	1
2130	Current contract liabilities	(Notes 6(20)&7)	399,509	3	521,853	4
2170	Notes and accounts payable	(Note 6(23))	1,223,974	8	1,088,257	8
2180	Accounts payable - related parties	(Notes 6(23)&7)	47,998	-	98,047	1
2219	Other payables, others	(Note 6(23))	640,083	4	676,151	5
2220	Other payables - related parties	(Notes 6(23)&7)	96,607	1	198,816	1
2230	Current tax liabilities		203,490	1	359,472	3
2280	Current lease liabilities	(Notes 6(13)(23)&7)	3,011	-	11,419	-
2399	Other current liabilities		33,135	-	40,484	-
			2,647,807	17	3,167,907	23
	Non-current liabilities:					
2570	Deferred tax liabilities		1,075,260	7	995,039	7
2580	Non-current lease liabilities	(Notes 6(13)(23)&7)	-	-	2,951	-
2670	Other non-current liabilities, others		55,242	-	57,700	1
			1,130,502	7	1,055,690	8
	Total liabilities		3,778,309	24	4,223,597	31
	Equity attributable to owners of parent	(Notes 6(8)(17))				
3100	Share Capital		1,765,978	12	1,765,978	12
3200	Capital surplus		837,554	6	845,521	6
	Retained earnings:					
3310	Legal reserve		2,040,627	14	1,902,369	13
3320	Special reserve		385,290	3	453,579	3
3350	Unappropriated earnings		6,315,336	42	5,507,775	38
			8,741,253	59	7,863,723	54
3400	Other equity		(300,475)	(2)	(385,290)	(3)
	Total equity attributable to owners of parent		11,044,310	75	10,089,932	69
36XX	Non-controlling interests		159,706	1	8,782	-
	Total equity		11,204,016	76	10,098,714	69
	Total Liabilities and Equity		**$ 14,982,325**	**100**	**14,322,311**	**100**

(See accompanying notes to the consolidated financial statements)

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

IEI INTEGRATION CORP. AND SUBSIDIARIES

Consolidated Statements 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**	$ 6,851,234	100	7,613,543	100
4170	Less: Sales returns and discounts	11,402	-	35,750	-
	Net sales revenue (Notes 6(20)&7)	6,839,832	100	7,577,793	100
5110	**Cost of sales** (Notes 6(5)(15)&7&12)	4,428,680	65	4,772,467	64
	Gross profit	2,411,152	35	2,805,326	36
5910	Unrealized profit (loss) from sales	(359)	-	(2,446)	-
5920	Realized profit (loss) from sales	2,446	-	1,526	-
	Gross profit from operations	2,413,239	35	2,804,406	36
	Operating expenses (Notes 6(4)(15)(18)(21)&7&12)				
6100	Selling expenses	520,466	8	543,309	7
6200	Administrative expenses	482,531	7	548,958	7
6300	Research and development expenses	565,094	8	548,010	7
6450	Expected credit impairment loss (gain on reversal)	(21,676)	-	8,300	-
	Total operating expenses	1,546,415	23	1,648,577	21
	Net operating income	866,824	12	1,155,829	15
	Non-operating income and expenses (Notes 6(22)&7)				
7100	Interest income	261,323	4	209,278	3
7010	Other income	84,075	1	110,717	1
7020	Other gains and losses	446,327	7	(9,389)	-
7050	Financial costs	(9,103)	-	(14,438)	-
7060	Share of profit of associates and joint ventures accounted for using equity method, net	269,538	4	292,718	4
	Total non-operating income and expenses	1,052,160	16	588,886	8
	Profit (loss) from continuing operations before tax	1,918,984	28	1,744,715	23
7950	**Less: Income tax expense** (Note 6(16))	359,808	5	362,559	5
	Profit (loss)	1,559,176	23	1,382,156	18
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
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	(35,735)	(1)	16,204	-
8320	Share of other comprehensive gain (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(30,540)	-	77,093	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(131)	-	(101)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	(65,749)	(1)	93,702	1
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statement	136,236	2	(25,972)	-
8370	Share of other comprehensive income of associates and joint ventures 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	2	(25,001)	-
8300	**Other comprehensive income, net of income tax**	88,110	1	68,701	1
	Total comprehensive income	$ 1,647,286	24	1,450,857	19
	Profit (loss) attributable to:				
8610	Owners of parent	$ 1,540,670	23	1,382,156	18
8620	Non-controlling Interests	18,506	-	-	-
		$ 1,559,176	23	1,382,156	18
	Comprehensive income attributable to:				
8710	Owners of parent	$ 1,628,780	24	1,450,857	19
8720	Non-controlling Interests	18,506	-	-	-
		$ 1,647,286	24	1,450,857	19
	Earnings Per Share (NT$)				
	Basic earnings per share (NT$) (Note 6(19))	$	8.72		7.83
	Diluted earnings per share (NT$) (Note 6(19))	$	8.66		7.77

(See accompanying notes to the consolidated financial statements)

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

IEI INTEGRATION CORP. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

From January 1 to December 31, 2024 and 2023

(Expressed in thousands of NTD)

Subject Code		Equity attributable to owners of parent: 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 statement	Total other equity interest: Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total other equity interest: Total	Total equity attributable to owners of parent	Non-controlling Interests	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	215	9,232,298
D1	Profit (loss)	-	-	-	-	1,382,156	1,382,156	-	-	-	1,382,156	-	1,382,156
D3	Other comprehensive income (loss)	-	-	-	-	412	412	(25,001)	93,290	68,289	68,701	-	68,701
D5	Total comprehensive income (loss)	-	-	-	-	1,382,568	1,382,568	(25,001)	93,290	68,289	1,450,857	-	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)	-	(618,092)
B17	Reversal of special reserve	-	-	-	(234,313)	234,313	-	-	-	-	-	-	-
	Other changes in capital surplus:												
M3	Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(215)	(215)
C7	Changes in equity of associates accounted for using equity method	-	24,764	-	-	-	-	-	-	-	24,764	-	24,764
C17	Other changes in capital surplus	-	320	-	-	-	-	-	-	-	320	-	320
N1	Share-based payment	-	-	-	-	-	-	-	-	-	-	8,782	8,782
	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	8,782	10,098,714
D1	Profit (loss)	-	-	-	-	1,540,670	1,540,670	-	-	-	1,540,670	18,506	1,559,176
D3	Other comprehensive income (loss)	-	-	-	-	476	476	153,859	(66,225)	87,634	88,110	-	88,110
D5	Total comprehensive income (loss)	-	-	-	-	1,541,146	1,541,146	153,859	(66,225)	87,634	1,628,780	18,506	1,647,286
	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)	-	(618,092)
B17	Reversal of special reserve	-	-	-	(68,289)	68,289	-	-	-	-	-	-	-
	Other changes in capital surplus:												
C7	Changes in equity of associates accounted for using equity method	-	(7,669)	-	-	-	-	-	-	-	(7,669)	-	(7,669)
C17	Other changes in capital surplus	-	62	-	-	-	-	-	-	-	62	-	62
M3	Disposal of investments accounted for using the equity method	-	(360)	-	-	2,495	2,495	(324)	(2,495)	(2,819)	(684)	-	(684)
M7	Changes in ownership interests in subsidiaries	-	-	-	-	(48,019)	(48,019)	-	-	-	(48,019)	104,241	56,222
N1	Share-based payment	-	-	-	-	-	-	-	-	-	-	28,177	28,177
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**	**159,706**	**11,204,016**

(See accompanying notes to the consolidated financial statements)

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

IEI INTEGRATION CORP. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

From January 1 to December 31, 2024 and 2023

(Expressed in thousands of NTD)

Code	Item	2024	2023
AAAA	**Cash flows from (used in) operating activities:**		
A10000	**Profit (loss) from continuing operations before tax**	$ 1,918,984	1,744,715
A20000	**Adjustments:**		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	142,613	142,899
A20200	Amortization expense	24,333	23,017
A20300	Expected credit loss (gain on reversal)	(21,676)	8,300
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(13,252)	(8,603)
A20900	Interest expense	9,103	14,438
A21200	Interest income	(261,323)	(209,278)
A21300	Dividend Income	(2,047)	(6,497)
A21900	Share-based payments	28,177	8,782
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(269,538)	(292,718)
A22500	Loss (gain) on disposal of property, plant and equipment	(25,350)	1,424
A23200	Gain on disposal of investments accounted for using equity method	(103,534)	-
A23700	Allowance for inventory valuation and obsolescence loss	5,868	50,589
A24000	Unrealized profit (loss) from sales	(2,087)	919
A24100	Unrealized foreign exchange loss (gain)	(149,868)	70,722
A20010	Total adjustments to reconcile profit (loss)	(638,581)	(196,006)
A30000	Changes in operating assets and liabilities:		
A31115	Decrease (increase) in financial assets at fair value through profit or loss	(150,660)	(333,625)
A31150	Decrease (increase) in accounts receivable	(90,521)	(22,429)
A31160	Decrease (increase) in accounts receivable due from related parties	(23,128)	(23,570)
A31190	Decrease (increase) in other receivable due from related parties	16,597	(89,093)
A31200	Decrease (increase) in inventories	(97,840)	436,062
A31240	Decrease (increase) in other current assets	133,320	(141,593)
A31990	(Increase) Decrease in defined benefit assets	(97)	21
A32000	Changes in operating liabilities:		
A32125	Decrease in contract liabilities	(122,344)	(9,012)
A32150	Increase (decrease) in accounts payable	56,482	(146,050)
A32160	Decrease in accounts payable - related parties	(86,212)	(43,561)
A32180	Increase (decrease) in other payable	(63,587)	54,799
A32190	(Decrease) increase in other payable to related parties	(181,512)	89,134
A32200	Increase (decrease) in provisions	(2,118)	91
A32230	(Decrease) Increase in other current liabilities	(24,588)	8,711
A30000	Total changes in operating assets and liabilities	(636,208)	(220,115)
A20000	Total adjustments	(1,274,789)	(416,121)
A33000	Cash inflow (outflow) generated from operations	644,195	1,328,594
A33100	Interest received	256,317	279,502
A33200	Dividends received	273,607	280,155
A33300	Interest paid	(9,103)	(14,438)
A33500	Income taxes refund (paid)	(429,539)	(369,562)
AAAA	**Net cash flows from (used in) operating activities**	735,477	1,504,251

IEI INTEGRATION CORP. AND SUBSIDIARIES

Consolidated 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	(32,500)	(15,000)
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,500
B00100	Acquisition of financial assets at fair value through profit or loss	(31,197)	-
B01800	Acquisition of investments accounted for using equity method	(78,689)	-
B01900	Disposal of investments accounted for using equity method	146,300	-
B02700	Acquisition of property, plant, and equipment	(111,926)	(94,584)
B02800	Proceeds from disposal of property, plant and equipment	59,995	436
B04500	Acquisition of intangible assets	(18,717)	(21,119)
B06500	Increase in other financial assets	(1,795,825)	(277,264)
B06700	Decrease (increase) in other non-current assets	4,403	(4,497)
BBBB	**Net cash flows from (used in) investing activities**	(1,858,156)	(408,528)
CCCC	**Cash flows from (used in) financing activities**		
C00100	Increase in short-term loans	-	176,959
C00200	Decrease in short-term loans	(180,397)	-
C03100	Decrease in guarantee deposits received	(104)	-
C04020	Payments of lease liabilities	(11,565)	(11,191)
C04500	Cash dividends paid	(618,092)	(618,092)
C05800	Changes in non-controlling interests	56,222	(215)
C09900	Other financing activities	62	320
CCCC	**Cash flows from (used in) financing activities**	(753,874)	(452,219)
DDDD	Effect of exchange rate changes on cash and cash equivalents	72,657	(23,176)
EEEE	Net increase (decrease) in cash and cash equivalents	(1,803,896)	620,328
E00100	Cash and cash equivalents at beginning of period	4,757,865	4,137,537
E00200	Cash and cash equivalents at end of period	**$ 2,953,969**	**4,757,865**

(See accompanying notes to the consolidated financial statements)

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

IEI INTEGRATION CORP. AND SUBSIDIARIES
Notes to the Consolidated 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 of the Company and its subsidiaries (collectively the "Group") involves the manufacturing and sales of computers, computer components and peripherals and related trading.

2. Approval date and procedures of the consolidated financial statements

The consolidated 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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 Group 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 consolidated 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 Group, 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 Group 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 Group anticipates that the newly released and amended standards, which have not yet been approved, will not have a significant impact on the consolidated 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 consolidated financial statements is as follows. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

(2) Basis of Preparation

A. Basis of measurement

Except for the following significant accounts, the consolidated 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 Group entity is determined based on the primary economic environment in which the entity operates. The consolidated 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) Basis of Consolidation

A. Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Transactions balances and any unrealized gains or losses between the Group and its subsidiaries have been eliminated while compiling the consolidated financial statements. The total comprehensive income of the subsidiary is attributed to the owners of the Company and to non-controlling interests, even if this results in a negative balance for the non-controlling interests.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

B. The subsidiaries in the consolidated financial statements

Subsidiaries in the consolidated financial statements include:

			Percentage of Ownership		
Name of Investor	**Name of subsidiary**	**Main business**	**2024.12.31**	**2023.12.31**	**Note**
The Company	ICP Electronics Limited	Holding company and sales of computers and related products	100%	100%	
The Company	Internet Application Technology Ltd.	Holding company and sales of computers and related products	100%	100%	
The Company	BriteMED Technology Inc.	Manufacture and sales of electronic components, etc.	100%	100%	
ICP Electronics Limited	Fortunetec International Corp.	Holding company and sales of computers and related products	100%	100%	
ICP Electronics Limited	Fortune Name Holdings Limited	Holding company and sales of computers and related products	100%	-%	Note 1
Fortunetec International Corp.	Armorlink SH Corp. (Armorlink)	Manufacturing and sales of computers and related products	90.70%	100%	Note 2
Internet Application Technology Ltd.	Rich Excel Corporation Holdings Limited	Holding company and sales of computers and related products	100%	100%	
Rich Excel Corporation Holdings Limited	Equilico Inc.	Real Estate Holding and Leasing	100%	100%	
Rich Excel Corporation Holdings Limited	Potency Inc.	Holding company and sales of computers and related products	100%	100%	
Equilico Inc.	Suntend LLC	Real Estate Holding and Leasing	100%	100%	
Armorlink SH Corp. (Armorlink)	IEI Technology (Shanghai) Co., Ltd.	Logistics center and sales of computers and related products	100%	100%	
Armorlink SH Corp. (Armorlink)	Weibotong Technology (Shanghai) Co., Ltd.	Logistics center and sales of computers and related products	100%	100%	
Armorlink SH Corp. (Armorlink)	Ailean Technologies Corp. (Ailean)	Manufacturing and sales of computers and related products	100%	100%	
Armorlink SH Corp. (Armorlink)	SYNCDA International Limited.	Logistics center and sales of computers and related products	100%	100%	
Ailean Technologies Corp.	ASH Energy Group Limited	Supply chain management	100%	100%	
Potency Inc.	IEI Technology USA Corporation	Sales of computers and related products	100%	100%	

Note 1: Fortune Name Holdings Limited was newly established on May 6, 2024.

Note 2: Armorlink's shareholding decreased from 100% to 90.70% as a result of the issuance of restricted shares to employees.

C. Subsidiaries not included in the consolidated financial statements: None.

(4) Foreign currency

A. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group 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 Group entities' 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 Group 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 Group 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.

(5) Classification of current and non-current assets and liabilities

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

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 a cash equivalent (as defined in 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.

(6) Cash and cash equivalents

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.

(7) 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 Group 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 Consolidated 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 Group 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) 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.

On initial recognition of an equity investment that is not held for trading, the Group 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 Group’s right to receive payment is established.

(C) 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. On initial recognition, the Group 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 Group 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), debt instrument investments measured at fair value through other comprehensive income, and contract assets.

The Group 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 trade receivables 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 Group takes into account reasonable and supportable information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

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

The Group 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 Group.

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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted based on the effective interest rates of the financial assets.

On each reporting date, the Group 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 Group 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 Group 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 Group assesses the timing and amount of write-off on a case-by-case basis based on whether recovery is reasonably expected. The Group 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 Group's procedures for recovering past due amounts.

(E) Derecognition of financial assets

The Group 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 asset are transferred or in which the Group 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 Group 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 Group 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 Group's remaining interest in an asset from which all of its liabilities are deducted. Equity instruments issued by the Group are recognized at the acquisition price less direct issue costs.

(C) 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.

(D) Derecognition of financial liabilities

The Group 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.

(8) 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.

(9) Investments in Associates

An associate is an entity over which the Group has significant influence, but not control or joint control, in its financial and operating policies. The Group'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.

Consolidated financial statements include the recognition of the profit and loss and other comprehensive income of each investee associated company in accordance with the equity method from the date of significant influence to the date of loss of significant influence, after adjusting for consistency with the accounting policies of the Group. When there is a change in equity in an associate not recognized as profit or loss nor other comprehensive income that does not proportionally affect the Group's share in the associate, the Group recognizes the change in equity corresponding to its equity interest in the associate as capital surplus in proportion to its holdings.

Unrealized gains and losses arising from transactions between the Group and its associates are recognized in its financial statements only to the extent of equity interest in the associates not owned by the Group. The Group ceases to recognize an associate’s losses when its share of such losses equals or exceeds its equity interest in the associate. Thereafter the Group 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 Group 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 Group 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 Group continues to apply the equity method when its ownership interest in an associate has declined, the Group 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 Group continues to apply the equity method without remeasuring the retained interest.

When an associate issues new shares and the Group 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 Group'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.

(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.

(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 Group.

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	2～13 years
Other Equipment	1～15 years

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

(12)Lease

The Group 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 Group 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 Group 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 Group's incremental borrowing rate. In general, the Group 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 Group itemizes right-of-use assets and lease liabilities that do not meet the definition of investment properties in separate lines in the balance sheet.

The Group 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 Group 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 Group considers pertinent specific indicators such as whether the lease term covers a significant portion of the economic life of the subject asset.

If the Group 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 Group 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 Group; and the Group 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 Group 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

For amortization, 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 Group 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 Group 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 is the fair value of an individual asset or cash-generating unit less its value in use or costs to sell, whichever is higher. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the individual asset or cash-generating unit is adjusted downward to its recoverable amount, and an impairment loss is recognized for the difference. The impairment loss is recognized, immediately in the current period, in profit or loss.

The Group 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 Group 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 Group recognizes an item in revenue when it has performed the obligation by transferring control of the goods or services to customers. The Group's primary sources of revenue are described as follows:

(A) Sales of goods

The Group’s primary business is the manufacture and sale of computers and computer peripherals. The Group 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 Group has objective evidence that all the conditions for acceptance have been met.

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

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

(B) Financial components

The Group 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 Group 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 Group'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 Group, 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 Group 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 Group 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 Group 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 Group 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 Group considers that top-up taxes payable under the Global Minimum Tax – Pillar Two rules fall within the scope of IAS 12 "Income Taxes". The Group 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 Group 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 Group 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 Group'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 operating segment is a component of the Group engaged in activities that generate revenue and incur expenses (including revenue and expenses related to transactions with other components within the Group). The Group's chief operational decision-maker regularly reviews the operational outcomes of all operating segments to make decisions concerning the allocation of resources to the segments and to evaluate their performance. Each operating segment maintains its individual financial information.

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

The preparation of the consolidated 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 Group'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 consolidated financial statements are as follows:

- Assessment of whether the Group has control over an investee

  The Group holds 23.24% of the voting shares of QNAP Systems, Inc., making it the single largest shareholder. Although the remaining 76.76% of shares are not concentrated among specific shareholders, the Group does not hold a majority of the board seats or voting rights representing more than half of the shareholders present at the general meeting. Accordingly, the Group is considered to have significant influence over QNAP Systems, Inc.

  The Group holds 24.49% of the voting shares of Sheng Feng Co., Ltd., also making it the single largest shareholder. Despite the remaining 75.51% of shares not being concentrated among specific shareholders, the Group similarly does not control the majority of board seats or voting rights of shareholders present at the general meeting. Therefore, the Group is deemed to have significant influence over Sheng Feng Co., Ltd.

The assumptions and estimates described below involve significant uncertainties that pose a substantial risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year:

- Valuation of Inventory

  Because inventory is measured at the lower of cost or net realizable value, the Group 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 Group's accounting policies and disclosures include the use of fair value to measure its financial or non-financial assets and liabilities. The Group 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 Group 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 Group 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 Group recognizes it on the reporting date.

Please refer to Note 6 (23) 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	$ 2,747	5,221
Bank deposits	1,156,899	1,279,519
Cash equivalents	1,794,323	3,473,125
Cash and cash equivalents in the consolidated statement of cash flows	$ 2,953,969	4,757,865

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

ii. Cash equivalents that do not meet the definition of cash have been transferred to other financial assets. Please refer to Note 6(6).

iii. Please refer to Note 6 (23) for the exchange rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

		2024.12.31	2023.12.31
Mandatorily measured at fair value through profit or loss:			
Current:			
Fund beneficiary certificate	$	863,602	722,917
Open-end wealth management products		24,137	-
	$	887,739	722,917
Non-current:			
Secondary market foreign bonds	$	29,286	-

i. The amounts remeasured at fair value through profit or loss are detailed in Note 6(22)
ii. The above financial assets have not been pledged as collateral.

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

		2024.12.31	2023.12.31
Equity instruments measured at fair value through other comprehensive income:			
Domestic unlisted common stocks	$	56,494	59,729

i. The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.
ii. For the equity instrument investment designated as measured at fair value through other comprehensive income, the dividend incomes recognized by the Group in 2024 and 2023 were $2,047 thousand and $6,497 thousand, respectively.
iii. Please refer to Note 6 (23) for credit risk and market risk information.
iv. The above financial assets have not been pledged as collateral.

(4) Notes and Accounts Receivable

		2024.12.31	2023.12.31
Notes receivable	$	67,038	170,959
Accounts receivable		1,087,779	815,740
Less: Allowance for doubtful accounts		(2,562)	(24,168)
	$	1,152,255	962,531

The Group 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. The loss allowance provision was determined as follows:

Group One

	2024.12.31		
	Gross carrying amount	Weighted average expected credit loss rate	Loss allowance Provision
Not past due	$ 807,267	0%	-
0~90 days past due	255,188	0%~0.83%	2,109
91~180 days past due	91,909	0%	-
Over 181 days past due	453	100%	453
	$ 1,154,817		2,562

	2023.12.31		
	Gross carrying amount	Weighted average expected credit loss rate	Loss allowance Provision
Not past due	$ 701,376	0%	-
0~90 days past due	261,660	0%~0.01%	723
91~180 days past due	218	0%	-
Over 181 days past due	516	100%	516
	$ 963,770		1,239

Group Two

	2023.12.31		
	Gross carrying amount	Weighted average expected credit loss rate	Loss allowance Provision
Not past due	$ -	100%	-
0~90 days past due	7,589	100%	7,589
91~180 days past due	15,340	100%	15,340
Over 181 days past due	-	0%	-
	$ 22,929		22,929

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

	2024	2023
Beginning Balance	$ 24,168	15,876
Impairment loss (reversed) recognized	(21,676)	8,300
Foreign exchange gains/(losses)	70	(8)
Ending Balance	$ 2,562	24,168

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

(5) Inventories

	2024.12.31	2023.12.31
Finished goods	$ 646,794	704,000
Work in progress	92,132	97,888
Raw Materials	697,980	503,197
	$ 1,436,906	1,305,085

i. The cost of inventories recognized as cost of goods sold and expenses for the years ended December 31, 2024 and 2023, amounted to $4,428,680 thousand and $4,772,467 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 $5,868 thousand and $50,589 thousand, respectively, and were reported as part of the cost of goods sold.
ii. As of December 31, 2024, and December 31, 2023, the Group did not provide inventory as collateral.

(6) Other Financial Assets

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

	2024.12.31	2023.12.31
Current:		
Time Deposits and Restricted Assets	$ 3,701,952	1,745,373

Please refer to Note 8 for information on pledges of other financial assets of the Group.

(7) Investments Accounted for Using the Equity Method

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

	2024.12.31	2023.12.31
Associates	$ 2,537,700	2,525,069

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 Group acquired significant influence over Sheng Feng Co., Ltd.

A. Information on associates of significant importance to the Group is as follows:

Name of associate	Nature of relationship with the Group	Main business location/ Country of incorporation	Percentage of ownership interest and voting rights 2024.12.31	Percentage of ownership interest and voting rights 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 Group, 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 Group'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 Group	**$ 263,167**	**389,746**

	2024	**2023**
Carrying amount of the Group's equity interest in the associate at beginning of period	$ 2,183,261	2,072,316
Total comprehensive income attributable to the Group 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 Group'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 December 31, 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)
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 Group	$ (410)

	2024
Carrying amount of the Group's equity interest in the associate at beginning of period	$ -
Total comprehensive income attributable to the Group 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 Group'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

B. The Group'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	$ 337,892	341,808

	2024	2023
Attributable to the Group:		
Net loss of continuing operations for the period	$ (10,774)	(10,313)
Other comprehensive income	9,854	(1,357)
Total comprehensive income	$ (920)	(11,670)

C. Collateral

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

(8) Subsidiaries with material non-controlling Interests

The non-controlling interests of the subsidiary that are significant to the Group are as follows:

Name of Subsidiary	Main business location/Country of incorporation	Percentage of ownership interest and voting rights of non-controlling interests	
		2024.12.31	**2023.12.31**
Armorlink SH Corp. (Armorlink)	Mainland China	9.30%	-%

Armorlink's shareholding ratio decreased from 100% to 90.70% following the issuance of restricted employee shares, please refer to Note 6(18) for details regarding share-based payments. The aggregate financial information of the above-mentioned subsidiary is presented below. This information has been prepared in accordance with the International Financial Reporting Standards (IFRSs) as endorsed by the FSC and reflects fair value adjustments made by the Group on the acquisition date, as well as adjustments for differences in accounting policies. The figures presented have not been eliminated for intercompany transactions within the Group.

Aggregate financial information of Armorlink:

	2024.12.31	**2023.12.31**
Current assets	$ 2,773,294	2,762,220
Non-current assets	921,129	947,260
Current liabilities	(2,335,161)	(2,384,313)
Non-current liabilities	(2,443)	-
Net assets	$ 1,356,819	1,325,167
Carrying amount of non-controlling interests at end of period	$ 159,706	8,782

	2024	**2023**
Operating revenue	$ 2,745,248	3,179,015
Profit (loss)	$ 211,058	310,868
Other comprehensive income	146	-
Total comprehensive income	$ 211,204	310,868
Profit (loss) attributable to non-controlling interests for the period	$ 18,506	-
Cash flows from (used in) operating activities	$ 295,244	578,784
Cash flows from (used in) investing activities	42,153	593,734
Cash flows from (used in) financing activities	(537,843)	(728,527)
Net increase (decrease) in cash and cash equivalents	$ (200,446)	443,991

(9) Property, Plant and Equipment

The movements in the cost, depreciation, and impairment losses of the Group'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	$ 427,463	1,027,097	316,734	422,200	2,193,494
Addition	23,617	28,721	12,703	48,726	113,767
Disposal	(17,662)	(8,510)	(34,668)	(13,172)	(74,012)
Effect on foreign exchange movement	5,430	35,581	15,110	9,012	65,133
Balance at December 31, 2024	**$ 438,848**	**1,082,889**	**309,879**	**466,766**	**2,298,382**
Balance at January 1, 2023	$ 427,476	1,036,619	289,824	391,591	2,145,510
Addition	-	832	47,942	36,257	85,031
Disposal	-	-	(15,879)	(4,319)	(20,198)
Effect on foreign exchange movement	(13)	(10,354)	(5,153)	(1,329)	(16,849)
Balance at December 31, 2023	**$ 427,463**	**1,027,097**	**316,734**	**422,200**	**2,193,494**
Depreciation and impairment losses:					
Balance at January 1, 2024	$ -	504,282	114,882	313,348	932,512
Depreciation	-	39,976	49,601	36,025	125,602
Disposal	-	(3,297)	(25,236)	(10,458)	(38,991)
Effect on foreign exchange movement	-	20,136	5,298	4,062	29,496
Balance at December 31, 2024	**$ -**	**561,097**	**144,545**	**342,977**	**1,048,619**
Balance at January 1, 2023	$ -	469,429	86,412	277,010	832,851
Depreciation	-	41,061	44,054	41,052	126,167
Disposal	-	-	(13,834)	(4,131)	(17,965)
Effect on foreign exchange movement	-	(6,208)	(1,750)	(583)	(8,541)
Balance at December 31, 2023	**$ -**	**504,282**	**114,882**	**313,348**	**932,512**
Carrying amount:					
December 31, 2024	**$ 438,848**	**521,792**	**165,334**	**123,789**	**1,249,763**
January 1, 2023	**$ 427,476**	**567,190**	**203,412**	**114,581**	**1,312,659**
December 31, 2023	**$ 427,463**	**522,815**	**201,852**	**108,852**	**1,260,982**

i. Net gain or loss on the disposal of property, plant, and equipment of the Group, please refer to Note 6(22).

ii. The Group's property, plant, and equipment were not pledged as collateral as of December 31, 2024 and 2023.

(10)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 Group are as follows:

	Buildings
Cost of right-of-use assets:	
Balance at January 1, 2024	$ 36,545
Effect on foreign exchange movement	1,095
Balance at December 31, 2024	**$ 37,640**
Balance at January 1, 2023	$ 32,408
Addition	4,199
Effect on foreign exchange movement	(62)
Balance at December 31, 2023	**$ 36,545**
Depreciation and impairment losses of right-of-use assets:	
Balance at January 1, 2024	$ 22,675
Depreciation	11,123
Effect on foreign exchange movement	905
Balance at December 31, 2024	**$ 34,703**
Balance at January 1, 2023	$ 11,874
Depreciation	10,861
Effect on foreign exchange movement	(60)
Balance at December 31, 2023	**$ 22,675**
Book value:	
December 31, 2024	**$ 2,937**
January 1, 2023	**$ 20,534**
December 31, 2023	**$ 13,870**

(11)Investment Properties

	Land and Improvements	Buildings	Total
Cost or deemed cost:			
Balance at January 1, 2024	$ 124,376	215,940	340,316
Effect on foreign exchange movement	-	1,000	1,000
Balance at December 31, 2024	**$ 124,376**	**216,940**	**341,316**
Balance at January 1, 2023	$ 124,376	216,269	340,645
Effect on foreign exchange movement	-	(329)	(329)
Balance at December 31, 2023	**$ 124,376**	**215,940**	**340,316**

	Land and Improvements	Buildings	Total
Depreciation and impairment losses:			
Balance at January 1, 2024	$ -	68,779	68,779
Depreciation	-	5,888	5,888
Effect on foreign exchange movement	-	866	866
Balance at December 31, 2024	$ -	75,533	75,533
Balance at January 1, 2023	$ -	63,192	63,192
Depreciation	-	5,871	5,871
Effect on foreign exchange movement	-	(284)	(284)
Balance at December 31, 2023	$ -	68,779	68,779
Carrying amount:			
December 31, 2024	$ 124,376	141,407	265,783
January 1, 2023	$ 124,376	153,077	277,453
December 31, 2023	$ 124,376	147,161	271,537
Fair value:			
December 31, 2024			$ 1,024,665
December 31, 2023			$ 876,869

i. The fair value of investment real estate is based on the Group' 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.

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

(12)Short-term loans

	2024.12.31	2023.12.31
Unsecured bank loans	$ -	173,408
Unused limit	$ 619,257	760,113
Interest Rate	-	2.8%~2.9%

(13)Lease liabilities

The Group's lease liabilities are as follows:

	2024.12.31	2023.12.31
Current	$ 3,011	11,419
Non-current	$ -	2,951

Please refer to Note 6 (23) Financial Instruments for the maturity analysis.

The amounts recognized in profit or loss are as follows:

	2024	2023
Interest expense on lease liabilities	$ 188	322
Expenses relating to short-term leases	$ 10,888	7,620

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

	2024	2023
Total cash outflow for leases	$ 22,641	19,133

Lease of land, premises and buildings

In April and September 2022 respectively, the Group 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.

(14)Operating Leases

The investment properties leased by the Group 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	$ 6,951	7,083
One to two years	320	-
Non-discounted future cash flows of lease	$ 7,271	7,083

The rental income generated from investment properties in 2024 and 2023 amounted to $10,809 thousand and $12,019 thousand, respectively.

(15)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 Group'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 Group'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 Group'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 defined benefit obligations

The movements in the present value of the Group'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) Movement in the fair value of plan assets

The movements in the fair value of the Group'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 Group 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**
Selling expenses	$	(22)	47
Research and development expenses		(30)	60
	$	**(52)**	**107**

(E) Remeasurements of the net defined benefit liability recognized in other comprehensive income

The accumulated remeasurements of the net defined benefit liability recognized by the Group 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 Group 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 Group 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 Group 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 Group’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 rate (change of 1%)		644	(506)
December 31, 2023			
Discount rate (change of 0.5%)		(234)	268
Future salary increase rate (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 Group'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 Group 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 Group's defined contribution plan for the years 2024 and 2023 amounted to $21,420 thousand and $20,637 thousand, respectively, and have been contributed to the Bureau of Labor Insurance.

(16)Income Tax

A. Details of the Group'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	$ 261,756	326,447
Additional tax on unappropriated earnings	34,725	47,909
Adjustment to prior year's income tax	(25,140)	(71,598)
	271,341	302,758
Deferred income tax expenses		
Originations and reversals of temporary differences	88,467	59,801
Income tax expenses	**$ 359,808**	**362,559**

B. Details of income tax (expense) income recognized in other comprehensive income of the Group for the years 2024 and 2023 are as follows:

	2024	2023
Items not reclassified to the income statement:		
Remeasurement of defined benefit plans	**$ 131**	**101**

C. Reconciliation of income tax expense and income before tax of the Group for the years 2024 and 2023 is as follows::

	2024	2023
Income before income tax	$ 1,918,984	1,744,715
Income tax calculated at the domestic tax rate of the Group	458,426	481,140
Tax-exempted income	(23,285)	(2,676)
Share of profit of associates accounted for using the equity method	(58,517)	(63,585)
Understatement (overstatement) of prior year's income tax	(25,140)	(71,598)
Additional tax on unappropriated earnings	34,725	47,909
Other	(26,401)	(28,631)
	$ 359,808	**362,559**

D. 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:

	Inventory write-downs	Provision for after-sales service	Accrued unused vacation	Other	Total
January 1, 2024	$ 80,492	3,711	9,462	18,403	112,068
(Debit) Credit in income statement	911	(460)	(2,885)	(5,970)	(8,404)
Exchange differences on translation of foreign operations	3,185	-	202	(93)	3,294
December 31, 2024	**$ 84,588**	**3,251**	**6,779**	**12,340**	**106,958**
January 1, 2023	$ 73,234	4,022	5,665	16,178	99,099
(Debit) Credit in income statement	8,252	(311)	3,875	2,190	14,006
Exchange differences on translation of foreign operations	(994)	-	(78)	35	(1,037)
December 31, 2023	**$ 80,492**	**3,711**	**9,462**	**18,403**	**112,068**

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	5,263	80,063
(Debit) Credit in other comprehensive income	-	131	-	131
Exchange differences on translation of foreign operations	-	-	27	27
December 31, 2024	**$ 1,066,264**	**3,706**	**5,290**	**1,075,260**

		Unappropriated earnings of subsidiaries	Defined benefit pension plans	Other	Total
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**

E. The most recent income tax filings for the Company and its domestic subsidiaries have been approved by the tax authorities for the following years:

Company Name	Assessed year
The Company	2022
BriteMED Technology Inc.	2022

(17)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	-	(35,735)	(35,735)
Share of unrealized gain or loss on financial assets at fair value through other comprehensive income attributed to affiliates	-	(30,490)	(30,490)
Share of exchange differences on translation attributed to affiliates	17,623	-	17,623
Balance at December 31, 2024	**$ (281,642)**	**(18,833)**	**(300,475)**

	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, 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)

(18)Share-based Payment

The subsidiary of the Company resolved at an extraordinary shareholders' meeting on May 5, 2023, to issue restricted employee rights new shares totaling 6,493,334 shares, which will be allocated to full-time employees of the issuing company and its subsidiaries who meet specific conditions, at a fair value of RMB 6.51 per share.

Employees allocated the aforementioned restricted employee rights new shares may acquire the allotted shares at RMB 1.83 per share. Under the share-based payment plan, employees indirectly hold company equity through the equity held in the employee share platform. Unless otherwise agreed, the equity held in the share platform may not be transferred before the conditions are met, and employees may not actively request the sale, transfer, or disposal of their holdings. If allocated employees fail to meet the eligibility conditions after acquiring the new shares, the executive directors or designated personnel of the issuing company have the right to repurchase the equity held.

Details of the subsidiary's restricted employee rights new shares are as follows:

	2024	2023
Quantity (shares) outstanding as of January 1	6,493,334	-
Quantity granted during the period (shares)	-	6,493,334
Number of shares outstanding as of December 31	**6,493,334**	**6,493,334**

As of December 31, 2024 and 2023, the subsidiary's employees had an unearned compensation balances of NT$101,638 thousand (RMB 22,285 thousand) and NT$122,959 thousand (RMB 28,363 thousand), respectively.

A. Measurement parameters for fair value at grant date

The subsidiary estimated the fair value of the share-based payment at grant date. The inputs to the valuation model are as follows:

The expected duration of the stock options is 5 years, in accordance with the subsidiary's issuance regulations. The discount rate selected is the weighted average cost of capital at 10.06%. The risk-free rate is 3.97%, based on government bonds. The determination of the fair value does not take into account the services and non-market performance conditions included in the transaction.

B. Employee expenses

Employee expenses incurred due to share-based payments for the years 2024 and 2023 are as follows:

	2024	2023
Expenses incurred due to restricted employee rights new shares	$ 28,177	8,782

(19)Earnings Per Share

The calculations of the Group'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
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

(20)Revenue from Contracts with Customers

A. Revenue sources

	2024				
	Order, design, and brand sales	Product manufacturing	Brand sales in the China region	Other operating segments	Total
Major markets:					
Domestic	$ 268,111	-	-	-	268,111
Asia	1,711,456	328,955	1,365,475	5,519	3,411,405
America	1,245,605	235	-	1,240,356	2,486,196
Europe	630,369	1,695	-	-	632,064
Others	42,014	42	-	-	42,056
	$ 3,897,555	330,927	1,365,475	1,245,875	6,839,832

	2023				
	Order, design, and brand sales	**Product manufacturing**	**Brand sales in the China region**	**Other operating segments**	**Total**
Major markets:					
Domestic	$ 377,478	-	-	-	377,478
Asia	1,858,715	91,538	1,781,301	16,620	3,748,174
America	977,828	257	-	1,710,893	2,688,978
Europe	732,991	1,152	-	49	734,192
Others	28,971	-	-	-	28,971
	$ 3,975,983	**92,947**	**1,781,301**	**1,727,562**	**7,577,793**

B. Contract balances

	2024.12.31	**2023.12.31**	**2023.1.1**
Notes and Accounts Receivable	$ 1,154,817	986,699	988,138
Accounts receivable - related parties	105,645	35,513	19,600
Less: Allowance for doubtful accounts	(2,562)	(24,168)	(15,876)
Total	**$ 1,257,900**	**998,044**	**991,862**
Contract liabilities - Advance payments	**$ 399,509**	**521,853**	**530,865**

Please refer to Note 6(4) for the disclosure of notes and 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 $487,655 thousand and $530,865 thousand, respectively.

(21)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.

(22)Non-operating Income and Expenses

A. Interest income

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

	2024	2023
Interest income from bank deposits	$ 261,323	209,278

B. Other income

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

	2024	2023
Lease income	$ 10,809	12,019
Dividend income	2,047	6,497
Government subsidies	25,269	22,280
Other income	45,950	69,921
Total	$ 84,075	110,717

C. Other gains and losses

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

	2024	2023
Foreign currency exchange (loss) gain	$ 338,229	(10,122)
Proceeds from disposal of investment	103,534	-
Net gains on financial assets at fair value through profit or loss	13,252	8,603
Gain (loss) on disposal of property, plant and equipment	25,350	(1,424)
Compensation for losses	(26,918)	-
Others	(7,120)	(6,446)
Total	$ 446,327	(9,389)

D. Financial costs

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

	2024	2023
Interest expense		
Interest expense on borrowing	$ 1,011	1,600
Other financial expense	8,092	12,838
Total	$ 9,103	14,438

(23)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, 67.57% and 27.38% of the Group's accounts receivable balances were attributable to six and three customers, respectively. This indicates a significant concentration of credit risk for the Group 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 Group'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)	$ 2,008,662	2,008,662	1,913,261	95,401	-	-
Lease liabilities	3,011	3,023	2,586	437	-	-
	$ 2,011,673	2,011,685	1,915,847	95,838	-	-
December 31, 2023						
Non-derivative financial liabilities						
Unsecured bank loans	$ 173,408	176,703	-	176,703	-	-
Non-interest-bearing liabilities (including related parties)	2,061,271	2,061,271	1,974,890	86,381	-	-
Lease liabilities	14,370	14,568	5,947	5,597	3,024	-
	$ 2,249,049	2,252,542	1,980,837	268,681	3,024	-

The Group 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 Group'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	$ 140,614	32.785	4,610,018	115,520	30.705	3,547,032
RMB: NTD	287,725	4.5608	1,312,255	454,975	4.3352	1,972,407
USD : RMB (Note)	49,899	7.19	1,635,927	55,684	7.08	1,709,762
Financial liabilities						
Monetary items						
USD: NTD	23,425	32.785	767,975	23,446	30.705	719,924
USD : RMB (Note)	11,030	7.19	361,603	9,549	7.08	293,213

Note: Because the functional currency of some of the subsidiaries of the Group is not NTD, it must be taken it into account when disclosing information on the exchange rate risk. For example, when a subsidiary's functional currency is RMB, but has financial components valued in the USD, we must then take that into account.

(B) Sensitivity Analysis

The exchange rate risk for the Group'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 $257,145 thousand and $248,643 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 Group, 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 (losses) gains (including realized and unrealized) were $338,229 thousand and $(10,122) thousand respectively.

D. Interest rate risk

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

The fluctuation rate used in internal reporting of interest rates to the Group's key management is a five-basis point in increase or decrease, which also represents management's expectation of the reasonably possible fluctuation in interest rates.

If the interest rate increases or decreases by five basis points, with all other variables held constant, the post-tax net profit for the years 2024 and 2023 would respectively decrease or increase by $463 thousand and $512 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%	$ 2,825	45,851	2,986	36,146
Decrease by 5%	$ (2,825)	(45,851)	(2,986)	(36,146)

F. Fair value analysis

(A) Types of financial instruments and fair values

The Group'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)					
Non-derivative financial assets that must be measured at fair value through profit or loss:	$ 917,025	917,025	-	-	917,025
Financial assets at fair value through other Comprehensive Income					
Domestic unlisted stocks	$ 56,494	-	-	56,494	56,494
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,953,969	-	-	-	-
Notes and accounts receivable (including related parties)	1,257,900	-	-	-	-
Other receivables - related parties	232,949	-	-	-	-
Other financial assets - current	3,701,952	-	-	-	-
subtotal	8,146,770	-	-	-	-
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	$ 1,271,972	-	-	-	-
Other payables (including related parties)	736,690	-	-	-	-
Lease liabilities	3,011	-	-	-	-
subtotal	$ 2,011,673	-	-	-	-

	2023.12.31				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)					
Non-derivative financial assets that must be measured at fair value through profit or loss:	$ 722,917	722,917	-	-	722,917
Financial assets at fair value through other Comprehensive Income					
Domestic unlisted stocks	$ 59,729	-	-	59,729	59,729
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 4,757,865	-	-	-	-
Notes and accounts receivable (including related parties)	998,044	-	-	-	-
Other receivables - related parties	184,645	-	-	-	-
Other financial assets - current	1,745,373	-	-	-	-
subtotal	7,685,927	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	$ 173,408	-	-	-	-
Notes and accounts payable (including related parties)	1,186,304	-	-	-	-
Other payables (including related parties)	874,967	-	-	-	-
Lease liabilities	14,370	-	-	-	-
subtotal	2,249,049	-	-	-	-

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

The methods and assumptions used by the Group 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 consolidated balance sheet.

(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	(35,735)
Addition	32,500
Effect on Foreign Exchange Movement	-
December 31, 2024	**$ 56,494**

		At fair value through other comprehensive income
		Financial instruments without public quotation
January 1, 2023	$	32,025
Total gains or losses		
Recognized in other comprehensive income		16,204
Addition		15,000
Cash capital reduction		(3,500)
Effect on Foreign Exchange Movement		-
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")	$	(35,735)	16,204

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

The Group'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 Group'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)	• 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.

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	• Minority interest discount (ranging from 18.57%~21.30% as of both 2024.12.31 and 2023.12.31) • Price-to-book ratio (1.42~2.67 as of 2024.12.31 and 1.38 as of 2023.12.31) • Price-to-sales ratio (2.63~3.08 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 Group's fair value measurements of financial instruments may differ if different valuation models or valuation parameters are used.

(24)Financial Risk Management

A. Overview

The Group 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 consolidated financial statements.

B. Risk management framework

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

The Group's risk management policy is established to identify and analyze the risks faced by the Group, 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 Group's operations. The Group 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 Group's risk management policies and procedures and reviews the adequacy of the Group's risk management framework with respect to the risks it faces. Internal auditorial personnel assists the Audit Committee 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 Group's customers or financial instruments counter-parties to meet their contractual obligations. It is inherent primarily in the Group's accounts receivable from customers and Investments in securities.

(A) Accounts receivable and other receivables

The Group's policy is to transact only with counterparties of reputable creditworthiness or with whom it has long-standing business relationships. The Group transacts only with entities rated equivalent to investment grade. Such information is provided by independent rating agencies; in the absence of such information, the Group will utilize other publicly available financial information and transaction records to assess the creditworthiness of major customers. The Group 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) Investments

The credit risk in bank deposits, fixed-income investments and other financial instruments is measured and monitored by the Group's finance department. The Group'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 Group did not provide any endorsement guarantees.

D. Liquidity risk

The Group manages and maintains sufficient amounts of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. All of the non-derivative financial instruments for which the Group 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 Group 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 Group amounted to $619,257 thousand and $760,113 thousand respectively.

E. Market risk

Market risk is the risk that subjects the Group’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 Group's market risk management practices are as follows:

(A) Exchange rate risk

The Group 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, RMB and USD.

When there is a short-term imbalance in a monetary asset or liability denominated in one of the other foreign currencies, the Group 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 Group's policy is to adopt a fixed interest rate for time deposit. Considering that market interest rates at present are relatively low, the Group 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 Group 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 Group does not actively trade these investments, and its management manages the risk by maintaining an investment portfolio with different risks.

(25)Capital Management

The Group'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.

The Group may maintain or adjust its capital structure by adjusting the dividends paid to shareholders, reducing capital with refunds to shareholders, or issuing new shares.

As standard practice in the industry, the Group 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 Group 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	$ 3,778,309	4,223,597
Less: cash and cash equivalents	(2,953,969)	(4,757,865)
Net liability	**$ 824,340**	**(534,268)**
Total equity	**$ 11,204,016**	**10,098,714**
Liability to capital ratio	**7.36%**	**(5.29)%**

7. Related party transactions

(1) Name of Related Party with Relationship

The related parties with whom the Group had transactions during the period covered by the within consolidated financial statement were as follows:

Name of Related Party	Relationship with the Group
QNAP Systems, Inc.	Associate
Sheng Feng Co., Ltd. (Note 1)	Associate
QNAP Inc.(USA)	Associate
QNAP Inc.(CANADA)	Associate
QNAP UK Limited	Associate
QNAP Co., Ltd (Japan)	Associate
QNAP Gmbh	Associate
Oring Industrial Networking Corp.	Associate
Oring Industrial Networking Americas Inc.	Associate
Acquire System Inc.	Associate
Xingwei Computer (Kunshan) Co., Ltd.	Associate
Xuanwei Electronics (Beijing) Co., Ltd.	Associate
Anewtech Systems Pte Ltd.	Associate
Oring Industrial Networking Corp. (Shanghai)	Associate
BEYONDZB Inc.	Associate
QNAP HK Limited	Associate
QNAP KOREA Co., Ltd(Note 2)	Associate

Note 1: 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 2: 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 Group's significant sales to related parties were as follows:

	2024	2023
Associates	$ 397,894	121,341

The terms of sales to associates were not significantly different from the normal sales prices.

The Group engaged in transactions related to agency revenue, and the revenue and costs of these transactions have been netted out.

Receivables and payables related to agency transactions were presented in aggregate amount because they did not meet the criteria for derecognition of financial assets and liabilities.

B. Purchases

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

		2024	2023
Associate - QNAP Systems, Inc.	$	182,279	233,174
Associates		94,551	127,835
	$	276,830	361,009

The purchase prices that the Group paid to the associates were not significantly different from that paid to other vendors.

C. Receivables and payables

The Group's receivables from, and payables to, related parties were as follows:

Account Item	Related Party		2024.12.31	2023.12.31
Accounts receivable	Associate - QNAP Systems, Inc.	$	75,963	19,719
Accounts receivable	Associates		29,682	15,794
		$	105,645	35,513
Other receivables	Associate - QNAP Systems, Inc.	$	16,084	1,158
Other receivables	Associate - QNAP Inc. (USA)		140,117	136,024
Other receivables	Associate - QNAP Inc. (CANADA)		76,727	47,463
Other receivables	Associates		21	-
		$	232,949	184,645
Accounts payable	Associate - QNAP Systems, Inc.	$	31,137	71,234
Accounts payable	Associates		16,861	26,813
		$	47,998	98,047
Other payables	Associate - QNAP Systems, Inc.	$	96,188	195,813
Other payables	Associates		419	3,003
		$	96,607	198,816

As of December 31, 2024 and 2023, the Group had no overdue amounts from related parties for accounts receivable and other receivables, with no expected credit losses.

D. Loans to related parties

The actual disbursement of funds loaned by the Group to related parties is as follows:

		2024.12.31	2023.12.31
QNAP Co., Ltd (Japan)	$	-	-
BEYONDZB Inc.		-	-
	$	-	-

The funds loaned by the Group to QNAP Co., Ltd. (Japan) bear interest at the average short-term borrowing rate of the Group from financial institutions in the year of disbursement. The loan is secured by real estate owned by the borrower. Based on assessment, no allowance for doubtful accounts is considered necessary. Interest income of $2,045 thousand and $0 thousand was recognized for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the interest receivable was $0 thousand.

The loans provided by the Group to BEYONDZB Inc. are interest-free and unsecured. Based on assessment, no allowance for doubtful accounts is considered necessary.

E. Proceeds from disposal of property, plant and equipment

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

	2024	2023
Associate - QNAP Systems, Inc.	$ 12,324	-
Associates	21	-
	$ 12,345	-

F. Lease

(A) Lessees

Account Item	Related Party	2024	2023
Lease income	Associate - QNAP Systems, Inc.	$ 8,023	8,023
Lease income	Associates	757	674
		$ 8,780	8,697

(B) Lessors

The Group leased premises from its associate company, QNAP Systems, Inc., in April and September 2022. The lease transactions resulted in the recognition of right-of-use assets and lease liabilities of $20,383 thousand each, based on prevailing rental rates in the vicinity upon acquisition. Interest expenses of $188 thousand and $322 thousand were recognized for the years ended 2024 and 2023, respectively. As of December 31, 2024 and 2023, the lease liability balances were $3,011 thousand and $14,370 thousand, respectively.

G. Other

Account Item	Related Party	2024	2023
Other income	Associate - QNAP Systems, Inc.	$ 10,327	9,288
Other income	Associates	-	3,573
		$ 10,327	12,861
Manufacturing and other operating costs and expenses	Associates	$ (58,543)	(53,653)

(3) Key Management Personnel

Remuneration of key management personnel included:

	2024	2023
Short-term employee benefits	$ 36,069	37,239
Post-employment benefits	635	642
	$ 36,704	37,881

8. Pledged assets

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

Asset name	Pledged collateral subject	2024.12.31	2023.12.31
Other financial assets - current	Import duties and taxes payable under the "release-before-payment" mechanism for imported goods, and performance bonds for government subsidy projects.	$ 12,957	7,903
Other financial assets - current	Banker's acceptance	50,074	158,980
		$ 63,031	166,883

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

10. **Significant losses from disasters:** None.

11. **Significant subsequent events:** None.

12. Others

(1) The employee benefits, depreciation and amortization expenses are summarized by function as follows:

Nature \ Function	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	225,885	834,917	1,060,802	248,401	898,009	1,146,410
Labor and health insurance	39,229	100,784	140,013	43,300	99,386	142,686
Pension	1,769	19,599	21,368	1,742	19,002	20,744
Other employee benefits	8,919	31,410	40,329	10,382	25,989	36,371
Depreciation	67,774	68,951	136,725	46,092	90,936	137,028
Amortization	893	23,440	24,333	29	22,988	23,017

The depreciation expense in the above does not include the amount of depreciation of investment properties, which is recorded as non-operating expenses in the amounts as follows:

	2024	2023
Depreciation of investment properties	$ 5,888	5,871

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 Group is required to disclose additional information regarding significant transactions as follows:

A. Loans to other parties

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%	Short-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 are converted at the exchange rate of USD$1=NTD$32.7850 as 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.

B. Endorsements and guarantees: None.

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

In thousands of NTD

Held Company Name	Marketable Securities Type and Name (Note 1)	Relationship with the Group	Financial Statement Account	Ending Balance				Peak Ownership during the Period	Remark
				Shares/ Units (In Thousands)	Book value	Percentage of Ownership	Fair value		
The Company	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	4.78 %	
〃	Hua Da Venture Capital Corp.	-	〃	150	4,947	10.00 %	4,947	10.00 %	
〃	Anteya Technology Corp.	-	〃	500	-	5.26 %	-	5.26 %	
〃	Genesis Photonics Inc.	-	〃	309	-	0.41 %	-	0.41 %	
〃	Castec International Corp.	-	〃	2,400	17,483	6.60 %	17,483	6.60 %	
〃	Zhunsheng Innovation Investment Co., Ltd.	-	〃	3,000	22,927	10.00 %	22,927	10.00 %	
BriteMED Technology Inc.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,222	120,624	- %	120,624	- %	
〃	Franklin Templeton Sinoam Money Market Fund	-	〃	5,608	60,464	- %	60,464	- %	
〃	Jih Sun Money Market Fund	-	〃	2,651	41,015	- %	41,015	- %	
Ailean Technologies Corp.	Zunxiang Season Surplus No. 1 Collective Asset Management Plan	-	〃	9,051	24,137	- %	24,137	- %	
Fortunetec Internatoinal Corp.	Berkshire Hathaway Financial Corp. 4.2% 08/15/48 USD Foreign Bond (US084664CQ25)	-	Financial assets mandatorily measured 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	10.29 %	

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:

In thousands of NTD

Company Name	Marketable security Type and Name	Financial Statement Account	Counterparty	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
The Company	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 gain (loss) of $718 thousand, and the ending balance includes a fair value gain (loss) of $1,950 thousand.

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:

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	
The Company	BriteMED Technology Inc.	Subsidiary	Sales	(171,559)	(3.87) %	60 days	-	-	14,503	1.44%	
BriteMED Technology Inc.	The Company	Ultimate parent company	Purchases	171,559	51.54 %	60 days	-	-	(14,503)	(19.53)%	
BriteMED Technology Inc.	The Company	Ultimate parent company	Sales	(155,418)	24.59 %	45 days	-	-	139,638	99.33%	
The Company	BriteMED Technology Inc.	Subsidiary	Purchases	155,418	5.12 %	45 days	-	-	(139,638)	(18.50)%	
The Company	IEI Technology USA Corporation	Subsidiary	Sales	(834,144)	(18.84) %	60 days	-	-	205,740	20.36%	
IEI Technology USA Corporation	The Company	Ultimate parent company	Purchases	834,144	79.70 %	60 days	-	-	(205,740)	(95.12)%	
Armorlink SH Corp.	The Company	Ultimate parent company	Sales	(1,133,014)	(41.27) %	60 days	-	-	225,051	30.68%	
The Company	Armorlink SH Corp.	Subsidiary	Purchases	1,133,014	37.30 %	60 days	-	-	(225,051)	(29.81)%	
Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	Subsidiary	Sales	(883,169)	(32.17) %	90 days	-	-	267,778	36.50%	
IEI Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	Parent company	Purchases	883,169	99.56 %	90 days	-	-	(267,778)	(83.97)%	
Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	Subsidiary	Sales	(329,381)	(12.00) %	90 days	-	-	120,676	16.45%	
Weibotong Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	Parent company	Purchases	329,381	100.00 %	90 days	-	-	(120,676)	(99.95)%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Sales	(297,667)	(10.84) %	60 days	-	-	75,518	10.29%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Purchases	297,667	14.04 %	60 days	-	-	(75,518)	17.54%	
QNAP Systems, Inc.	Armorlink SH Corp.	Associate	Sales	(152,988)	(2.91) %	60 days	-	-	28,385	2.64%	
Armorlink SH Corp.	QNAP Systems, Inc.	Associate	Purchases	152,988	7.05 %	60 days	-	-	(28,385)	(3.61)%	

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

In thousands of NTD

Company Name	Related Party	Nature of Relationship	Ending Balance	(Note 2) Turnover rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action taken		
The Company	IEI Technology USA Corporation	Subsidiary	206,489	3.85 times	-	-	67,392	-
BriteMED Technology Inc.	The Company	Ultimate parent company	139,642	2.22 times	-		52,012	-
Armorlink SH Corp.	The Company	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	-times	-	-	-	-

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.

J. The business relationship between the parent and the subsidiaries and significant intercompany transactions:

No. (Note 1)	Company	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 4)
0	The Company	BriteMED Technology Inc.	1	Sales	171,559	60 days	2.51%
0	The Company	IEI Technology USA Corporation	1	Sales	834,144	60 days	12.20%
0	The Company	IEI Technology USA Corporation	1	Accounts receivable - related parties	205,740	60 days	1.37%
1	Armorlink SH Corp.	The Company	2	Sales	1,133,014	60 days	16.56%
1	Armorlink SH Corp.	The Company	2	Accounts receivable - related parties	225,051	60 days	1.50%
1	Armorlink SH Corp.	The Company	2	Other income	29,707	60 days	0.43%
1	Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	1	Sales	329,381	90 days	4.82%
1	Armorlink SH Corp.	Weibotong Technology (Shanghai) Co., Ltd.	1	Accounts receivable - related parties	120,676	90 days	0.81%
1	Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	1	Sales	883,169	90 days	12.91%
1	Armorlink SH Corp.	IEI Technology (Shanghai) Co., Ltd.	1	Accounts receivable - related parties	267,778	90 days	1.79%
2	BriteMED Technology Inc.	The Company	2	Sales	155,418	45 days	2.27%
2	BriteMED Technology Inc.	The Company	2	Accounts receivable - related parties	139,638	45 days	0.93%
3	Ailean Technologies Corp.	Armorlink SH Corp.	2	Lease income	20,853	Payment as stipulated in the contract	0.30%
4	FORTUNETEC INTERNATIONAL CORP.	Armorlink SH Corp.	1	Other receivables - related parties	1,312,014	Payment as stipulated in the contract	8.76%
5	IEI Technology (Shanghai) Co., Ltd.	Armorlink SH Corp.	2	Advance payments	60,443	Advance payment	0.40%

Note 1: The filling method for annotation numbers is as follows:
1. 0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1 in Arabic numerals according to company type.

Note 2: The types of relationship with the counterparty are as follows:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3: For each transaction, only the sales and receivable accounts are disclosed and the corresponding purchase and payable accounts are omitted here to avoid redundancy.

Note 4: The calculation is done by dividing the transaction amount by the consolidated net revenue or consolidated total assets multiplied by 100%.

(2) Investments

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

In thousands of NTD

Name of Investor	Name of investee	Location	Main business and products	Original Investment Amount (Note 1)		Ending Balance (Note 1)			Peak Ownership during the Period	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				
The Company	ICP Electronics Limited	Samoan Islands	Holding company engaged in the sale of computers and related products	219,313	219,313	5,000	100.00%	4,959,659	100.00%	389,561	380,733	Subsidiary
The Company	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	24.49%	1,205,471	280,722	Investments Accounted for Using the Equity Method
The Company	Internet Application Technology Ltd.	Samoan Islands	Holding company engaged in the sale of computers and related products	375,897	375,897	11,853	100.00%	1,486,351	100.00%	134,215	134,215	Subsidiary
The Company	BriteMED Technology Inc.	Taiwan	Manufacturing and selling electronic components	80,000	80,000	8,000	100.00%	307,484	100.00%	131,156	131,156	Subsidiary
The Company	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	16.36%	54,745	8,954	Investments Accounted for Using the Equity Method
The Company	Sheng Feng Co., Ltd.	Taiwan	Real estate leasing	825,002	-	341	24.49%	824,592	24.49%	(1,673)	(410)	Investments Accounted for Using the Equity Method
ICP Electronics Limited	Fortunetec International Corp.	Mauritius	Holding company engaged in the sale of computers and related products	163,925	163,925	500	100.00%	4,705,987	100.00%	397,087	Exempt from disclosure	Subsidiary
ICP Electronics Limited	FORTUNE NAME HOLDINGS LIMITED	Samoan Islands	Holding company engaged in the sale of computers and related products	22,950	-	700	100.00%	11,464	100.00%	20	Exempt from disclosure	Subsidiary
ICP Electronics Limited	Acquire System Inc.	Mauritius	Holding company engaged in the sale of computers and related products	62,371	62,371	199	49.71%	136,064	49.71%	(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 engaged in the sale of computers and related products	381,208	381,208	11,628	100.00%	1,323,596	100.00%	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	8.67%	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	100.00%	35,650	Exempt from disclosure	Subsidiary
Rich Excel Corporation Holdings Limited	Potency Inc.	Samoan Islands	Holding company engaged in the sale of computers and related products	243,641	243,641	5,840	100.00%	1,026,208	100.00%	91,161	Exempt from disclosure	Subsidiary
Equilico Inc.	Suntend LLC	U.S	Real estate leasing	130,284	130,284	-	100.00%	253,592	100.00%	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	100.00%	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	31.68%	(4,502)	Exempt from disclosure	Investments Accounted for Using the Equity Method
Investee company of Armorlink SH Corp.	SYNCDA International Limited.	Hong Kong	Logistics center and selling industrial computer products	9,836	9,836	300	100.00%	10,127	100.00%	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 NTD32.785 as of December 31, 2024.

Note 2: The current period's gains and losses are converted at the average exchange rate of USD to NTD32.112.

(3) Information on investment in Mainland China:

A. Relevant information about investments in Mainland China:

In thousands of NTD

Name of investee in Mainland China	Main Business Activities	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	Peak Ownership during the Period	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%	100.00%	(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%	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%	100.00%	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%	100.00%	(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%	100.00%	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%	100.00%	(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 Group and Mainland China investees during the year 2024 are provided in the "Information on Material Transactions" section.

(4) Major Shareholders

In unit of shares

Shareholder \ Shares	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

(1) General information

The Group has three reportable segments: Order, Design and Sales, Production, and Regional Sales, China, offering a variety of products and services. As each strategic business unit involves different technology and marketing strategy, it must be managed separately.

The Order, Design and Sales segment specializes in custom product design and global branding and marketing channels for industrial IT products in response to specific customer needs.

(2) Information on income, assets and liabilities and their measurement basis and reconciliation relating to the reportable segments.

The Group uses the segmental profit or loss before tax (excluding extraordinary gain or loss and exchange gain or loss) in the internal management report reviewed and approved by the chief operating decision maker as the basis for managerial resource allocation and performance evaluation. The Group does not attribute income tax expenses (income), extraordinary gains or losses, and exchange gains or losses to separate segments because income tax, extraordinary gains or losses and exchange gains or losses are managed as a whole on the Group level. In addition, not all reportable segments have non-cash accounts of significance besides depreciation and amortization. The amounts reported here are consistent with those internally reported to operational decision makers.

The accounting policies of the operating segments are consistent with those set forth in Note 4, "Summary of Significant Accounting Policies," except that pension expenses for each operating segment are recognized and measured on the basis of cash payments to the pension plan.

The Group treats sales and transfers between departments as transactions with third parties. They are measured at current market prices.

Information on the Group's operating segments and a reconciliation of the accounts are as follows:

	2024					
	Order, design, and brand sales	**Product manufacturing**	**Brand sales in the China region**	**Other operating segments**	**Adjustments and eliminations**	**Total**
Revenue:						
From external customers	$ 3,897,555	330,927	1,365,475	1,245,875	-	6,839,832
Intersegmental	1,189,226	2,414,899	942	11,492	(3,616,559)	-
Total Revenue	$ 5,086,781	2,745,826	1,366,417	1,257,367	(3,616,559)	6,839,832
Interest expense	$ 8,455	583	-	65	-	9,103
Share of profit or loss of affiliates and joint ventures	269,538	-	-	-	-	269,538
Reportable segment income	$ 1,296,902	215,609	(6,595)	421,896	(8,828)	1,918,984
Reportable segment assets	$ 7,861,012	3,526,580	593,399	5,487,620	(2,486,286)	14,982,325

	2023					
	Order, design, and brand sales	**Product manufacturing**	**Brand sales in the China region**	**Other operating segments**	**Adjustments and eliminations**	**Total**
Revenue:						
From external customers	$ 3,975,983	92,947	1,781,301	1,727,562	-	7,577,793
Intersegmental	1,715,421	3,086,806	5,463	12,898	(4,820,588)	-
Total Revenue	$ 5,691,404	3,179,753	1,786,764	1,740,460	(4,820,588)	7,577,793
Interest expense	$ 12,773	1,603	-	62	-	14,438
Share of profit or loss of affiliates and joint ventures	292,718	-	-	-	-	292,718
Reportable segment income	$ 1,266,386	272,417	9,345	170,975	25,592	1,744,715
Reportable segment assets	$ 7,477,260	3,585,107	774,903	4,907,649	(2,422,608)	14,322,311

(3) Revenue by products or services

Information on the Group's revenue from external sources is as follows:

Products or services	**2024**	**2023**
Industrial computer products	$ 4,496,173	4,734,615
Industrial computer components and peripherals	2,079,983	2,428,583
Others	263,676	414,595
Total	$ 6,839,832	7,577,793

(4) Revenue by regions

Information on the Group's revenue based on the geographical location of the customer and non-current assets based on the geographical location of the assets is as follows:

Geography	**2024**	**2023**
Revenue from external customers:		
America	$ 2,486,196	2,688,978
Europe	632,064	734,192
Asia	3,411,405	3,748,174
Domestic	268,111	377,478
Others	42,056	28,971
	$ 6,839,832	7,577,793
Non-current assets:		
America	$ 199,138	155,422
Asia	468,973	520,086
Domestic	895,025	923,253
Total	$ 1,563,136	1,598,761

Non-current assets exclude those classified as financial instruments or deferred income tax assets.

(5) Main customer information

	2024	2023
Revenue from Customer A under the Order, design, and brand sales segment	$ 638,871	703,334
Revenue from Customer B under the other operating segments	693,312	938,629
Revenue from Customer C under the Order, design, and brand sales segment	769,972	492,300
	$ 2,102,155	**2,134,263**