Stock Code: 3213

Mildef Crete Inc. and Its Subsidiaries

Consolidated Financial Statements and Certified Public Accountant's Audit Report

2024 and 2023

Company Address: 7F, No. 250, Section 3, Beishan Road, Shenkeng District, New Taipei City
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Notice to Reader:
For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

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Declaration

The companies of which the consolidated financial statements for affiliates shall include the Company's for the Year 2024 (from January 1 to December 31) as stipulated by the Standards for Preparing Affiliates' Business Reports, Consolidated Financial Statements and Relationship Reports are the same as those to be included in the consolidated financial statements of the parent company and its subsidiaries as recognized by the Financial Supervisory Commission and specified by the valid International Financial Reporting Standard 10. All related information which shall be disclosed in the affiliates' consolidated financial statements have been disclosed in the foregoing consolidated financial statements of the parent company and its subsidiaries. Hence, the affiliates' consolidated financial statements are no longer prepared.

A statement is hereby specially made

Name of the Company: Mildef Crete Inc.

Chairman: Shen Yi-Tong

Date: March 12, 2025

Certified Public Accountant's Audit Report

To the Board of Directors of Mildef Crete Inc.,:

Opinion

We have audited the accompanying consolidated balance sheets of Mildef Crete Inc. and subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements, which comprise a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements have been prepared in all material aspects according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission. They fairly present the financial position of Mildef Crete Inc. as of December 31, 2024 and 2023, its financial performance and cash flow for the periods from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. 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 Mildef Crete Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Mildef Crete Inc. and its subsidiaries for the year 2024. 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. We judge that they key audit matters to be communicated in the audit report are as follows:

Inventory Valuation

As to detailed accounting policies related to inventory valuation refer to Note 4 (8) to the consolidated financial statements; for details on estimation and hypothesis uncertainty of inventory valuation, refer to Note 5 to the consolidated financial statements; concerning provision for Write-downs of inventories and obsolescence losses, refer to Note 6 (4) to the consolidated financial statements.

Explanations of key audit matters:

Inventories shall be measured based on the cost or the net realizable value whichever is lower. Mildef Crete Inc. and its subsidiaries are engaged in manufacturing and selling rugged computers. Generally, life cycle of rugged computers is long. In consideration of businesses, inventories shall be maintained for certain key components in a relatively long term. However, future requirements might change. As a consequence, related components would not be sold as expected and their inventories would become obsolete and slow-moving. In that case, inventory costs would exceed their net realizable value. The net realizable value of inventories has to be estimated dependent upon subjective judgment of the management, so inventory valuation is one of important matters for evaluation in our audit of financial statements of Mildef Crete Inc. and its subsidiaries.

Corresponding audit procedures:

Our audit procedures performed in respect of the above key audit matter mainly included checking the inventory aging reports provided by Mildef Crete Inc. and its subsidiaries and analyzing changes in inventory age in different phases; randomly checking correctness of the inventory aging reports; performing inventory valuation and confirming implementation of existing accounting policies by Mildef Crete Inc. and its subsidiaries; and evaluating appropriateness of the past loss allowance for obsolete and slow-moving inventories by the management.

Other matters

Mildef Crete Inc. has prepared standalone financial statements for 2024 and 2023, and we have issued an auditors' report with unqualified opinions for reference.

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

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, 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 abilities of Mildef Crete Inc. and its subsidiaries 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 Crete System Inc. and its subsidiaries or to cease their operations or has no realistic alternative, but to do so.

Those of Mildef Crete Inc. and its subsidiaries charged with governance, including the audit committee, are responsible for overseeing the financial reporting processes.

Accountants' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. The accountant also performs the following tasks:

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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
2. Obtain necessary understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Mildef Crete Inc. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Mildef Crete Inc. and its subsidiaries 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 auditors' report. However, future events or conditions may cause Mildef Crete Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including related notes, 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 entities within the Consolidated Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Consolidated Company audit. We remain responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of 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 key matters in the audit of the consolidated financial statements of Mildef Crete Inc. and its subsidiaries for the year 2024. 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 Taiwan

CPA:	Kao Ching-Wen Tang Tzu-Chieh
Competent Securities Authority's Approval Document No. :	Jin-Guan-Zheng-Shen-Zi No. 1060005191 Jin-Guan-Zheng-Liu-Zi No. 0940100754

March 12, 2025

Mildef Crete Inc. and Its Subsidiaries

Consolidated Balance Sheets

2024 and 2023

Unit: NT$1000

		2024.12.31		2023.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6 (1))	$ 533,521	13	311,156	9
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	210,499	5	-	-
1150	Notes and accounts receivable, net (Notes 6 (3) and (14))	63,338	2	120,085	3
1180	Accounts receivable - related parties, net (Notes 6 (3) & (14), 7)	151,421	4	309,437	9
1212	Other payables-related party (Note 7)	-	-	5,004	-
130X	Inventories (Note 6 (4))	1,217,761	28	1,197,819	34
1476	Other financial assets - current (Note 6 (1))	234,771	6	206,100	6
1479	Other current assets	18,678	-	17,976	1
	Total current assets	2,429,989	58	2,167,577	62
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	1,248,678	30	865,975	26
1600	Property, plant and equipment (Note 6 (5))	343,674	8	256,545	7
1755	Right-of-use assets (Note 6 (6))	80,804	2	75,344	2
1780	Intangible assets (Note 6 (7))	5,722	-	6,458	-
1840	Deferred income tax assets (Note 6 (11))	79,013	2	74,107	2
1990	Other non-current assets (Note 8)	20,967	-	48,162	1
	Total non-current assets	1,778,858	42	1,326,591	38
	Total assets	$ 4,208,847	100	3,494,168	100

		2024.12.31		2023.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Contract liabilities - current (Notes 6 (14) and 7)	$ 163,573	4	237,639	7
2150	Notes payable	32,734	1	34,132	1
2170	Accounts payable	94,676	2	119,254	3
2209	Other Payables (Notes 6 (15) and 7)	160,803	4	150,795	5
2230	Current income tax liabilities	123,251	3	107,867	3
2280	Lease liabilities - current (Note 6 (8))	35,771	1	33,798	1
2399	Other current liabilities	826	-	560	-
	Total current liabilities	611,634	15	684,045	20
	Non-current liabilities:				
2552	Provisions for warranty liabilities (Note 6 (9))	21,621	-	13,152	-
2570	Deferred income tax liabilities (Note 6 (11))	237,627	6	166,833	5
2580	Lease liabilities - non-current (Note 6 (8))	45,763	1	42,018	1
2640	Net defined benefit liabilities - non-current (Note 6 (10))	11,651	-	30,301	1
	Total non-current liabilities	316,662	7	252,304	7
	Total liabilities	928,296	22	936,349	27
	Equity attributed to owners of the parent company (Notes 6 (2) and (12)):				
3110	Ordinary share capital	586,855	14	586,855	17
3200	Capital surplus	74,381	2	74,113	2
3300	Retained earnings	1,925,319	45	1,634,564	47
3400	Other equity	670,399	16	241,646	7
	Equity attributed to owners of the parent company	3,256,954	77	2,537,178	73
36xx	Non-controlling interests	23,597	1	20,641	-
	Total equity	3,280,551	78	2,557,819	73
	Total liabilities and equity	$ 4,208,847	100	3,494,168	100

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: NT$1000

		Fiscal Year 2024		Fiscal Year 2023	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6 (14), 7 and 14)**	$ 2,853,391	100	2,989,074	100
5000	**Operating cost (Notes 6(4), (5), (6), (7), (8), (9), (10), (15), 7, and 12)**	1,955,354	69	2,088,559	70
	Gross operating profit	898,037	31	900,515	30
	Operating expenses (Notes 6 (3), (5), (6), (7), (8), (10), (15), 7, and 12):				
6100	Selling and marketing expenses	177,515	6	167,932	6
6200	General and administrative expenses	75,328	3	65,105	2
6300	Research and development expenses	102,718	3	86,708	3
	Total operating expenses	355,561	12	319,745	11
	Net operating profit	542,476	19	580,770	19
	Non-operating income and expenses: (Notes 6(8), (16), and (17))				
7100	Interest income	11,459	-	9,859	-
7010	Other income	65,884	2	7,966	-
7020	Other gains and losses	21,055	1	(9,059)	-
7510	Financial cost	(1,424)	-	(895)	-
	Total non-operating income and expenses	96,974	3	7,871	-
	Net profit before tax	639,450	22	588,641	19
7951	**Minus: Income tax expense (Note 6 (11))**	137,153	4	122,004	4
	Current net profit	502,297	18	466,637	15
8300	**Other comprehensive income (Notes 6 (10), (11), and (12)):**				
8310	**Items not reclassified as income and loss**				
8311	Defined benefits plans remeasurement	12,270	1	(4,685)	-
8316	Unrealized gain (loss) on investments in equity instruments as at fair value through other comprehensive income	660,732	23	(153,658)	(5)
8349	Minus: Income tax related to items not reclassified	131,810	5	(31,357)	(1)
	Total amount of items not reclassified to profit or loss	541,192	19	(126,986)	(4)
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences arising from the translation of the financial statements of foreign operations	(428)	-	20	-
8367	Unrealized valuation gains on debt instrument investments measured at fair value through other comprehensive income	531	-	-	-
8399	Minus: Income tax related to potentially classifiable items	106	-	-	-
	Total amount of items that may be reclassified subsequently to profit or loss	(3)	-	20	-
8300	**Other comprehensive income**	541,189	19	(126,966)	(4)
	Total amount of other current comprehensive gains and losses	$ 1,043,486	37	339,671	11
	Net profit/(loss) attributable to:				
8610	Owners of the Parent Company	$ 495,221	18	460,828	15
8620	Non-controlling interests	7,076	-	5,809	-
		$ 502,297	18	466,637	15
	Total comprehensive income/(loss) attributable to:				
8710	Owners of the Parent Company	$ 1,036,410	37	333,862	11
8720	Non-controlling interests	7,076	-	5,809	-
		$ 1,043,486	37	339,671	11
	Earnings per share (NT$; (Note 6 (13))				
	Basic earnings per share	$ 8.44		7.85	
	Diluted earnings per share	$ 8.31		7.74	

(For details, please refer to notes to the consolidated financial statements)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries
Consolidated statements of changes in equity
January 1 to December 31, 2024 and 2023

Unit: NT$1000

			Retained earnings			Other Equity Items						
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated earnings	Total	Exchange differences arising from the translation of Financial Report of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Defined benefits plans remeasurement	Total	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance on January 1, 2023	$ 586,855	72,650	519,751	853,040	1,372,791	-	387,473	(6,648)	380,825	2,413,121	15,947	2,429,068
Current net profit	-	-	-	460,828	460,828	-	-	-	-	460,828	5,809	466,637
Other comprehensive income	-	-	-	-	-	20	(123,238)	(3,748)	(126,966)	(126,966)	-	(126,966)
Total amount of other current comprehensive gains and losses	-	-	-	460,828	460,828	20	(123,238)	(3,748)	(126,966)	333,862	5,809	339,671
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	22,827	(22,827)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(211,268)	(211,268)	-	-	-	-	(211,268)	-	(211,268)
Differences between actual equity price paid and book value of subsidiaries	-	1,463	-	-	-	-	-	-	-	1,463	(1,463)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	5,040	5,040
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,692)	(4,692)
Disposal of equity instruments designated at fair value through other comprehensive income(Note 6 (2))	-	-	-	12,213	12,213	-	(12,213)	-	(12,213)	-	-	-
Balance on December 31, 2023	586,855	74,113	542,578	1,091,986	1,634,564	20	252,022	(10,396)	241,646	2,537,178	20,641	2,557,819
Current net profit	-	-	-	495,221	495,221	-	-	-	-	495,221	7,076	502,297
Other comprehensive income	-	-	-	-	-	(428)	531,801	9,816	541,189	541,189	-	541,189
Total amount of other current comprehensive gains and losses	-	-	-	495,221	495,221	(428)	531,801	9,816	541,189	1,036,410	7,076	1,043,486
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	47,304	(47,304)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(316,902)	(316,902)	-	-	-	-	(316,902)	-	(316,902)
Differences between actual equity price paid and book value of subsidiaries	-	268	-	-	-	-	-	-	-	268	(268)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,008	1,008
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,860)	(4,860)
Disposal of equity instruments designated at fair value through other comprehensive income(Note 6 (2))	-	-	-	112,436	112,436	-	(112,436)	-	(112,436)	-	-	-
Balance on December 31, 2024	$ 586,855	74,381	589,882	1,335,437	1,925,319	(408)	671,387	(580)	670,399	3,256,954	23,597	3,280,551

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries

Consolidated statements of cash flows

January 1 to December 31, 2024 and 2023

Unit: NT$1000

	Fiscal Year 2024	Fiscal Year 2023
Cash flows from operating activities:		
Net income before tax	$ 639,450	588,641
Adjustments for:		
Profit and loss		
Depreciation expense	70,077	53,534
Amortization expense	7,758	5,553
Expected credit loss	498	-
Net gain on financial assets at fair value through profit or loss	(1,509)	(339)
Interest expense	1,424	895
Interest income	(11,459)	(9,859)
Dividend income	(61,203)	(6,796)
Gain or loss on the disposal of property, plant and equipment	(198)	108
Lease Modification Benefits	(4)	-
Total profit/(loss)	5,384	43,096
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	56,383	(23,905)
Accounts receivable from related parties	157,882	(297,754)
Inventories	(19,942)	(156,745)
Other current assets	4,926	8,272
Other non-current assets	(10)	-
Total net changes in assets related to operating activities	199,239	(470,132)
Net changes in liabilities related to operating activities		
Contract liabilities	(74,066)	(9,025)
Notes payable	(1,398)	(19,079)
Accounts payable	(24,578)	(30,369)
Provisions for warranty liabilities	8,469	6,297
Other Accounts Payable and Other Current Liabilities	10,274	42,467
Net defined benefit liabilities	(6,380)	(3,121)
Total amount of net changes in liabilities related to operating activities	(87,679)	(12,830)
Total amount of net changes in assets and liabilities related to operating activities	111,560	(482,962)
Total adjustments	116,944	(439,866)
Net cash generated from/(used in) operations	756,394	148,775
Interest received	11,440	9,859
Income tax paid	(193,406)	(67,071)
Net cash inflow from operating activities	574,428	91,563
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(18,918)	-
Disposal of financial assets at fair value through other comprehensive income	297,478	34,867
Purchase of financial assets at fair value through profit or loss	(410,000)	(40,000)
Disposal of financial assets at fair value through profit or loss	201,010	60,369
Acquisition of property, plant and equipment (including prepayment for equipment)	(89,398)	(64,838)
Proceeds from the disposal of property, plant and equipment	346	100
Increase in refundable deposits	(1,284)	(2,900)
Acquisition of intangible assets	(3,655)	(2,594)
Increase in other financial assets - current	(28,671)	-
Increase in other non-current assets	(3,860)	(9,124)
Dividends received	66,208	-
Net cash inflows (outflows) from investing activities	9,256	(24,120)
Cash flows from financing activities:		
Payment of the principal portion of lease liabilities	(38,713)	(33,243)
Payments of cash dividends	(316,902)	(211,268)
Dividends paid to non-controlling interests	(4,860)	(4,692)
Disposal of equity in subsidiaries (without control lost)	1,008	5,040
Interests paid	(1,424)	(895)
Net cash outflow from financing activities	(360,891)	(245,058)
Effect of exchange rate changes on cash and cash equivalents	(428)	20
Increase (decrease) in cash and cash equivalents	222,365	(177,595)
Opening balance of cash and cash equivalents in the consolidated statements of cash flows	311,156	488,751
Closing balance of cash and cash equivalents in the consolidated statements of cash flows	$ 533,521	311,156

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries
Notes to the Consolidated Financial Statements
2024 and 2023
(In thousands of NT$, except otherwise specified)

I. Company History

Mildef Crete Inc. (hereinafter referred to as the "Company") was incorporated on March 15, 1990 with the approval of the Ministry of Economic Affairs. Its registered address is 7F, No. 250, Section 3, Beishen Road, Shenkeng District, New Taipei City. The Company and its subsidiaries (hereinafter referred to as the "Consolidated Company") mainly engage in the research, design, planning, manufacturing, sales, and import and export of various computer software and hardware and components thereof, as well as computer hardware and software combination, manufacturing, installation, and consulting services, and investment in relevant businesses.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and released by the Board of Directors on March 12, 2025.

III. Application of New and Amended Standards and Interpretations

(I) Effect of the application of new and amended International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") as endorsed by the Financial Supervisory Commission (FSC)

The Consolidated Company has applied the following newly revised IFRS accounting standards since January 1, 2024, which has not caused any material impact on its consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Contractual Terms"
- Amendments to IAS 7 and IFRS 7 "supplier finance arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(II) Effect of the IFRSs as endorsed by the FSC, but not yet adopted

The Consolidated Company has evaluated to apply the following newly revised IFRSs effective since January 1, 2025, which will not cause any significant impact on its consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

(III) New and amended standards and interpretations not yet endorsed by the FSC

The standards and interpretations that have been issued and amended by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC, while may be relevant to the Consolidated Company are as follows:

New and amended standards	Main amendments	Effective date announced by the IASB
International Financial Reporting Standard No. 18 "Presentation and Disclosure of Financial Statements"	The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.	January 1, 2027
International Financial Reporting Standard No. 18 "Presentation and Disclosure of Financial Statements"	• A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called "operating profit" and require that all revenues and expenses be classified into three new categories based on the company's main business activities. • Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles. • More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027

The Consolidated Company is currently evaluating the impacts of the above standards and interpretations on its financial position and operating results and will disclose relevant impacts when completing the evaluation.

The Consolidated Company does not expect that the new and amended standards below not yet endorsed by the FSC will have a material 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”
- Amendments to IFRS 17 “Insurance Contracts” and IFRS 17
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7: "Contracts Relying on Renewable Energy Sources"

IV. Summary of Significant Accounting Policies

The summary of significant accounting policies used in this consolidated financial report is as follows. The following accounting policies have been consistently applied to all periods of presentation of the consolidated financial statements.

(I) Declaration of compliance

These consolidated financial statements are prepared in accordance with the Standards for the Preparation of Financial Statements by Securities Issuers (hereinafter referred to a “Preparation Standards”) and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation and Interpretation Announcement, as approved and recognized by the FSC.

(II) Basis of preparation

1. Basis of measurement

Except for the following significant items in the balance sheet, this consolidated financial report is prepared on the basis of historical costs:

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

(2) Financial assets at fair value through other comprehensive income; and

(3) Net defined benefit liabilities are measured at the present value of defined benefit obligations, and the effect of the cap referred to Note 4 (15) less the fair value of pension fund assets.

2. Functional currencies and presentation currencies

Each entity of the Consolidated Company uses the currency of its primary economic environment in which it operates as its functional currency. This consolidated financial report is presented in the Company's functional currency NT$. Unless otherwise indicated, all financial information presented in NT$ is presented in NT$ thousand.

(III) Basis of consolidation

1. Principles for the Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared by the Company and entities controlled by the Company (i.e. subsidiaries). The Company controls an investee when it is exposed to, or has rights to variable returns from its participation in the investee, and has the ability to affect such returns through its rights in the investee.

From the date on which control of the subsidiary is acquired, the financial report of the subsidiary is included in the consolidated financial report until the date of loss of control. Transactions, balances and any unrealized gains and losses between Consolidated Companies, have all been eliminated at the time of preparation of the consolidated financial statements. The total comprehensive income of the subsidiary is attributable to the owners of the Company and non-controlling interests, respectively, even if the non-controlling interests are thus deficit balance.

The subsidiary's Financial Statements have been appropriately adjusted to align its accounting policies with those used by the Consolidated Company.

Changes in the Consolidated Company's ownership interests in subsidiaries that do not result in the loss of control over subsidiaries are treated as equity transactions with owners. The difference between the adjustment of the non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and directly recognized in equity and attributable to the owners of the Company.

2. Subsidiaries included in the consolidated financial statements include:

Name of investor	Name of subsidiary	Nature of business	% of equity held 2024.12.31	% of equity held 2023.12.31	Description
The Company	Flexbasis Technology Inc. (Flexbasis)	Manufacturing of metal casings	56.2%	57.7%	(Note)
The Company	MilDef Crete Australasia Pty. Ltd.	Sale of rugged products	100%	100%	

(Note) Due to the sale of equity to key management personnel of the Consolidated Company, the shareholding ratio has decreased.

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

(IV) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are converted into functional currencies at the exchange rates of the trading day. Foreign currency monetary items at the end of each subsequent reporting period (hereinafter referred to as the "reporting date") are translated into functional currencies at the exchange rate on that date. Foreign currency non-monetary items measured at fair value are converted into functional currency at the exchange rate on the date when the fair value is measured, while foreign currency non-monetary items measured at historical cost are converted at the exchange rate on the date of transaction. Foreign currency exchange differences resulting from conversion are normally recognized in profit and loss, except for equity instruments that are designated as being measured at fair value through other comprehensive income.

2. Foreign operating institutions

Assets and liabilities of foreign operating institutions, including goodwill and fair value adjustments arising at the time of acquisition, are converted into the currency of the consolidated financial statements at the exchange rate of the reporting date. Profit and loss items are converted into the presentation currency of the consolidated financial statements based on the average exchange rate for the period, and the exchange differences arising therefrom shall be recognized in other comprehensive income.

When the disposal of a foreign operating institution results in a loss of significant influence, the accumulated exchange difference related to the foreign operating institution shall be fully reclassified to profit or loss. When partially disposing of a subsidiary that includes overseas operating entities, any related cumulative translation adjustments are proportionately reattributed to non-controlling interests. When partial disposal includes investments in associates of foreign operating institutions, the relevant accumulated exchange difference shall be classified proportionally into profit and loss.

If there is no settlement plan for monetary receivables or payables from foreign operating entities, and it is not possible to settle them in the foreseeable future, any foreign exchange gains or losses arising from them are recognized as part of the net investment in the foreign operating entity and classified as other comprehensive income.

(V) Criteria for Classification of Assets and Liabilities as Current and Non-current

The Consolidated Company classifies assets as current assets if they meet any of the following criteria, while all other assets not qualifying as current assets are classified as non-current assets:

1. The asset is expected to be realized during the entity's normal operating cycle or intended to be sold or consumed;
2. The asset is held primarily for trading purposes;

3. The asset is expected to be realized within twelve months after the reporting period; or
4. The asset constitutes cash or cash equivalents (as defined by International Accounting Standard 7), unless the exchange or use of the asset to settle liabilities is restricted for at least twelve months after the reporting period.

The Consolidated Company classifies liabilities as current liabilities if they meet any of the following criteria, while all other liabilities not qualifying as current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled during the entity's normal operating cycle;
2. The liability is held primarily for trading purposes;
3. The liability is due to be settled within twelve months after the reporting period; or
4. The entity does not have the right, at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period.

(VI) Cash and cash equivalents

Cash includes cash on hand, cheque deposits and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed cash with minimal risk of changes in value. Time deposits that meet the above definition and are held for short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

(VII) Financial instruments

Accounts receivable and issued debt securities are initially recognized at the time they are generated. All other financial assets and financial liabilities are initially recognized when the Consolidated Company becomes a party to the terms of the financial instruments contract. Financial assets at fair value through profit or loss (excluding accounts receivable that do not contain a significant financial component), or financial liabilities are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not include a significant financial component are initially measured at the transaction price.

1. Financial assets

Financial assets at the time of initial recognition are classified as: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. When purchasing or selling financial assets according to transaction practice, accounting treatment on the transaction date is adopted. The Consolidated Company reclassifies all affected financial assets from the first day of the next reporting period only when the business model of the managed financial assets is changed.

(1) Financial assets at amortization cost

Financial assets are measured at amortization cost when they meet all the following conditions, and are not designated as measured at fair value through profit or loss:

- The financial asset is held under the business model for the purpose of collecting contractual cash flows.
- The contractual terms of these financial assets give rise to cash flows at a specified date, exclusively for the payment of principal and interest on the outstanding principal amount.

After the initial recognition of these financial assets, the effective interest rate method is used to measure the amortized cost less the impairment loss. Interest income, foreign currency exchange gain or loss, and impairment loss are recognized in profit or loss. When de-recognized, the accumulated profit or loss is recognized in profit or loss.

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

Debt instrument investments are measured at fair value through other comprehensive income when they meet the following conditions and are not designated as measured at fair value through profit or loss:

- The financial asset is held within a business model whose objective is both to collect contractual cash flows and to sell the asset.
- The contractual terms of these financial assets give rise to cash flows at a specified date, exclusively for the payment of principal and interest on the outstanding principal amount.

Upon initial recognition, the Consolidated Company may make an irrevocable choice to report the subsequent changes in fair value of the equity instrument investments not held for trading in other comprehensive income. The aforementioned choices are made on a tool-by-tool basis.

Debt instrument investments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognized in profit or loss, while other net gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative amount of other comprehensive income in equity is reclassified to profit or loss.

Equity instrument investments are subsequently measured at fair value Dividend income (unless it clearly represents a partial recovery of cost of an investment) is recognized in profit or loss. Other net gain or loss is recognized as other comprehensive income. When derecognizing, other comprehensive income accumulated under equity items is reclassified to retained earnings, not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Consolidated Company is entitled to receive the dividend (usually the ex-dividend date).

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

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income (such as those held for trading and those managed and evaluated for performance on a fair value basis), including derivative financial assets, are measured at fair value through profit or loss. At the time of initial recognition, the Consolidated Company may irrevocably designate financial assets that meet the conditions for measurement at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss, in order to eliminate or significantly reduce accounting mismatches.

These assets are subsequently measured at fair value and their net profit or loss (including any dividend and interest income) is recognized as profit or loss.

(4) Evaluate whether the contractual cash flow is fully paid for principal and interest on the outstanding principal amount

For the purpose of evaluation, principal is the fair value of a financial asset at the time of its initial recognition, and interest consists of the following considerations: the time value of the currency, the credit risk associated with the amount of the principal outstanding during a given period, and other basic lending risks/ costs/ profit margin.

In valuating whether the contractual cash flow is exclusively for the payment of principal and interest on the outstanding principal amount, the Consolidated Company shall consider the contractual terms of the financial instrument, including the valuation of whether the financial asset contains a contractual term that changes the timing or the amount of the contractual cash flow, resulting in its inability to meet this condition. At the time of valuation, the Consolidated Company considers:

- Any contingency that would change the timing or the amount of the contractual cash flow;
- Possible adjustments to the terms of the contractual coupon rate, including the characteristics of the variable interest rate;
- Early repayment and extension characteristics; and
- The Consolidated Company's recourse rights are limited to the terms of cash flows from specific assets (e.g. non- recourse features).

(5) Impairment of financial assets

The Consolidated Company recognizes an allowance for expected credit losses for financial assets measured at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable (including related party receivables), other receivables, refundable deposits, and other financial assets) as well as for debt instrument investments measured at fair value through other comprehensive income.

For the following financial assets, the loss allowance is measured at the amount of expected credit losses for 12 months, and the rest are measured at the amount of lifetime expected credit losses:

- Debt securities determined to have low credit risk as of the reporting date; and
- Other debt securities and bank deposits whose credit risk (i.e., the risk of default during the expected life of the financial instrument) has not significantly increased since initial recognition.

Loss allowance on accounts receivable is measured on the basis of the amount of lifetime expected credit loss.

In judging whether the credit risk has significantly increased after initial recognition, the Consolidated Company shall consider reasonable and verifiable information (without the need of transition cost or input), including qualitative and quantitative information as well as analysis based on historical experience, credit valuation and prospective information.

If the credit risk rating of a financial instrument is equivalent to what is globally defined as "investment grade" (such as Standard & Poor's BBB-, Moody's Baa3, or Taiwan Ratings twA, or higher), the Consolidated Company considers the credit risk of the debt securities to be low.

Lifetime expected credit losses are expected credit losses arising from all possible defaults during the expected lifetime of the financial instrument; expected credit losses for 12 months are expected credit losses arising from potential defaults within period of 12 months after the reporting date (or a shorter period if the expected lifetime of the financial instrument is shorter than 12 months).

The maximum period for which expected credit losses are measured is the maximum contract period for which the merging company is exposed to credit risk.

Expected credit losses are weighted estimates of the probability-weighted estimate of credit losses during the expected lifetime of the financial instrument. Credit losses are measured at the present value of all cash deficiency, that is, the difference between the cash flows receivable by the Consolidated Company under the contract and the cash flows expected to be collected by the Consolidated Company. Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Consolidated Company evaluates whether financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income have experienced credit impairment. A financial asset is deemed to have experienced credit impairment if one or more adverse events affecting the estimated future cash flows of the asset have occurred. Evidence of credit impairment in a financial asset includes observable data relating to the following:

- Significant financial difficulty of the borrower or issuer;
- Default, such as delays or overdue payments exceeding 90 days;
- Concessions granted by the Consolidated Company to the borrower that the Consolidated Company would not have otherwise considered, due to the borrower's financial difficulties;
- High likelihood of the borrower filing for bankruptcy or undergoing financial restructuring; or
- Disappearance of an active market for the financial asset due to financial difficulties.

The allowance for losses on financial assets measured at amortized cost is deducted from the carrying amount of the asset. The allowance for losses on debt instrument investments measured at fair value through other comprehensive income is adjusted in profit or loss and recognized in other comprehensive income (without reducing the carrying amount of the asset).

The total carrying amount of a financial asset is reduced directly when the Consolidated Company cannot reasonably be expected to recover the whole or part of the financial asset. The Consolidated Company analyzes the time and amount of write off individually on a reasonable expectation of recoverability basis. The Consolidated Company expects that the write off amount will not be materially reversed. However, the financial assets that have been written off can still be enforced to comply with the procedures of the Consolidated Company in recovering past due amounts.

(6) Derecognition of financial assets

The Consolidated Company will derecognize financial assets only when the contractual right to cash flow from the asset is terminated, or when the financial asset has been transferred and substantially all the risks and returns of the ownership of the asset have been transferred to other enterprises, or when substantially all the risks and rewards of ownership neither have been transferred nor retained, and control of the financial asset has not been retained.

The Consolidated Company enters into transactions for the transfer of financial assets and continues to recognize them in the balance sheet to the extent that it retains all or substantially all of the risks and rewards of the ownership of the transferred assets.

2. Financial liabilities

(1) Financial liabilities

Financial liabilities are classified at amortised cost or at fair value through profit or loss. Financial liabilities that are held for trading, derivatives, or designated at initial recognition are classified as being measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are measured at fair value, and any related net gains and losses, including any interest expenses, are recognized in the income statement.

Financial liabilities measured at amortization cost are subsequently measured at cost after amortization using the effective interest method. Interest expense and gain or loss on conversion are recognized in profit or loss. Any gains or losses at the time of derecognition are also recognized in profit or loss.

(2) Derecognition of financial liabilities

Consolidated Companies are excluded from financial liabilities when contractual obligations have been performed, cancelled or become due. When the terms of the financial liabilities are modified and the cash flow of the liabilities after the modification is materially different, the original financial liabilities shall be de-recognized and the new financial liabilities shall be recognized at fair value on the basis of the modified terms.

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

3. Offset of financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis only to the extent that the Consolidated Company currently has legally enforceable rights to offset and intend to settle them on a net basis or to realize the assets and liquidate the liabilities simultaneously.

(VIII) Inventories

The original cost of inventory includes the necessary expenditures incurred to bring the inventory to a state and location suitable for sale or production. Fixed manufacturing costs are allocated to finished goods and work-in-progress based on the normal capacity of production facilities. If the actual production is not significantly different from normal capacity, allocation may also be based on actual output. Variable manufacturing costs are allocated based on actual production volume. Thereafter, it is calculated at the lower of the cost and net realizable value.

The cost is calculated by the monthly weighted average method. The net realizable value is calculated on the basis of the estimated selling price under normal business conditions at the balance sheet date less the cost and selling expenses that need to be invested until completion.

(IX) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment is measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

When the useful life of major components of property, plant and equipment is different, it shall be treated as a separate item (main component) of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenses are capitalized only when their future economic benefits are likely to flow to the Consolidated Company.

3. Depreciation

Depreciation is calculated based on the cost of assets less residual value, and is recognized in profit or loss using a straight-line method over the estimated useful life of each component.

Except for the land which is not depreciated, the estimated useful life of the remaining assets in the current period and the comparison period is as follows:

(1) Houses and buildings: 40 years.

(2) Machinery and Equipment: 5 to 8 years.

(3) Transportation equipment: 5 years.

(4) Office equipment: 5 years.

(5) Other equipment: -5 years.

The depreciation method, useful life, and residual value are reviewed at each reporting date and adjusted appropriately if necessary.

(X) Leases

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

The Consolidated Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to the end of the useful life or the end of the lease term, whichever is earlier. In addition, the Consolidated Company periodically assesses whether the right-of-use asset is reduced by impairment losses, if any, the right-of-use asset for certain re-measurements of the lease liability shall be adjusted.

Lease liabilities are initial measurements of the present value of lease benefits unpaid on the start date of the lease. If interest rate implicit in the lease is easy to determined, the discount rate shall be applied. if the rate cannot be reliably determined, the incremental borrowing rate of the Consolidated Company shall be applied. Generally, the Consolidated Company uses the incremental borrowing rate as the discount rate.

Lease benefits measured by lease liabilities include:

1. Fixed benefits, including substantial fixed benefits;
2. Depending on the variable lease benefits based on an index or rate, the index or rate at the start date of the lease is used as the initial measurement;
3. The exercise price or penalty payable upon reasonable determination that the purchase option or the lease termination option will be exercised.

Lease liabilities are subsequently accrued on the basis of the effective interest method and the amount is remeasured when:

1. Changes in future lease benefits due to changes in the index or rate used to determine lease benefits;
2. Changes in the assessment of the lease term as a result of change in the assessment of whether to exercise the extension or termination option;
3. Modification of the subject, scope or other terms of the lease.

When lease liability is remeasured as a result of the aforementioned change in the index or rate used to determine the lease benefits and the change in valuation because of extension or termination, the carrying amount of the right-of-use asset is adjusted accordingly and the remaining remeasured amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that change the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or complete termination of the lease. The difference between the amount and the remeasurement amount of the lease liability is recognized in profit or loss.

With respect to short-term leases of parking spaces, the Consolidated Company chose not to recognize the right-of-use assets and lease liabilities, and instead recognized the relevant lease payments as an expense on a straight-line basis over the lease term.

(XI) Intangible assets

Intangible assets are the cost of software purchased externally, which are measured at cost less the accumulated amortization and accumulated impairment, and are amortized into profit or loss on average over three to five years according to future economic benefit. The Consolidated Company reviews the residual value, amortization period, and amortization method of intangible assets at each reporting date and adjusts them appropriately if necessary.

(XII) Impairment of Non-financial Assets

At each reporting date, the Consolidated Company assesses whether there are indications that the carrying amount of non-financial assets (excluding inventory, deferred tax assets, and assets arising from employee benefits) may be impaired. If any indication exists, the recoverable amount of the asset is estimated.

For the purpose of impairment testing, the smallest identifiable Consolidated Company of assets that generates cash inflows largely independent of those from other individual assets or Consolidated Companys of assets is considered. Goodwill acquired in a business combination is allocated to each cash-generating unit or Consolidated Company of cash-generating units expected to benefit from the synergies of the merger.

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

If the recoverable amount of the individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized.

Impairment losses are immediately recognized in the current profit or loss, and the carrying amount of goodwill allocated to the cash-generating unit is reduced first, followed by proportionate reductions to the carrying amounts of other assets within the unit. For non-financial assets other than goodwill, reversal of impairment losses is limited to the carrying amount that would have been determined had no impairment loss been recognized in previous years (deducted for depreciation or amortization).

(XIII) Provision for Liabilities

The recognition of liability provision means a current obligation for past events, so that the Consolidated Company is most likely to outflow resources with economic benefits to settle it in the future, and the amount of the obligation can be reliably estimated.

The provision for warranty liabilities is recognized at the time of the sale of goods or services. This provision is measured based on estimates derived from historical warranty data.

(XIV) Income from Contracts with Clients

Income is measured at the consideration to which the transfer of goods or services is expected to be entitled. The Consolidated Companies recognize the income when the control over goods or labor service is transferred to client meeting the performance of obligation. The main income items of the Consolidated Company are described as follows:

1. Sale of goods - rugged computers

   The Consolidated Company manufactures and sells rugged computers to its client. The Consolidated Company recognizes income when control of a product is transferred to a client. The transfer of control over such product means that such product has been delivered to the client. The client can fully determine the sales channel and price of the product, and there is no longer any unfulfilled obligation that would affect the client's acceptance of such product. Delivery is when the client has accepted the product in accordance with the terms of the transaction, the risk of obsolescence and loss has been transferred to the client, and the Consolidated Company has objective evidence that all the acceptance conditions have been satisfied.

   The Consolidated Company provides a guarantee for the sales of rugged computers in accordance with the agreed specifications and has recognized provision for guarantee liabilities in respect of the obligation. For details, please refer to Note 6 (9).

2. Merchandise for sale - business laptops

   The Consolidated Company sells business laptops in the retail market and recognizes income when the product physically delivers it to the client. Prices are mostly paid immediately when the client purchases the product.

3. Labor service income

   The Consolidated Company provides client laptop repair services and recognizes the related Income upon completion of the provision of the services.

4. Financial component

   The Consolidated Company does not adjust the monetary time value of the transaction price, as the time between the transfer of the goods or labor services to the client and relevant payment from the client is expected to be less than one year.

(XV) Employee benefits

1. Defined contribution plan

   The obligation to determine the contribution to pension plan is recognized as expense during employee's period of service.

2. Defined benefit plan

   The net obligation of the Company under the defined benefit plan is measured at the discounted value of the amount of future benefits earned by employees during the current or prior period of service, less the fair value of the plan assets.

The Consolidated Company's defined benefit obligations are actuarially determined annually by a qualified actuarial practitioner using the projected unit credit method. When the calculation result may be beneficial to the Consolidated Company, the recognized assets are limited to the present value of any economic benefits that can be obtained in the form of contributions refund or reduction in future payments of the plan. In calculating the present value of economic benefits, any minimum funding requirement shall be considered.

The remeasurement of the net defined benefit liability (asset), including any changes in actuarial gains and losses, returns on plan asset (excluding interest) and the impact of the asset cap (excluding interest), is recognized immediately in other comprehensive income and accumulated in other equity. The net interest expense of the Consolidated Company's determined net defined benefit liability (asset) is determined using the net defined benefit liability (asset) and discount rate determined at the beginning of the annual reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

When the plan is revised or reduced, the changes in benefits related to the past service costs or reduced benefits or losses are immediately recognized as profit or loss. The Consolidated Company recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

The obligation for short-term employee benefits is measured on non-discounted basis, and is recognized as an expense when the relevant services are rendered. For expected payment amount under short-term cash bonus or dividend scheme, if the Consolidated Company undertakes current obligation of legal or constructive payment for the previous provision of services by employees and the obligation can be reliably estimated, the amount shall be recognized as liability.

(XVI) Income tax

Income tax includes current and deferred income tax. Except for items related to business combination or direct recognition in equity or other comprehensive income, income tax and deferred income tax for the current period are recognized in profit or loss.

The current income tax includes the estimated income tax payable or income tax refund receivable calculated, based on the taxable income (loss) of the current year and any adjustments to the income tax payable or income tax refund receivable in previous year. The amount is measured based on the best estimated value of payments to be made or received, using the statutory tax rate or the substantively enacted tax rate as of the reporting date.

Deferred income tax is recognized by measuring the temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and their tax base. Deferred income tax is not recognized for temporary differences arising under the following circumstances:

1. Assets or liabilities that are not initially recognized in transactions that are not business combinations and do not (i) impact accounting profit and taxable income (loss) at the time of the transaction, and (ii) do not create equal temporary differences for taxable and deductible purposes.
2. Temporary differences arising from the investment in subsidiary, associate, and joint venture equity, the Consolidated Company can control the reversal timing of the temporary difference and is unlikely to be reversed in the foreseeable future; and
3. Taxable temporary differences arising from initial recognition of goodwill.

Unused tax losses and unused income tax credits carried forward, and deductible temporary differences are recognized as deferred tax assets to the extent that future taxable income is probable to be available. In addition, it shall be reevaluated at each reporting date to reduce the relevant income tax benefit to the extent that it is not probable to be realized; or to reverse the previously reduced amount to the extent that it is probable to be sufficient for taxable income.

Deferred income tax is measured at the tax rate expected to apply when the temporary differences reverse, based on the statutory tax rate or substantively enacted tax rate as of the reporting date, and reflects any uncertainties related to income taxes (if applicable).

The Consolidated Company will offset the deferred income tax assets and deferred income tax liabilities only if the following conditions are met simultaneously:

1. Have the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred tax assets and deferred tax liabilities are related to one of the following taxable entities subject to income tax levied by the same tax authorities;
   (1) The same taxable entity; or
   (2) Different taxable entities, provided that each entity intends to settle the current income tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period of expected recovery of deferred tax assets and expected settlement of deferred tax liabilities to a material amount.

(XVII) Earnings per share

The Consolidated Company presents basic and diluted earnings per share attributable to ordinary share equity holders. The Consolidated Company's basic earnings per share is calculated by dividing the profit or loss attributable to the equity holders of ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the current period. Diluted earnings per share is attributed to the profit or loss of the ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding, and is calculated after adjusting the effect of all potential diluted ordinary shares. The Company's potential diluted ordinary shares are employee remuneration with the option to issue shares.

(XVIII) Segment Information

The operating division is an operating unit of the Consolidated Company that engages in activities that may result in income and expenses (including income and expenses related to transactions between other divisions of the Consolidated Company). The operation results of all operating divisions are periodically reviewed by the chief operating decision makers of the Consolidated Company, in order to make decisions on the allocation of resources to the division and to evaluate its performance. In addition, it is with separate financial information.

V. Critical Accounting Judgments, Assumptions, and Key Sources of Estimation Uncertainty

When preparing this consolidated financial report, management must make judgments and estimates about the future (including climate-related risks and opportunities), which will affect the application of accounting policies as well as the reported amounts of assets, liabilities, revenue, and expenses. Actual results may vary from estimates, and we will continually assess and adapt based on historical experience and other factors.

Management continuously reviews estimates and underlying assumptions to align with the Consolidated Company's risk management and climate-related commitments. Changes in estimates are deferred to the period of change and future periods impacted.

The following assumptions and uncertainties in estimates present significant risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year. Relevant information is as follows:

Since the inventory is measured at the lower of cost and net realizable value, the Consolidated Company must use judgment and evaluation to determine the net realizable value of inventory at the reporting date. Based on business considerations, the Consolidated Company sometimes needs to establish longer-term inventory for some key components. However, the future demand is likely to change. The Consolidated Company assesses the amount of inventory at the reporting date due to obsolescence or below the market selling price, and reduces the cost of inventory to the net realizable value. This inventory valuation is primarily based on estimates of goods demand over specified period in the future. Therefore, it might be subject to significant changes. Please refer to Note 6 (4) for details of inventory valuation.

VI. Description of Significant Accounts

(I) Cash and cash equivalents

	2024.12.31	2023.12.31
Cash on hand	$ 582	551
Checking deposit and demand deposit	532,939	310,605
	$ 533,521	**311,156**

As of December 31, 2024 and 2023, the Consolidated Company's bank time deposits with original maturity dates exceeding three months amounted to NT$234,771,000 and NT$206,100,000, respectively, and were reported under other financial assets - current.

(II) Financial instruments

1. Financial assets at fair value through profit or loss - current

		2024.12.31	2023.12.31
Money funds	$	210,499	-

Please refer to Note 6 (16) for the amount re-measured at fair value and recognized in profit or loss.

2. Financial assets at fair value through other comprehensive income - non-current

		2024.12.31	2023.12.31
Debt instruments measured at fair value through other comprehensive income:			
Foreign corporate bonds	$	19,449	-
Equity instruments measured at fair value through other comprehensive income:			
Unlisted stocks		141,640	18,262
Overseas stocks		1,087,589	847,713
Total	$	1,248,678	865,975

(1) Debt instrument investments measured at fair value through other comprehensive income

The Consolidated Company assesses that its bond investments are held within a business model aimed at achieving objectives through the collection of contractual cash flows and the sale of financial assets. Therefore, they are reported as financial assets measured at fair value through other comprehensive income.

(2) Equity investments measured at fair value through other comprehensive income

The Consolidated Company holds these equity investments as long-term strategic investments, not for trading purposes. Therefore, they are designated as measured at fair value through other comprehensive income.

During 2024 and 2023, the Consolidated Company sold part of the aforementioned shares of foreign-listed companies due to investment strategies. The fair values at the time of disposal were NT$297,478,000 and NT$34,867,000, respectively, with cumulative disposal gains (net of tax) of NT$112,436,000 and NT$12,213,000, respectively. These cumulative gains have been reclassified from other equity to retained earnings.

Information on significant equity investments in foreign currencies on the balance sheet date is as follows:

	2024.12.31			2023.12.31		
	Foreign currency	**Exchange rate**	**NT$**	**Foreign currency**	**Exchange rate**	**NT$**
EUR	$ 4,149	34.14	141,640	537	33.98	18,262
SEK	363,742	2.99	1,087,589	275,231	3.08	847,713

As of December 31 2024 and 2023, none of the financial assets of the aforementioned consolidated company were pledged as collateral.

(III) Notes and accounts receivable (related parties)

	2024.12.31	**2023.12.31**
Notes and accounts receivable	$ 63,701	120,085
Less: Allowance for losses	(363)	-
	63,338	120,085
Accounts receivable - related parties	151,556	309,437
Less: Allowance for losses	(135)	-
	151,421	309,437
	$ 214,759	429,522

The Consolidated Company estimated expected credit losses using a simplified approach for all notes and accounts receivable, i.e., using lifetime expected credit losses, and forward-looking information. The analysis of expected credit losses on the Consolidated Companys notes and accounts receivable is as follows:

	2024.12.31		
	Carrying amount of notes and accounts receivable	**Weighted average expected credit loss ratio**	**Allowance for lifetime expected credit losses**
Not past due	$ 206,040	0.09512%	196
Payment is due within 30 days	9,217	3.27620%	302
	$ 215,257		498

	2023.12.31		
	Carrying amount of notes and accounts receivable	**Weighted average expected credit loss ratio**	**Allowance for lifetime expected credit losses**
Not past due	$ 395,173	0.00000%	-
Payment is due within 30 days	34,309	0.00003%	-
Overdue for 31 to 60 days	40	0.00792%	-
	$ 429,522		**-**

Changes in allowance for loss on notes and accounts receivable of the Consolidated Company are as follows:

	Fiscal Year 2024	**Fiscal Year 2023**
Opening balance	$ -	-
Recognized impairment loss	498	-
Ending balance	**$ 498**	**-**

(IV) Inventories

	2024.12.31	**2023.12.31**
Merchandise	$ 136,035	111,765
Finished goods	1,380	1,689
Semi-finished goods	163,208	131,130
Work in process	241,222	386,932
Raw materials	675,916	566,303
	$ 1,217,761	**1,197,819**

The breakdown of the cost of goods sold is as follows:

	Fiscal Year 2024	**Fiscal Year 2023**
Costs of inventories sold	$ 1,891,893	2,052,797
Warranty provision	10,828	10,424
Inventory valuation loss	52,633	25,338
	$ 1,955,354	**2,088,559**

The above inventory valuation loss is recognized by the consolidated company due to the write-down of the inventory to the net realizable value and is recognized under the accounts of operating costs.

(V) Property, plant and equipment

		Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
Cost:								
Balance as of January 1, 2024	$	147,478	75,609	109,746	7,567	2,212	91,532	434,144
Additions		-	1,267	56,881	2,288	125	27,463	88,024
Disposal		-	-	(14,118)	(1,500)	-	-	(15,618)
Reclassification (Note)		-	-	29,346	-	-	1,009	30,355
Balance on December 31, 2024	$	147,478	76,876	181,855	8,355	2,337	120,004	536,905
Balance on January 1, 2023	$	147,478	72,775	93,919	7,567	762	83,242	405,743
Additions		-	2,834	16,117	-	1,450	13,899	34,300
Disposal		-	-	(290)	-	-	(5,609)	(5,899)
Balance on December 31, 2023	$	147,478	75,609	109,746	7,567	2,212	91,532	434,144
Depreciation:								
Balance as of January 1, 2024	$	-	30,094	70,428	5,881	632	70,564	177,599
Depreciation		-	3,265	13,144	1,103	263	13,327	31,102
Disposal		-	-	(13,970)	(1,500)	-	-	(15,470)
Balance on December 31, 2024	$	-	33,359	69,602	5,484	895	83,891	193,231
Balance on January 1, 2023	$	-	27,169	64,497	4,969	453	66,155	163,243
Depreciation		-	2,925	6,204	912	179	9,827	20,047
Disposal		-	-	(273)	-	-	(5,418)	(5,691)
Balance on December 31, 2023	$	-	30,094	70,428	5,881	632	70,564	177,599
Book value:								
December 31, 2024	$	147,478	43,517	112,253	2,871	1,442	36,113	343,674
January 1, 2023	$	147,478	45,606	29,422	2,598	309	17,087	242,500
December 31, 2023	$	147,478	45,515	39,318	1,686	1,580	20,968	256,545

(Note) This amount has been transferred from the payments for prepaid equipment.

(VI) Right-of-use assets

The cost and accumulated depreciation of properties and buildings leased by the Consolidated Company, along with the details of changes, are as follows:

		Buildings
Cost of right-of-use assets:		
Balance as of January 1, 2024	$	198,865
Additions		45,433
Decrease		(16,327)
The effects of changes in foreign exchange rates		(42)
Balance on December 31, 2024	$	227,929
Balance on January 1, 2023	$	141,471
Additions		59,163
Decrease		(1,777)
The effects of changes in foreign exchange rates		8
Balance on December 31, 2023	$	198,865

	Buildings
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2024	$ 123,521
Depreciation in this period	38,975
Decrease	(15,329)
The effects of changes in foreign exchange rates	(42)
Balance on December 31, 2024	**$ 147,125**
Balance on January 1, 2023	$ 91,803
Depreciation in this period	33,487
Decrease	(1,777)
The effects of changes in foreign exchange rates	8
Balance on December 31, 2023	**$ 123,521**
Book value:	
December 31, 2024	**$ 80,804**
January 1, 2023	**$ 49,668**
December 31, 2023	**$ 75,344**

(VII) Intangible assets

	Computer software
Cost:	
Balance as of January 1, 2024	$ 45,005
Additions in current period	3,655
Balance on December 31, 2024	**$ 48,660**
Balance on January 1, 2023	$ 42,411
Additions in current period	2,594
Balance on December 31, 2023	**$ 45,005**
Accumulated amortization:	
Balance as of January 1, 2024	$ 38,547
Amortization in current period	4,391
Balance on December 31, 2024	**$ 42,938**
Balance on January 1, 2023	$ 32,994
Amortization in current period	5,553
Balance on December 31, 2023	**$ 38,547**
Book value:	
Balance on December 31, 2024	**$ 5,722**
Balance on January 1, 2023	**$ 9,417**
Balance on December 31, 2023	**$ 6,458**

Amortization expenses of intangible assets for the years 2024 and 2023 are reported under the following items in the statement of comprehensive income:

	Fiscal Year 2024	Fiscal Year 2023
Operating costs	$ 2,150	2,211
Operating expenses	2,241	3,342
Total	$ 4,391	5,553

(VIII) Lease liabilities

The carrying amounts of the Consolidated Company's lease liabilities are as follows:

	2024.12.31	2023.12.31
Current	$ 35,771	33,798
Non-current	$ 45,763	42,018

For maturity analysis, please refer to Note 6 (17) Financial Instruments.

The amounts of leases recognized in profit or loss are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Interest expenses on lease liabilities	$ 1,176	848
Short-term lease expenses	$ 349	351
COVID-19-related rent concessions	$ -	15

The amounts recognized in the cash flow statement are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Total cash outflow from leases	$ 40,238	34,442

The Consolidated Company leases retail stores and factories, with lease terms typically ranging from one to five years. Upon expiration of the lease period, the lease agreements are renegotiated for the lease duration and payment terms.

The Consolidated Company leases parking spaces for scooters, and these leases are low-value leases. The Consolidated Company elects to apply recognition exemptions and does not recognize its relevant right-of-use assets and lease liabilities.

(IX) Provision for Liabilities

	Warranty
Balance as of January 1, 2024	$ 13,152
Provision for new liabilities in the current period	10,828
Provision for liabilities used in the current period	(2,359)
Balance on December 31, 2024	$ 21,621

		Warranty
Balance on January 1, 2023	$	6,855
Provision for new liabilities in the current period		10,424
Provision for liabilities used in the current period		(4,127)
Balance on December 31, 2023	**$**	**13,152**

The provision for warranty liabilities primarily relates to computer sales. The provision is estimated based on historical warranty data for the sold goods. The Consolidated Company expects that the majority of these liabilities will be incurred gradually over one to three years following the sale.

(X) Employee benefits

1. Defined benefit plan

Only the Consolidated Company has defined benefit retirement plans.

Adjustments between the present value of the Company's defined benefit obligations and the fair value of the planned assets are as follows:

		2024.12.31	2023.12.31
Present value of defined benefit obligation	$	76,663	87,674
Fair value of planned assets		(65,012)	(57,373)
Net defined benefit liabilities	**$**	**11,651**	**30,301**

The Company's defined benefit plan is a special reserve for employee retirement appropriated to the bank of Taiwan. The payment of employee's pension benefit is calculated based on the base number upon the years of service and the average salary of the six months prior to retirement.

(1) Composition of planned assets

The Retirement Fund appropriated by the Company in accordance with the Labor Standards Act, is subject to the unified management by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the Bureau of Labor Funds). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," as the operation of the fund, the annual minimum income allocated shall not be lower than the accumulated interest calculated at the average yearly rate of the local bank’s two-year time deposit rate in the same period.

As of December 31, 2024 and 2023, the balance in the Company's Taiwan Bank Labor Retirement Reserve Account amounted to NT$65,012,000 and NT$57,373,000, respectively. For information on the utilization of the assets of the Labor Retirement Fund (including the fund's earning rate and asset allocation), please refer to the information published on the website of the Bureau of Labor Fund.

(2) Changes in present value of defined benefit obligations

The changes in present value of the Company's defined benefit obligations are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Defined benefit obligations as of January 1	$ 87,674	96,319
Current service cost	62	134
Interest cost	1,393	1,662
Retirement benefits paid - special account for employee pension reserve	(5,988)	(15,348)
Net remeasurement of defined benefit liabilities		
- Actuarial loss (gain) resulting from empirical adjustments	(4,124)	3,960
- Actuarial loss (gain) arising from changes in financial assumptions	(2,354)	947
Defined benefit obligations on December 31	$ 76,663	87,674

(3) Changes in fair value of planned assets

The changes in the fair value of the Company's defined benefit plan assets are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Fair value of defined benefit planned assets on January 1	$ 57,373	67,582
Amount allocated to plan	6,903	3,726
Interest income	932	1,191
Amount of retirement fund paid	(5,988)	(15,348)
Net remeasurement of defined benefit liabilities		
- return on planned assets (excluding current interest)	5,792	222
Fair value of defined benefit planned assets on December 31	$ 65,012	57,373

(4) Changes in cap asset effects

The Consolidated Company had no cap asset effect change in the defined benefit plans of 2024 and 2023.

(5) Expense recognized and included in profit or loss

Expenses reported and included as profit or loss by the Company are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Current service cost	$ 62	134
Interest on net defined benefit liabilities	461	471
	$ 523	605
Operating costs	$ 44	330
Operating expenses	479	275
	$ 523	605

(6) Actuarial assumptions

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

	2024.12.31	2023.12.31
Discount rate	2.000%	1.625%
Future salary increase rate	3.00%	3.00%

The Company expects to contribute NT$3,772,000 to the defined benefit plan within one year after December 31, 2024.

The weighted average duration of defined benefit plans is 12.33 years.

(7) Sensitivity analysis

As of December 31, 2024 and 2023, the carrying amounts of the Company's net defined benefit liabilities were NT$11,651,000 and NT$30,301,000, respectively. When the discount rate and employee salary increase rate are adjusted by ±0.25%, the changes in the present value of the Company's defined benefit obligations as of December 31, 2024 and 2023 are as follows:

	2024.12.31			
	Discount rate		Rate of salary changes	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
Increase (decrease) in present value of defined benefit obligations	$ (1,501)	1,563	1,508	(1,464)

	2023.12.31			
	Discount rate		Rate of salary changes	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
Increase (decrease) in present value of defined benefit obligations	$ (1,874)	1,935	1,872	(1,822)

The above sensitivity analysis is based on the influence of a single assumption change while the others remain unchanged. In practice, changes in many assumptions might be linked. The method adopted for sensitivity analysis is consistent with the method used to calculate the net pension benefit liabilities on the balance sheet.

The methods and assumptions applied in preparing sensitivity analysis in this period are identical to those in the preceding periods.

2. Defined contribution plan

The Company's defined contribution plan is schemed according to the Labor Pension Act, allocated to the Labor Pension Personal Account prescribed by the Bureau of Labor Insurance, at the contribution rate of 6 % of the employee's monthly wage. In contrast, the overseas subsidiaries allocate retirement funds in compliance with the applicable local laws and regulations. There is no statutory or constructive obligation for the Consolidated Company to pay additional amount, if the Consolidated Company has allocated fixed amount to the Bureau of Labor Insurance.

The retirement benefit expenses under the defined contribution plan of the Consolidated Company for 2024 and 2023, were NT$12,800,000 and NT$11,921,000, respectively.

(XI) Income tax

1. Income tax expenses

The details of income tax expense of the Consolidated Company in 2024 and 2023 are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Income tax expenses in current period		
Income tax from current income	$ 180,588	137,797
Adjustment of current income tax incurred in the preceding period	(5,516)	(3,665)
	175,072	134,132
Deferred income tax expenses		
Occurrence and reversal of temporary differences	(37,919)	(12,128)
Income tax expenses	**$ 137,153**	**122,004**

Details of income tax expense recognized under other comprehensive income are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Defined benefits plans remeasurement	$ 2,454	(937)
Equity investments measured at fair value through other comprehensive income	101,247	(33,473)
Disposal of financial assets at fair value through other comprehensive income	28,109	3,053
Debt instrument investments measured at fair value through other comprehensive income	106	-
	$ 131,916	(31,357)

Adjustments between the income tax expenses in 2024 and 2023 and the net profit before tax of the Consolidated Company are as follows:

	Fiscal Year 2024	Fiscal Year 2023
Net profit before tax	$ 639,450	588,641
Income tax calculated at the domestic tax rate of the Company	$ 127,890	117,728
Tax on undistributed earnings	5,849	-
Early-stage overestimation	(5,516)	(3,665)
Others	8,930	7,941
	$ 137,153	122,004

2. Deferred Income Tax Assets and Liabilities

Changes in deferred income tax assets and liabilities in 2024 and 2023 are as follows:

Deferred income tax assets:

	Defined benefit plan	Allowance for Loss on Inventory Valuation	Others	Total
January 1, 2024	4,992	59,164	9,951	74,107
Statement of profit or loss - credit (debit)	$ (1,276)	10,527	(1,891)	7,360
other comprehensive income - credit (debit)	(2,454)	-	-	(2,454)
December 31, 2024	$ 1,262	69,691	8,060	79,013
January 1, 2023	$ 4,679	54,096	6,085	64,860
Statement of profit or loss - credit (debit)	(624)	5,068	3,866	8,310
other comprehensive income - credit (debit)	937	-	-	937
December 31, 2023	$ 4,992	59,164	9,951	74,107

Deferred income tax liabilities:

	Financial assets at fair value through other comprehensive income
January 1, 2024	$ 166,833
Statement of profit or loss - debit (credit)	(30,559)
other comprehensive income - debit (credit)	101,353
December 31, 2024	**$ 237,627**
January 1, 2023	$ 204,124
Statement of profit or loss - debit (credit)	(3,818)
other comprehensive income - debit (credit)	(33,473)
December 31, 2023	**$ 166,833**

3. The Company has submitted tax return applications until the year of 2022, as prescribed by the tax authority, upon settlement and audit.

(XII) Capital and other equity

1. Ordinary share capital

As of December 31, 2024 and 2023, the Company had an authorized capital of NT$700,000,000, with a par value of NT$10 per share. The total number of shares was 70,000,000, divided equally, and the number of issued shares was 58,685,000.

2. Capital surplus

The details of the Company's capital surplus balance are as follows:

	2024.12.31	2023.12.31
Premium on share issuance	$ 72,650	72,650
Difference between actual disposal of subsidiary equity and book value	1,731	1,463
	$ 74,381	**74,113**

According to the provisions of the Company Act, the capital surplus must be preferentially used to cover losses before it can be issued to new shares or cash in proportion to the shareholders' original ratio. Realized capital surplus, as referred to in the preceding paragraph, includes the excess of the proceeds of issuing shares over the par value and the gains incurred from gifts received. According to Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the aggregate annual appropriation of the capital surplus available for allocation shall not exceed ten percent of the paid-up capital.

3. Retained earnings

(1) Legal reserve

When there is no loss in the Company, the legal reserve can be used to issue new shares or cash upon resolution at the Shareholders' Meeting, but must be limited to the part of the reserve that has exceeded 25% of the paid-up capital.

(2) Special reserve

In accordance with the provisions of the Financial Supervisory Commission, when the Company distributes distributable earnings, based on the net deduction of other shareholders' equity of the current period, the special reserve of the same amount shall be drawn from the profit or loss of the current period and the undistributed earnings of the previous period; For the net deduction of other shareholders' equity in the previous period, special reserve of the same amount drawn from the undistributed earnings of the previous period shall not be distributed. If other shareholders' equity deduction has been reversed, the surplus may be distributed in accordance with the reversed portion.

(3) Earnings distribution

In accordance with the provisions of the Articles of Incorporation of the Company, if there is any profit in the annual general accounts of the Company, the Company shall withhold the tax to make up the past losses, and withhold a legal reserve by 10%. However, when the legal reserve has reached the amount of the paid-in capital of the Company, it shall not be withheld anymore. In addition, after the special reserve is raised or transferred as required by laws and regulations, the Company shall accumulate the undistributed earnings, and the Board of Directors shall propose the allocation of surplus to the Shareholders' Meeting for resolution and distribution.

The Company's dividend distribution policy is based on the Company's capital budget, medium-term and long-term operational plan and financial position, and is distributed after the resolution of the shareholders' meeting in accordance with the following principles:

A. Except for the distribution of reserve in accordance with the following item B, the company shall not distribute dividends when there is no surplus, but when the legal reserve has exceeded 50% of the total capital, the excess part can be distributed. The distribution of surplus can be made in the form of stock dividends or cash dividends, and the distribution ratio considerations are as follows:

   a. To meet the Company's needs of expanding its scale of operations in the future;

b. To maintain a balance in the profitability of the Company's earnings per share;

c. To consider the Company's cash flow and operating earnings situation.

Among them, cash dividends shall account for 20% ~ 100% of the total dividends, and the share dividends shall account for 0% ~ 80% of the total dividends. Upon decision by the Board of Directors, the dividends shall be distributed by the resolution of the shareholders' meeting.

B. When the Company has no distributable surplus available in the current year, or the amount of the surplus is much lower than the surplus distributed by the Company in the preceding year, or distribute all or part of the reserves for financial, business, and operation considerations according to the laws and regulations, or the regulations of the competent authorities.

The annual shareholders' meeting passed the resolutions for the 2023 and 2022 earnings distribution proposals on June 12, 2024 and June 14, 2023, respectively. The dividends distributed to owners are as follows:

	Fiscal Year 2023		Fiscal Year 2022	
	Dividend per share (NT$)	**Amount**	**Dividend per share (NT$)**	**Amount**
Dividends distributed to owners of ordinary shares:				
Cash	$ 5.40	$ 316,902	3.60	211,268

On March 12, 2025, the Board of Directors of the Company proposed the following profit distribution plan for 2024:

	Fiscal Year 2024	
	Dividend per share (NT$)	**Amount**
Dividends distributed to owners of ordinary shares:		
Cash	$ 6.00	$ 352,113

4. Other equity (net after-tax)

	Exchange differences arising from the translation of Financial Report of foreign operations	Unrealized gain or loss on financial assets at fair value measurement through other comprehensive income	Remeasurement of defined benefit plan	Total
Balance as of January 1, 2024	$ 20	252,022	(10,396)	241,646
Exchange differences arising from the net assets of foreign operations	(428)	-	-	(428)
Unrealized gains on financial assets at fair value measurement through other comprehensive income	-	531,801	-	531,801
Determination of net after tax actuarial gains and losses of benefit plans	-	-	9,816	9,816
Disposal of equity instruments designated at fair value through other comprehensive income	-	(112,436)	-	(112,436)
Balance on December 31, 2024	$ (408)	671,387	(580)	670,399
Balance on January 1, 2023	$ -	387,473	(6,648)	380,825
Exchange differences arising from the net assets of foreign operations	20	-	-	20
Unrealized loss on financial assets at fair value through other comprehensive income	-	(123,238)	-	(123,238)
Determination of net after tax actuarial gains and losses of benefit plans	-	-	(3,748)	(3,748)
Disposal of equity instruments designated at fair value through other comprehensive income	-	(12,213)	-	(12,213)
Balance on December 31, 2023	$ 20	252,022	(10,396)	241,646

(XIII) Earnings per share

1. Basic earnings per share

	Fiscal Year 2024	Fiscal Year 2023
Net income attributable to holders of the Company's ordinary shares	495,221	460,828
Weighted average number of outstanding ordinary shares (in thousands of shares)	58,685	58,685
Basic earnings per share (NT$)	8.44	7.85

2. Diluted earnings per share

	Fiscal Year 2024	Fiscal Year 2023
Net income attributable to holders of the Company's ordinary shares	495,221	460,828
Weighted average number of outstanding ordinary shares (in thousands of shares)	58,685	58,685
The effect of employee remuneration	928	852
Weighted average number of outstanding ordinary shares (after adjustment for the effect of potentially dilutive ordinary shares)	59,613	59,537
Diluted earnings per share (NT$)	8.31	7.74

(XIV) Revenue from customer contracts

1. Breakdown of income

	Fiscal Year 2024	Fiscal Year 2023
Main product/service lines:		
Business computer	$ 1,361,708	1,432,326
Rugged computer	1,403,886	1,494,277
Repair and maintenance services and others	87,797	62,471
	$ 2,853,391	2,989,074

For market information of main sales region, please refer to Note 14 (3).

2. Contract balance

	2024.12.31	2023.12.31	112.1.1
Notes and accounts receivable (related parties)	$ 215,257	429,522	107,863
Less: Allowance for losses	(498)	-	-
Total	$ 214,759	429,522	107,863
Contract liabilities (including related parties)	$ 163,573	237,639	246,664

Please refer to Note 6 (3) for the notes and accounts receivable (including related parties) and impairment thereof disclosed.

The contract liabilities mainly arise from advances received from the sales of rugged computers, which will be reclassified to revenue when the Consolidated Company delivers the products to clients. The initial balance of contract liabilities on January 1, 2024 and 2023, which were recognized as revenue, respectively, amounted to NT$102,842,000 and NT$78,600,000, respectively.

(XV) Remuneration to employees and directors

In accordance with the provisions of the Articles of Incorporation of the Company, in case of profit earned in the year, 5% ~ 10% of the profit shall be allocated as employee's remuneration, while no more than 3% of the profit shall be allocated as the director's remuneration. However, it shall reserve an amount to compensate a deficit in advance if the Company has a cumulative deficit. The recipients of the employee remuneration in stock or cash in the preceding paragraph include employees at subsidiaries who meet certain criteria.

The estimated amount of employee compensation of the Company for 2024 and 2023 amounted to NT$67,752,000 and NT$61,896,000, respectively. The director's estimated remuneration amounted to NT$13,579,000 and NT$12,634,000, respectively. The estimated amount is calculated on the net profit before tax of the Company, without deducting employee and director compensation, and multiplied by the distribution percentages of employee and director remuneration, as prescribed by the Articles of Incorporation of the Company. It is recognized and included as operating cost or operating expenses for 2024 and 2023. If the employee remuneration is issued in the form of shares, the number of shares allotted shall be calculated based on the closing market price of ordinary shares on the day ahead of the meeting of Board of Directors. In case of a difference between the actual amount allocated and the estimated amount, it shall be treated as a change in accounting estimates.

The remuneration of employees and directors assigned by the resolution of the Board of Directors of the Company does not differ from the aforementioned amount estimated in the 2024 and 2023 financial statements of the Company, and is fully distributed in cash. For relevant information, please refer to the Market Observation Post System (MOPS).

(XVI) Non-operating income and expenses

1. Interest income

	Fiscal Year 2024	Fiscal Year 2023
Interest income from cash in banks	$ 6,750	5,452
Other interest income	4,709	4,407
	$ 11,459	**9,859**

2. Other income

	Fiscal Year 2024	Fiscal Year 2023
Dividend income	$ 61,203	6,796
COVID-19-related rent concessions	-	15
Others	4,681	1,155
	$ 65,884	**7,966**

3. Other gains and losses

		Fiscal Year 2024	Fiscal Year 2023
Foreign exchange gains (losses)	$	19,397	(9,149)
Gains on financial assets measured at fair value through profit or loss		1,509	339
Gains (losses) from disposal of property, plant and equipment		198	(108)
Others		(49)	(141)
	$	21,055	(9,059)

4. Financial cost

		Fiscal Year 2024	Fiscal Year 2023
Interest expense			
Lease liabilities	$	(1,176)	(848)
Others		(248)	(47)
	$	(1,424)	(895)

(XVII) Financial instruments

1. Types of financial instruments

(1) Financial assets

		2024.12.31	2023.12.31
Financial assets at fair value through profit or loss - current:			
Money funds	$	210,499	-
Financial assets at fair value through other comprehensive income - non-current:			
Foreign corporate bonds		19,449	-
Unlisted stocks		141,640	18,262
Overseas listed stocks		1,087,589	847,713
Financial assets at amortized cost:			
Cash and cash equivalents		533,521	311,156
Notes and accounts receivable (related parties)		214,759	429,522
Other payables (including related parties)		-	5,004
Other financial assets - current		234,771	206,100
Other non-current assets - guarantee deposits paid		9,784	8,500
Total	$	2,452,012	1,826,257

(2) Financial liabilities

		2024.12.31	2023.12.31
Financial liabilities at amortized cost:			
Lease liabilities	$	81,534	75,816
Notes and accounts payable		127,410	153,386
Other payables (including related parties)		160,803	150,795
Total	$	369,747	379,997

2. Credit risk

(1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount of credit risk exposure. The Consolidated Company's maximum amounts of credit risk exposure as of December 31, 2024 and 2023 were NT$2,452,012,000 and NT$1,826,257,000, respectively.

(2) Concentration of credit risk

A significant concentration of credit risk that occurs when the trading counterpart to a financial instrument has a significant concentration of one person, or when there are several counterparts to a financial instrument. Most of them are engaged in similar commercial activities and have similar economic characteristics, so their ability to perform their contracts is similarly affected by economic or other conditions. Of the net accounts receivable (including accounts receivable from related parties) of the Consolidated Company as of December 31, 2024 and 2023, a total of 96% and 99% were composed of four of the clients, which made the Consolidated Company have a concentration of credit risk. In order to reduce credit risk, the Consolidated Company continuously assesses the financial position of clients and strictly monitors the credit line.

(3) Credit risk of accounts receivable and debt securities

For credit risk exposure information related to notes and accounts receivable (including related parties), please refer to Note 6(3).

Other financial assets measured at amortized cost (including other receivables (including related parties), other financial assets-current, and other non-current assets-security deposits), as well as investments in debt instruments measured at fair value through other comprehensive income (investments in foreign corporate bonds), are all classified as low-credit-risk financial assets. Therefore, the allowance for losses during the period is measured based on the 12-month expected credit loss amount (for the explanation of how the Consolidated Company determines low credit risk, please refer to Note 4(7)). As of December 31, 2024 and 2023, no expected credit losses were recognized upon evaluation.

3. Liquidity risk

The contract maturity date of the Consolidated Company's financial liabilities, including the estimated interest, is analyzed as follows:

	Contractual cash flows	Less than 6 months	6-12 months	1-2 year(s)	2 to 5 years	Over 5 years
December 31, 2024						
Notes and accounts payable	$ (127,410)	(127,410)	-	-	-	-
Lease liabilities	(83,654)	(19,443)	(17,386)	(34,982)	(11,655)	(188)
Other payables (including related parties)	(160,803)	(160,803)	-	-	-	-
	$ (371,867)	(307,656)	(17,386)	(34,982)	(11,655)	(188)
December 31, 2023						
Notes and accounts payable	$ (153,386)	(153,386)	-	-	-	-
Lease liabilities	(77,837)	(17,901)	(16,831)	(22,884)	(20,221)	-
Other payables (including related parties)	(150,795)	(150,795)	-	-	-	-
	$ (382,018)	(322,082)	(16,831)	(22,884)	(20,221)	-

The Consolidated Company does not expect the cash flows analyzed at maturity to be materially earlier or the actual amount to be materially different.

4. Exchange rate risk

(1) Risk exposures of foreign exchange rate risk

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

	2024.12.31			2023.12.31		
	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$
Financial assets						
Monetary item						
USD	$ 8,616	32.785	282,460	13,645	30.705	418,970
AUD	170	20.390	3,461	150	20.980	3,148
Financial liabilities						
Monetary item						
USD	71	32.785	2,328	91	30.705	2,794

Please refer to Note 6(2) for information on exchange rate risk of non-monetary foreign currency assets.

(2) Sensitivity analysis

The Consolidated Company’s exchange rate risk primarily arises from foreign-currency-denominated cash and cash equivalents, accounts receivable (including related parties), debt instrument investments measured at fair value through other comprehensive income (corporate bonds), accounts payable, and other payables (including related parties), leading to foreign exchange gains or losses upon conversion. As of December 31, 2024 and 2023, if the New Taiwan Dollar depreciates or appreciates by 1% relative to the US Dollar and the Australian Dollar, while all other factors remain constant, the Consolidated Company's pre-tax net profit for 2024 and 2023 will increase or decrease by NT$2,836,000 and NT$4,193,000, respectively. The same basis was used for analyses for both periods.

(3) Exchange gains or losses incurred from monetary items

Due to the variety of currencies involved in the Consolidated Company's transactions, the exchange gains and losses for monetary items are disclosed in a summarized manner. The foreign exchange gains (losses), including realized and unrealized amounts, were NT$19,397,000 and NT$(9,149,000) for 2024 and 2023, respectively.

5. Interest rate risk

As of December 31, 2024 and 2023, the Consolidated Company had no interest-bearing debt obligation, and the change in interest rate did not have significant influence on the Consolidated Company's financial assets value. Therefore, the Consolidated Company's management believes that the change in interest rate has no significant influence on the short-term profit or loss of the Consolidated Company.

6. Fair value information

(1) Financial instruments not at fair value

The Consolidated Company’s management believes that the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

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

The Consolidated Company’s financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The fair value levels are defined as follows:

A. Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

B. Level 2: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (i.e. derived from prices) for assets or liabilities.

C. Level 3: Unobservable inputs for assets or liabilities not based on observable market data (unobservable inputs).

	2024.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:					
Money funds	$ 210,499	210,499	-	-	210,499
Financial assets at fair value through other comprehensive income - non-current:					
Foreign corporate bonds	$ 19,449	-	19,449	-	19,449
Unlisted stocks	141,640	-	-	141,640	141,640
Overseas stocks	1,087,589	1,087,589	-	-	1,087,589
Total	$ 1,248,678	1,087,589	19,449	141,640	1,248,678

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income - non-current:					
Unlisted stocks	$ 18,262	-	-	18,262	18,262
Overseas stocks	847,713	847,713	-	-	847,713
Total	$ 865,975	847,713	-	18,262	865,975

There were no financial assets and liabilities transferred at fair value levels in 2024 and 2023.

(3) Fair value valuation techniques for financial instruments at fair value

When the quoted market price of a financial instrument is available, the price shall be adopted as the fair value.

A financial instrument is considered to have a quoted price in an active market if such quotes can be obtained promptly and regularly from exchanges, brokers, underwriters, industry associations, pricing services, or regulatory agencies, and if the price represents actual and frequent fair market transactions. If these conditions are not met, the market is deemed inactive. Generally, wide bid-ask spreads, significant increases in bid-ask spreads, or minimal trading volume are indicators of an inactive market.

There are standard terms and conditions for the money funds and overseas listed stocks held by the Consolidated Company, and such funds and stocks are traded in active markets; thus, the fair values thereof are determined as per the quoted market prices.

Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Company refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the balance sheet date.

The fair value of foreign corporate bonds held by the Consolidated Company is determined based on quotes provided by third-party institutions. Additionally, the fair value of unlisted company stocks in inactive markets is primarily estimated using the income approach, with the discounted cash flow model. The main assumption involves measuring the fair value by discounting the expected future cash flows of the investee at a rate that reflects the time value of money and investment risks.

(4) Details of changes in the level 3

	Financial assets at fair value through other comprehensive income
	Equity instruments
January 1, 2024	$ 18,262
Total profit or loss	
Recognized in other comprehensive income	123,378
December 31, 2024	**$ 141,640**
January 1, 2023	$ 19,819
Total profit or loss	
Recognized in other comprehensive income	(1,557)
December 31, 2023	**$ 18,262**

The above total profit or loss is recognized and included under "Unrealized valuation gains on equity instrument investments measured at fair value through other comprehensive income" in the statement of comprehensive income.

(5) Quantitative information on measurement of significant unobservable fair value input (Level 3)

The Consolidated Company's financial instruments at fair value and classified as Level 3 are financial assets at fair value through other comprehensive income - unlisted stocks.

Quantitative information on significant unobservable inputs is listed as follows:

Item	**Valuation technique**	**Significant unobservable input**	**Relations between significant unobservable input and fair value**
Financial assets at fair value through other comprehensive income - unlisted stocks	Discounted cash flow method	Cost of equity capital (8.51% and 11.22% as of December 31, 2024 and 2023, respectively)	The higher the cost of equity capital, the lower the fair value

(6) Analysis of sensitivity of Level 3 fair value to reasonably possible alternative assumptions

The measurement of fair values of financial instruments by the Consolidated Company is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For the financial instruments classified as Level 3 in 2024 and 2023, in case of changes in the valuation parameters, the impact on other comprehensive income in the current period is as follows:

			Changes in fair value reflected in other comprehensive income	
	Input	**Increase or decrease change**	**Favorable change**	**Unfavorable change**
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	Cost of equity capital	1.00%	$ 2,579	2,502
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	Cost of equity capital	1.00%	$ 460	442

The Consolidated Company's favorable and unfavorable changes refer to the fluctuations of fair values, and fair values are calculated with the valuation techniques based on different unobservable inputs. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the effect of changes in a single input without taking into account the correlation and variability between the inputs.

(XVIII) Financial risk management

The Consolidated Company is exposed to credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks) due to its business activities. This note presents the risk exposure information of the Consolidated Company for each of the above risks, and the objectives, policies and procedures of the Consolidated Company for measuring and managing the risks. Further quantitative disclosures are provided in the notes to the financial statements.

The Board of Directors of the Consolidated Company is responsible for developing and controlling the risk management policies of the Consolidated Company. The risk management policies are established for the purpose of recognizing and analyzing the risks faced by the Consolidated Company, setting appropriate risk limits and controls, and supervising compliance with risk and risk limits. Risk management policies and systems are regularly reviewed to reflect market conditions and changes in the operations of the Consolidated Company.

The consolidated company supervises and reviews financial activities in accordance with the relevant regulations and internal control system. The internal auditors play a supervisory role and report the results of the review to the Board of Directors on a regular basis.

1. Credit risk

   Credit risk refers to the risk of financial loss incurred by the Consolidated Company due to customers or counterparties of financial instruments failing to fulfill their contractual obligations. The primary sources of credit risk are the Consolidated Company's accounts receivable from customers and investments.

   (1) Accounts receivable

   The Consolidated Company has established a credit policy. In accordance with this policy, it individually analyzes the financial condition of each customer to determine their credit limit and regularly evaluates the financial status of customers to manage exposure to credit risk.

   (2) Investments

   The credit risks associated with bank deposits, fixed-income investments, and other financial instruments are measured and monitored by the Consolidated Company's finance department. Since the counterparties and performing parties of the Consolidated Company's transactions are reputable banks and financial institutions with investment-grade ratings or higher, there are no significant concerns regarding performance obligations, and thus, no substantial credit risk.

2. Liquidity risk

   Liquidity risk relates to the risk that the Consolidated Company is not able to deliver cash or other financial assets to settle its financial liabilities and fail to meet its relevant obligations. The capital and working capital of the Consolidated Company is sufficient to meet all contractual obligations. Therefore, there is no liquidity risk arising from the inability to raise funds to meet contractual obligations.

3. Market risk

   Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, and other market price fluctuations, may affect the Consolidated Company's earnings or the value of its financial instruments. The objective of market risk management is to control the degree of market risk exposure within an acceptable extent and optimize the return on investment.

   (1) Exchange rate risk

   The Consolidated Company is exposed to exchange rate risk arising from sales and purchasing transactions that are not denominated in the functional currency

(NT$) of the Consolidated Company. The major currency in which these transactions are denominated in US$. The management of the Consolidated Company believes that, apart from continuously managing the foreign currency net exposure within acceptable levels, the exchange rate risk of the Consolidated Company is also not significant.

(2) Interest rate risk

The Consolidated Company mainly operates with its funds, without interest-bearing debt obligations, and the value of financial assets held is not materially affected by the changes in interest rates. Therefore, the Consolidated Company's management believes that the Consolidated Company's interest rate risk is not material.

(3) Other market risks

A. Equity instrument price risk

The Consolidated Company incurs equity price risk from its equity securities investments. These equity investments are not held for trading purposes but are instead part of a long-term strategic investment.

The sensitivity analysis of equity instrument price risk is based on changes in fair value at the end of the financial reporting period. If the price of the equity instruments increase/decrease by 5%, the amount of other comprehensive income for 2024 and 2023 would have increased/decreased by NT$61,461,000 and NT$43,299,000, respectively.

B. Debt instrument price risk

The Consolidated Company invests in foreign ordinary corporate bonds, and the price of these debt instruments may be affected by the uncertainty of the future value of the investment targets. The sensitivity analysis for debt instrument price risk is based on fair value changes as of the end of the financial reporting period. If the prices of the debt instruments rise or fall by 5%, other comprehensive income for 2024 will increase or decrease by NT$972,000.

C. The monetary funds held by the Consolidated Company are characterized by stable yields and the risk of price changes is insignificant. Therefore, the Consolidated Company does not consider significant market risk for the monetary funds held.

(XIX) Capital management

Based on the current operating characteristics of the industry and the prospect of the Consolidated Company, taking the changes in the external environment and other factors into account, the Consolidated Company plans the working capital, research and development expenses, dividend expenses, and other needs to ensure the continuous operation of the Company, in order to reward shareholders while taking into account the interests of other stakeholders, and maintain an optimal capital structure to enhance shareholder value in the long term.

(XX) Non-cash transactions in investing and financing activities

1. Please refer to Note 6 (6) for details of right-of-use assets acquired by way of leasing.
2. The reconciliation of liabilities from financing activities is as follows:

			Non-cash changes			
	2024.1.1	Cash flows	Additions	Decrease	The effects of changes in foreign exchange rates	2024.12.31
Lease liabilities	$ 75,816	(38,713)	45,433	(1,002)	-	81,534

			Non-cash changes			
	2023.1.1	Cash flows	Additions	Decrease	The effects of changes in foreign exchange rates	2023.12.31
Lease liabilities	$ 49,896	(33,243)	59,163	-	-	75,816

3. Investing activities involving partial cash payments only

	Fiscal Year 2024	Fiscal Year 2023
Acquisition of property, plant and equipment	$ 88,024	34,300
Add: Equipment prepayments at end of period	1,557	30,538
Less: Equipment prepayments at beginning of period	(30,538)	-
Add: Increase in equipment prepayments	30,355	-
Cash paid during the current period	$ 89,398	64,838

VII. Related-Party Transactions

(I) Name of related party and relations

The related parties with transactions with the Consolidated Company during the period covered by these consolidated financial statements are as follows:

Name of related party	Relations with the Consolidated Company
Roda Computer GmbH	The Consolidated Company is one of the company’s three shareholders
Chou Yung-Hsiang	One of the Consolidated Company’s key management personnel

(II) Significant Transactions with Related Parties

1. Operating revenue

	Fiscal Year 2024	Fiscal Year 2023
Other related parties		
Roda Computer GmbH	$ 928,676	781,274

The Consolidated Company's sales transactions with related parties, except for certain product specifications that lack comparable market prices, are generally not significantly different from regular market prices. Additionally, the credit period, originally set at 45 days from delivery, have been extended to up to 90 days starting from July 2023 based on the sales conditions.

2. Accounts receivable from related parties

	2024.12.31	2023.12.31
Other related parties		
Roda Computer GmbH	$ 151,421	309,437

3. Other payables (including related parties)

	2024.12.31	2023.12.31
Other related parties		
Roda Computer GmbH	$ -	5,004

Accrued dividends that are payable to related parties.

4. Contract liabilities with related party (under contract liabilities)

	2024.12.31	2023.12.31
Other related parties		
Roda Computer GmbH	$ 38,093	43,694

5. Repair and maintenance and other operating revenue

	113年度	112年度
Other related parties		
Roda Computer GmbH	$ 3,977	4,452

All receivables from the above transactions have been received.

6. Technical service, repair and maintenance, and other fees

	Fees on technical service, repair and maintenance, and others		Other accounts payable	
	Fiscal Year 2024	Fiscal Year 2023	December 31, 2024	December 31, 2023
Other related parties	$ 1,911	950	22	95

7. Equity transaction

On January 26, 2024, and March 6, 2023, the Consolidated Company sold 1.5% and 7.6% of its equity in the subsidiary, Flexbasis, to Chou Yung-Hsiang for NT$1,008,000 and NT$5,040,000 in cash, respectively. The changes in equity value were recognized in capital surplus under the actual differences between the disposal price and the book value of the subsidiary's equity, amounting to NT$268,000 and NT$1,463,000. The aforementioned transaction proceeds have been fully collected.

(III) Remuneration to key management personnel

Remuneration to key management personnel includes:

		Fiscal Year 2024	Fiscal Year 2023
Short-term employee benefits	$	20,796	21,804
Post-employment benefits		279	297
	$	**21,075**	**22,101**

VIII. Pledged Assets

The details of the book values of the assets pledged by the Consolidated Company are as follows:

Name of asset	Item pledged as collateral		2024.12.31	2023.12.31
Time deposit (under "other non-current assets")	Customs guarantee	**$**	**1,000**	**1,000**

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments: None.

X. Major Disaster Losses: None.

XI. Material Events After the Balance Sheet Date

On March 5, 2025, the Consolidated Company sold all its equity in Roda Computer GmbH to MilDef Group AB. The transaction consideration included cash amounting to EUR 5,600,000 and 110,000 shares of MilDef Group AB (with a lock-up period starting the day after the transaction date and lasting for two years). In addition, based on Roda Computer GmbH's actual profits for 2024, the Company may receive contingent consideration ranging from EUR 0 to 320,000.

XII. Others

Employee benefits and depreciation and amortization expense are summarized by function as follows:

By function / By nature	Fiscal Year 2024			Fiscal Year 2023		
	Related to operating costs	Related to operating expenses	Total	Related to operating costs	Related to operating expenses	Total
Cost of Employee benefits						
Salary and wages	113,340	187,563	300,903	117,278	189,600	306,878
Labor and health insurance	9,941	16,574	26,515	8,944	16,334	25,278
Pension	4,418	8,905	13,323	4,215	8,311	12,526
Other employee benefits	1,760	2,676	4,436	1,574	2,637	4,211
Depreciation expense	38,801	31,276	70,077	23,261	30,273	53,534
Amortization expense (Note)	2,969	4,789	7,758	2,211	3,342	5,553

(Note) Includes amortization expenses for leasehold improvements recorded under other non-current assets.

XIII. Additional Disclosures

(I) Information on Related Significant Transactions

In accordance with the requirements of the Preparation Standards, for the year 2024, the information related to significant transactions that should be disclosed is as follows:

1. Loans to Others: None.
2. Endorsements/Guarantees provided to others: None.
3. Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures):

Unit: In thousands of shares/thousands of units/thousands of NT$

Company	Type and name of securities held	Relations with the securities issuer	Account items	End of the period				Highest shareholding ratio during the period	Remark
				Number of shares	Carrying amount	Shareholding ratio	Fair value/Net worth		
The Company	Roda Computer GmbH shares	The Company is one of the company's three shareholders	Financial assets at fair value through other comprehensive income - non-current	8	141,640	8.00%	141,640	8.00 %	
The Company	Shares of Alliance Technology Co., Ltd.	-	〃	100	-	0.79%	-	0.79 %	
The Company	Shares of MilDef Consolidated Company AB	-	〃	2,915	1,087,589	6.41%	1,087,589	10.53 %	
The Company	Verizon Communications Inc. 5.012 04/15/49 Foreign Dollar Bond	-	〃	6	19,449	-	19,449	-	
The Company	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,727	80,181	-	80,181	-	
The Company	UPAMC James Bond Money Market Fund	-	〃	4,610	80,181	-	80,181	-	
The Company	Jih Sun Money Market Fund	-	〃	3,241	50,137	-	50,137	-	

4. Marketable Securities Acquired or Sold at Costs or Prices at Least NT$300 Million or 20% of the Paid-in Capital:

Unit: thousands of shares/NT$ thousand

Buyer/Seller	Type and name of securities held	Account items	Transaction counterparty	Relationships	Beginning of period		Purchase		Sell				End of the period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book cost (Note 1)	Disposal of gains and losses	Number of shares	Amount
The Company	Shares of MilDef Consolidated Company AB	Financial assets at fair value through other comprehensive income - non-current	-	-	4,196	847,713	-	-	1,281	297,478	297,478	(Note 2)	2,915	1,087,589
The Company	Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current			-	-	7,708	130,000	2,981	50,319	50,319	-	4,727	80,181
The Company	UPAMC James Bond Money Market Fund	〃			-	-	7,518	130,000	2,908	50,329	50,329	-	4,610	80,181
The Company	Jih Sun Money Market Fund	〃	-	-	-	-	9,764	150,000	6,523	100,362	100,362	-	3,241	50,137

Note1: Includes profits measured at fair value.

Note2: Accumulated gains on disposal are directly transferred from other equity to retained earnings.

5. Acquisition of Individual Property at Costs of at Least NT$300 Million or 20% of the Paid-in Capital: None.
6. Disposal of Individual Property at Costs of at Least NT$300 Million or 20% of the Paid-in Capital: None.
7. Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital:

Unit: NT$1000

Goods purchasing (sales) company	Transaction counterparty	Relationships	Transaction details				Situation and reason why transaction conditions are different from general transactions		Notes and accounts receivable (payable)		Remark
			Purchase (sales) of goods	Amount	Ratio of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Ratio to Total Notes/ Accounts Receivable (Payable)	
The Company	Roda Computer GmbH	The Company is one of the company’s three shareholders	(Sale of goods)	928,676	32.71%	The original credit period was 45 days from delivery, but starting from July 2023, it may be extended to 90 days based on the sales conditions.	(Note 1)	-	151,421	66.02%	
The Company	Flexbasis	Parent and subsidiary	Purchase	113,596	6.20%	Net 60 days end of the following month	-		(22,002)	16.30%	
Flexbasis	The Company	Parent and subsidiary	(Sale of goods)	113,596	96.21%	Net 60 days end of the following month	-		22,002	93.51%	

Note1: The prices at which the Company sells goods to related parties, except for certain product specifications that lack comparable market prices, are generally not significantly different from regular market prices.

Note2: The transactions between the consolidated companies listed above have already been eliminated during the preparation of the consolidated financial statements.

8. Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital:

Unit: NT$1000

Company Name	Transaction counterparty	Relationships	Balance of accounts receivables from related parties	Turnover	Overdue accounts receivables from related parties		Amount recovered after the due date of accounts receivables from related parties	Provision for loss allowance
					Amount	Treatment Method		
The Company	Roda Computer GmbH	The Company is one of the company’s three shareholders	151,421	4.03	-		17,936	135

9. Trading in Derivative Instruments: None.
10. Business Relations and Important Transactions Between Parent Company and Subsidiaries:

Unit: NT$1000

No. (Note 1)	Name of trader	Transaction counterparty	Relationship with transaction counterparty (Note 2)	Transaction details			
				Items	Amount	Transaction terms	As a percentage of consolidated total revenue or total assets (%)
0	The Company	MilDef Crete Australasia Pty. Ltd.	1	Sales income	27,785	Delivered in 45 days	0.97
1	Flexbasis	The Company	2	Sales income	113,596	Net 60 days end of the following month	3.98
1	Flexbasis	The Company	2	Accounts receivable	22,002	Net 60 days end of the following month	0.53

Note1: Businesses are coded as follows:
1. "0" stands for parent company.
2. The subsidiaries are coded sequentially beginning from "1" by each individual company.

Note2: The types of relations with the counterparty are indicated as follows:
1. Parent company to subsidiary
2. Subsidiary to parent company

Note3: In disclosing the business relationships and significant transactions between the parent and subsidiary companies, only information related to sales and accounts receivable representing 0.5% or more of the consolidated revenue or assets is disclosed. Detailed information about corresponding purchases and accounts payable is not provided.

Note4: The above transactions were eliminated in the preparation of consolidated financial statements.

(II) Information on Investees:

The information on the Company's reinvestment business in 2024 is as follows:

Unit: In thousands of shares/thousands of NT$

Name of investor	Name of investee	Location	Main business	Initial investment amount		End of the period holdings			Highest shareholding ratio during the period	Gain or loss on investee in this period	Investment income (loss) recognized in this period	Remark
				End of this period	End of last year	Number of shares	Percentage	Carrying amount				
The Company	Flexbasis Technology Inc.	New Taipei City	Manufacturing	23,424	24,054	2,080	56.22%	30,295	57.73%	16,915	9,087	(Note)
The Company	MilDef Crete Australasia Pty. Ltd.	Australia	Trade	12,548	12,548	600	100.00%	13,453	100.00%	3,196	3,196	(Note)

Note: It has been eliminated in the consolidated financial statements.

(III) Information on Investment in Mainland China: None.

(IV) Information on Major Shareholders:

Shares / Name of major shareholder	Number of shares held	Shareholding percentage
Shen Yi-Tong	3,126,244	5.32%

Note: The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares with registration of dematerialized securities completed (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's financial statements may differ from the actual number of shares with registration of dematerialized securities completed as a result of different bases of preparation.

XIV.Segment Information

(I) General information

The main operating items of the Consolidated Company are the production and sales of various computer software/hardware and its peripheral equipment and other products, and the information of the operating division reviewed by the operating decision maker is a single business division.

(II) Information on the reporting division's profit and loss, assets, liabilities and measurement basis and adjustment

The accounting policies of the operating division of the Consolidated Company are the same as the summary of significant accounting policies described in Note 4. The information of the division profit and loss, the divisional assets and the divisional liabilities are consistent with the financial statements. Please refer to the consolidated balance sheets and the consolidated income statements. Operating division gains and losses are measured in profit or loss before tax and are used as a basis for management resource allocation and performance evaluation.

(III) Corporate overall information

1. Product and labor service specific information

The Consolidated Company's income information from external clients is as follows:

Product and service name	Fiscal Year 2024	Fiscal Year 2023
Laptop	$ 2,765,594	2,926,603
Repair and maintenance services and others	87,797	62,471
	$ 2,853,391	2,989,074

2. Geographical information

The geographical information of the Consolidated Company is as follows, where income is classified on the basis of the geographical location of the client, while non-current assets are classified on the basis of the geographical location of the asset.

Income from external clients:

Region	Fiscal Year 2024	Fiscal Year 2023
Americas	$ 187,469	93,275
Europe	1,048,769	993,445
Oceania	37,927	60,453
Asia	1,579,226	1,841,901
	$ 2,853,391	2,989,074

Non-current assets:

Region	2024.12.31	2023.12.31
Taiwan	$ 441,383	378,009

The aforementioned non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and other non-current assets. However, they do not include financial instruments or deferred tax assets.

(IV) Important client information

	Fiscal Year 2024		Fiscal Year 2023	
Client name	**Amount**	**Percentage to operating income**	**Amount**	**Percentage to operating income**
Roda Computer GmbH	$ 928,676	32.55	781,274	26.14