Innodisk Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

For the Years Ended December 31, 2024 and 2023

(Stock Code: 5289)

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Innodisk Corporation and Subsidiaries

Consolidated Financial Report and Independent Auditor’s Report

For the Years Ended December 31, 2024 and 2023

Table of Contents

Innodisk Corporation
Declaration of Consolidated Financial of Affiliated Enterprises

For the year 2024 (from January 1, 2024 to December 31, 2024), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The relevant information has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary, and therefore no separate consolidated financial statements of the related companies are prepared.

Hereby declare,

Company Name: Innodisk Corporation

Responsible Person: Chuan-Sheng Chien

February 26, 2025

Independent Auditor's Report

(114) Cai-Shen-Bao-Zi No. 24004124

To the Board of Directors of Innodisk Corporation:

Opinions

We have duly audited the consolidated balance sheet of Innodisk Corporation and subsidiaries (the "Group") as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows from January 1 to December 31, 2024 and 2023, as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and IFRIC Interpretations and SIC Interpretation as endorsed by the Financial Supervisory Commission, and are fairly stated in terms of the consolidated financial position of Innodisk Corporation and its subsidiaries as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, 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

A key audit matter is one that, in our professional judgment, is material to the audit of the consolidated financial statements of Innodisk Corporation and its subsidiaries for 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a

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whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are as follows:

Inventory Valuation

Description of Key Audit Matters

With respect to the accounting policy for inventory valuation, please refer to Note 4 (13) of the consolidated financial statements. For the uncertainty of accounting estimates and assumptions applied in inventory valuation, please refer to Note 5 (2). For the accounting entries of inventory, please refer to Note 6 (5).

Innodisk Group mainly manufactures and sells industrial storage devices and memory modules. Due to technological changes and price fluctuation of key raw materials, Innodisk's inventory is measured at the lower of cost and net realizable value and at the same time supplemented by separate identification of the usability of long-term inventory to recognize valuation loss. As the inventory valuation of Innodisk involves subjective judgment and the valuation is material to consolidated financial statements, we consider the inventory valuation as one of the key matters for audit.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Understand the inventory allowance evaluation and appropriation policy, and confirm the adoption of the appropriation policy for the inventory evaluation loss during the financial statement period.
2. Conduct period-end physical inventory count to identify whether there is any inactive, damaged or unsaleable inventory.
3. Obtain an inventory aging report to conduct inventory aging test. Randomly sample the inventory and confirm inventory transaction records to confirm the classification of aging intervals, so as to evaluate the impact on inventory valuation.
4. Obtain the net realizable value report of each inventory to confirm the calculation logic and test relevant parameters such as source data of sales files and the relevant supporting valuation documents. Recalculate loss in valuation allowance of each item number at the lower of cost and net realizable value.
5. Compare the differences in provisions of inventory allowance for the current period and the most recent year to estimate the valuation loss in inventory allowance.

Key Audit Matter - Existence of Sales Income

Description

For the accounting policy of income recognition, please refer to Note 4(30) of the consolidated financial statements. For the description of accounting subjects of sales income, please refer to Note 6(20).

Innodisk Group is mainly engaged in the research, development, manufacturing and sales of industrial storage devices and memory modules. Because product diversification and innovation affect changes to the top ten customers' sales and the large transactions with top ten customers require much resources in audit, we have listed the existence of sales revenue of the top ten customers as one of the important items for audit.

<u>How our audit addressed the matter</u>

The scope of our audit responded to the risk as follows:

1. Obtained an understanding of the process and basis of sales revenue recognition and collection with the top ten customers to evaluate the effectiveness of internal control of sales revenue recognition by the management, and test the effectiveness of internal control on shipping, billing and payment collection..
2. Obtain the evaluation data of the top ten customers, search for relevant information and verify them.
3. Test if the credit conditions for the top ten customers have been properly approved.
4. Sample check the sales details of the top ten customers and verify the related vouchers and status of subsequent payment collection.
5. Obtain details of subsequent sales returns of the top ten customers and examine the status of sales returns.

Other Matters -- Parent Company Only Financial Report

We have audited and expressed an unqualified opinion on the parent company only financial report of Innodisk Corporation for the years ended December 31, 2024 and 2023.

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

The responsibility of management is to prepare consolidated financial statements that present fairly the financial position of the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Innodisk Group's financial reporting process.

Auditors' 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 means a high level of assurance, but an audit conducted in accordance with the Generally Accepted Auditing Standards of the Republic of China does not provide assurance that material misstatements in the consolidated financial statements can be detected. Misstatements can arise from error or fraud. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We exercised professional judgment and professional suspicion when conducting the audit in accordance with the auditing standards of the Republic of China. We also performed 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 the risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including their notes, and whether the consolidated financial statements fairly represent relevant transactions.
6. Obtain sufficient appropriate audit evidences regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the Group's audits, and for forming an opinion on the audit of the Group.

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

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

From the matters communicated with the governance unit, we determined the key audit matters for the audit of the Group's consolidated financial statements of 2024. We describe these matters in our auditor's report unless the law or regulation disallow public disclosure of specific matter or when, in extremely rare circumstances, we determine that a specific matter should not be communicated in our report because the adverse effect of the communication will reasonably be expected to outweigh the public interest.

PricewaterhouseCoopers, Taiwan

Tsui Miao Yeh

Accountant

Chan-Yuan Tu

Previously Securities and Futures Bureau of Financial Supervisory Commission under Executive Yuan
Approval Number: Jin-Guan-Zheng-Liu-Zi No. 0960058737
Financial Supervisory Commission
Approval number: Jin-Guan-Cheng-Shen-Zi No. 1120348565

February 26, 2025

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD

	Assets	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6 (1)	$ 3,000,257	31	$ 3,557,022	38
1136	Current financial assets at amortised cost	6 (3)	157,898	1		-
1150	Notes receivable, net	6 (4)	902	-	1,017	-
1170	Accounts receivable, net	6 (4)	1,184,120	12	1,333,627	14
1180	Accounts receivable - related parties, net	6 (4) and 7 (2)	44	-	31	-
1200	Other receivables		12,378	-	18,452	-
1210	Other receivables - related parties	7 (2)	32	-	31	-
1220	Current income tax assets	6 (27)	6,021	-	4,838	-
130X	Inventories	6 (5)	1,643,775	17	1,159,248	13
1410	Prepayments		91,062	1	66,066	1
11XX	**Total Current Assets**		6,096,489	62	6,140,332	66
	Non-Current Assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6 (2)	29,071	-	28,105	-
1535	Financial assets at amortized cost - non-current	6 (3) and 8	11,206	-	11,206	-
1550	Investments accounted for using equity method	6 (6)	35,586	-	38,534	-
1600	Property, plant and equipment	6 (7) and 8	2,866,833	30	2,677,880	29
1755	Right-of-use assets	6 (8)	211,693	2	214,578	2
1760	Investment property, net	6 (10) and 8	334,719	4	118,355	1
1780	Intangible assets	6 (11)	52,760	1	39,375	1
1840	Deferred income tax assets	6 (27)	106,871	1	86,861	1
1920	Refundable deposit		6,965	-	6,354	-
1990	Other non-current assets - others		3,800	-	126	-
15XX	**Total Non-Current Assets**		3,659,504	38	3,221,374	34
1XXX	**Total Assets**		$ 9,755,993	100	$ 9,361,706	100

(Continued)

Innodisk Corporation and Subsidiaries

Consolidated Balance Sheet

For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD

	Liabilities and Equity	Note	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities					
2130	Current contract liabilities	6 (20)	$ 39,501	-	$ 27,548	-
2170	Accounts payable		745,114	8	730,973	8
2180	Accounts payable - related parties	7 (2)	372	-	187	-
2200	Other payables	6 (12)	533,613	6	508,917	6
2220	Other accounts payable - related parties	7 (2)	-	-	114	-
2230	Current income tax liabilities	6 (27)	100,893	1	288,855	3
2250	Provisions for liabilities - current	6 (16)	21,302	-	22,232	-
2280	Current lease liabilities		27,217	-	28,001	1
2320	Long-term liabilities - current portion	6 (13)	17,877	-	11,705	-
2399	Other current liabilities, others		8,792	-	7,174	-
21XX	**Total Current Liabilities**		1,494,681	15	1,625,706	18
	Non-current liabilities					
2540	Long-term borrowings	6 (13)	344,081	4	357,755	4
2550	Provision for non-current liabilities	6 (16)	42,972	-	37,337	-
2570	Deferred income tax liabilities	6 (27)	7,916	-	3,790	-
2580	Lease liabilities -- non-current		189,367	2	190,523	2
2645	Guarantee deposit received	7 (2)	3,821	-	3,310	-
25XX	**Total Non-Current Liabilities**		588,157	6	592,715	6
2XXX	**Total liabilities**		2,082,838	21	2,218,421	24
	Equity attributable to owners of parent					
	Share capital	6 (17)				
3110	Share capital - common stock		914,561	9	883,977	10
	Capital surplus	6 (18)				
3200	Capital surplus		1,654,047	18	1,416,781	15
	Retained earnings	6 (19)				
3310	Legal reserve		1,066,612	11	951,850	10
3320	Special reserve		-	-	924	-
3350	Unappropriated retained earnings		3,847,894	39	3,774,896	40
	Other equity interests					
3400	Other equity interests		8,029	-	8,489	-
31XX	**Total Equity Attributable to Owners of Parent**		7,491,143	77	7,036,917	75
36XX	**Non-controlling interest**		182,012	2	106,368	1
3XXX	**Total Equity**		7,673,155	79	7,143,285	76
	Material contingent liabilities and unrecognized contractual commitments	9				
	Significant Subsequent Events	11				
3X2X	**Total Liabilities and Equity**		$ 9,755,993	100	$ 9,361,706	100

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien Management Officer: Chuan-Sheng Chien Principal Accounting Officer: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD (except for earnings per share)

	Item	Note	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6 (20) and 7(2)	$ 8,915,642	100	$ 8,313,778	100
5000	Operating costs	6 (5) and 7 (2)	(6,090,393)	(68)	(5,467,866)	(66)
5950	Gross profit from operations		2,825,249	32	2,845,912	34
	Operating expenses	6 (25) and 7(2)				
6100	Selling expenses		(712,587)	(8)	(650,597)	(8)
6200	General and administrative expenses		(444,121)	(5)	(422,263)	(5)
6300	Research and development expenses		(495,548)	(6)	(409,328)	(5)
6450	Expected credit impairment gains and losses	12 (2)	5,503	-	16,304	-
6000	Total operating expenses		(1,646,753)	(19)	(1,465,884)	(18)
6900	Operating profit		1,178,496	13	1,380,028	16
	Non-operating income and expenses					
7100	Interest income	6 (21)	37,718	1	39,476	1
7010	Other income	6 (22) and 7(2)	28,516		21,697	
7020	Other gains and losses	6 (23)	125,142	1	1,258	-
7050	Financing cost	6 (24)	(17,785)	-	(7,097)	-
7060	Shares of losses of associates and joint ventures accounted for using equity method	6 (6)	(2,948)	-	(4,274)	-
7000	Total non-operating income and expenses		170,643	2	51,060	1
7900	**Profit before income tax**		1,349,139	15	1,431,088	17
7950	Income tax expense	6 (27)	(244,595)	(3)	(286,921)	(3)
8200	**Net income for the period**		$ 1,104,544	12	$ 1,144,167	14
	Other comprehensive income (net)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains or losses of equity instruments measured at fair value through other comprehensive income		$ 966	-	$ 266	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		966	-	266	-
	Items that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(1,278)	-	9,168	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(1,278)	-	9,168	-
8300	**Other comprehensive income for the period, net of tax**		($ 312)	-	$ 9,434	-
8500	**Total comprehensive income for the year**		$ 1,104,232	12	$ 1,153,601	14
	Profit attributable to:					
8610	Owners of the parent		$ 1,106,172	12	$ 1,147,616	14
8620	Non-controlling interest		(1,628)	-	(3,449)	-
	Net income for the year		$ 1,104,544	12	$ 1,144,167	14
	Comprehensive income attributable to					
8710	Owners of the parent		$ 1,105,712	12	$ 1,157,029	14
8720	Non-controlling interest		(1,480)	-	(3,428)	-
	Total comprehensive income for the year		$ 1,104,232	12	$ 1,153,601	14
	Basic earnings per share	6 (28)				
9750	Net income for the period		$ 12.20		$ 12.73	
	Diluted earnings per share	6 (28)				
9850	Net income for the period		$ 12.02		$ 12.49	

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien   Management Officer: Chuan-Sheng Chien   Principal Accounting Officer: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD

	Note	Equity attributable to owners of parent								Non-controlling interest	Total equity
				Retained earnings			Other equity interests				
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive income	Total		
January 1 to December 31, 2023											
Balance on January 1, 2023		$ 865,531	$ 1,356,462	$ 766,831	$ 13,147	$ 4,011,820	$ 1,207	($ 2,131)	$ 7,012,867	$ 106,570	$ 7,119,437
Net income for the year		-	-	-	-	1,147,616	-	-	1,147,616	(3,449)	1,144,167
Other comprehensive profit and loss for the year		-	-	-	-	-	9,147	266	9,413	21	9,434
Total comprehensive profit and loss for the year		-	-	-	-	1,147,616	9,147	266	1,157,029	(3,428)	1,153,601
Appropriation and distribution of 2022 earnings	6 (19)										
Legal reserve		-	-	185,019	-	(185,019)	-	-	-	-	-
Special reserve		-	-	-	(12,223)	12,223	-	-	-	-	-
Stock dividends	6 (17)	17,311	-	-	-	(17,311)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,194,433)	-	-	(1,194,433)	-	(1,194,433)
Share-based payment	6 (15)	-	48,121	-	-	-	-	-	48,121	-	48,121
Employees exercise options	6 (17)	1,135	8,104	-	-	-	-	-	9,239	-	9,239
Changes in net assets of the associates and joint ventures accounted for using equity method		-	2,994	-	-	-	-	-	2,994	-	2,994
Share-based remuneration for employees of subsidiaries		-	580	-	-	-	-	-	580	3,109	3,689
Subsidiary share-based payment transactions		-	-	-	-	-	-	-	-	117	117
Exercise right of disgorgement		-	520	-	-	-	-	-	520	-	520
Balance as of December 31, 2023		$ 883,977	$ 1,416,781	$ 951,850	$ 924	$ 3,774,896	$ 10,354	($ 1,865)	$ 7,036,917	$ 106,368	$ 7,143,285
January 1 to December 31, 2024											
Balance on January 1, 2024		$ 883,977	$ 1,416,781	$ 951,850	$ 924	$ 3,774,896	$ 10,354	($ 1,865)	$ 7,036,917	$ 106,368	$ 7,143,285
Net income for the year		-	-	-	-	1,106,172	-	-	1,106,172	(1,628)	1,104,544
Other comprehensive profit and loss for the year		-	-	-			(1,426)	966	(460)	148	(312)
Total comprehensive profit and loss for the year		-	-	-	-	1,106,172	(1,426)	966	1,105,712	(1,480)	1,104,232
Appropriation and distribution of retained earnings for 2023	6 (19)										
Legal reserve		-	-	114,762	-	(114,762)	-	-	-	-	-
Special reserve		-	-	-	(924)	924	-	-	-	-	-
Stock dividends	6 (17)	17,680	-	-	-	(17,680)	-	-	-	-	-
Cash dividends		-	-	-	-	(901,656)	-	-	(901,656)	-	(901,656)
Share-based payment	6 (15)	-	36,468	-	-	-	-	-	36,468	-	36,468
Employees' exercise od stock options	6 (17)	12,904	178,788	-	-	-	-	-	191,692	-	191,692
Changes in shareholders' equity in subsidiaries not recognized proportionately to ownership	6 (31)	-	22,010	-	-	-	-	-	22,010	(22,010)	-
Subsidiary share-based payment transactions	6 (15)	-	-	-	-	-	-	-	-	4,342	4,342
Capital increase in cash by subsidiaries	6 (31)	-	-	-	-	-	-	-	-	94,792	94,792
Balance as of December 31, 2024		$ 914,561	$ 1,654,047	$ 1,066,612	$ -	$ 3,847,894	$ 8,928	($ 899)	$ 7,491,143	$ 182,012	$ 7,673,155

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien   Management Officer: Chuan-Sheng Chien   Principal Accounting Officer: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flows from operating activities			
Net profit before tax for the period		$ 1,349,139	$ 1,431,088
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6 (25)	122,694	112,843
Depreciation expenses for right-of-use assets	6 (25)	29,132	33,323
Amortization expenses on intangible assets and deferred assets.	6 (25)	26,905	24,027
Depreciation charges on investment property	6 (23)	3,858	1,446
Expected loss (gain) on credit impairment	12 (2)	(5,503)	(16,304)
Recovered gain or loss on falling prices of inventory	6 (5)	28,114	(67,781)
Losses on scrapping of inventory	6 (5)	21,925	21,550
Gain on lease modifications	6 (8)	(17)	(1)
Interest income	6 (21)	(37,718)	(39,476)
Dividend income	6 (22)	(1,349)	(1,127)
Interest expense	6 (24)	17,785	7,097
Share-based compensation costs	6 (15)	40,810	48,238
Shares of losses of associates accounted for using equity method	6 (6)	2,948	4,274
Loss (gain) on disposal of property, plant and equipment	6 (23)	18	25
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Notes receivable, net		115	1,548
Accounts receivable, net		154,858	101,786
Accounts receivable due from related parties, net		(13)	78
Other receivables		5,720	(12,721)
Other receivables -- related parties		(1)	21
Inventories		(534,566)	45,458
Prepayments		(24,578)	(4,749)
Net change in liabilities related to operating activities			
Current contract liabilities		11,953	(14,531)
Accounts payable		14,141	24,356
Accounts payable -- Related parties		185	122
Other payables		31,863	(59,059)
Other payables -- Related parties		(114)	114
Current provisions		(930)	5,906
Non-current provisions		5,635	(15,448)
Other current liabilities, others		1,618	898
Cash flow from operating activities		1,264,627	1,633,001
Interest received		38,072	38,962
Dividends received		1,349	1,127
Income taxes paid		(449,572)	(215,395)
Net cash flow from operating activities		854,476	1,457,695

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flow from investing activities			
Increase in current financial assets at amortized cost		($ 157,898)	$ -
Increase in non-current financial assets at amortized cost		-	(500)
Acquisition of investments accounted for using equity method	6 (6)	-	(26,861)
Acquisition of property, plant and equipment	6 (29)	(314,864)	(687,105)
Acquisition of investment property	6 (10)	(220,156)	-
Refundable deposits (increase)		(966)	(2,568)
Decrease in refundable deposits		472	1,685
Acquisition of intangible assets	6 (11)	(39,550)	(19,287)
Other non-current assets -- Other (increases)		(3,674)	(126)
Net cash used in investing activities		(736,636)	(734,762)
Cash flow from financing activities			
Proceeds from long-term debt	6 (30)	-	229,000
Repayments of long-term debt	6 (30)	(7,600)	(181,166)
Increase in guarantee deposits received	6 (30)	3,308	1,771
Decrease in guarantee deposit	6 (30)	(2,816)	(6)
Cash dividends paid	6 (30)	(901,656)	(1,194,433)
Employees exercise options		191,692	9,239
Interest paid		(18,206)	(6,989)
Capital increase in cash by subsidiaries	6 (31)	94,792	-
Payment of lease liabilities	6 (30)	(27,523)	(31,969)
Exercise right of disgorgement		-	520
Net cash used in financing activities		(668,009)	(1,174,033)
Effects of changes in foreign exchange rates		(6,596)	8,073
Decrease in cash and cash equivalents in the current period		(556,765)	(443,027)
Beginning cash and cash equivalents		3,557,022	4,000,049
Ending cash and cash equivalents		$ 3,000,257	$ 3,557,022

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien   Management Officer: Chuan-Sheng Chien   Principal Accounting Officer: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

Expressed in Thousands of NTD (unless otherwise specified)

I. Company History

(I) Innodisk Corporation (hereinafter referred to as the "Company") was established in March 2005. The Company and its subsidiaries (hereinafter referred to as the "Group") mainly engage in the research and development, manufacturing and sales of various types of industrial embedded storage devices.

(II) The Company passed the review by the Taipei Exchange (TPEx) in October, 2013 and became officially listed on the TPEx on November 27, 2013.

II. Date and Procedures for Approving the Financial Report

This consolidated financial report was approved and released by the Board of Directors on February 26, 2025.

III. Application of Newly Released and Amended Standards and Interpretations

(I) The impact of adopting the new and amended International Financial Reporting Standards recognized and issued by the Financial Supervisory Commission (FSC)

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized and released by the Financial Supervisory Commission in 2024:

Newly released / corrected / amended standards and interpretations	Effective Date announced by IASB
Amendment to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendment to IAS 1 "Non-Current Liabilities With Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the consolidated financial position and performance.

(II) <u>Impact of new and amended IFRS recognized by the FSC but not yet adopted by the Company</u>

The following table summarizes the standards and interpretations for new releases, amendments, and revisions of the IFRSs applicable in 2025 approved by the FSC:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendment to IAS 21 -- "Lack of Exchangeability"	January 1, 2025

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the consolidated financial position and performance.

(III) <u>Impact of IFRSs issued by IASB but not yet recognized by the FSC</u>

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards issued by the IASB but not yet recognized by the FSC:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendment to IFRS No. 9 and IFRS No. 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS No. 9 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendment to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by the IASB.
IFRS 17 - “Insurance contracts”	January 1, 2023
Amendment to IFRS 17 - "Insurance contracts"	January 1, 2023
Amendment to IFRS 17 - Initial application of IFRS 17 and IFRS 9 - Comparative information "	January 1, 2023
IFRS No. 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS No. 19 "Subsidiaries not with Public Accountability: Disclosures"	January 1, 2027
Annual Improvements of IFRS - Volume 11	January 1, 2026

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and financial performance, and the amount of the relevant impact will be disclosed when the assessment is completed:

IFRS No. 18 "Presentation and Disclosures of Financial Statements"

IFRS No. 18 "Financial Statement Presentation and Disclosure" supersedes IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary and principle of subdivision of the main financial statements and notes.

IV. Summary of Significant Accounting Policies

The principal accounting polices applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers," International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by FSC (hereinafter collectively referred to as the "IFRSs").

(II) Basis of preparation

1. Other than financial assets measured at fair value through other comprehensive income, the consolidated financial statements are prepared based on historical cost.
2. The preparation of the financial statements conforming with IFRSs requires the use of certain critical accounting estimates, and the management is also required to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. The basis for preparation of the consolidated financial statements
   (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
   (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
   (3) The profit and loss and the components of other comprehensive income belong to the owners of the parent company and non-controlling interest. The total comprehensive income also belong to the owners of the parent company and non-controlling interest, even if this results in a loss of the non-controlling interests.
   (4) Changes in the parent company's ownership in a subsidiary that do not result in the parent company's loss of control of the subsidiary (transactions with non-controlling interests) are processed as equity transactions, and are considered transactions with the owner. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly recognized in equity.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activity	Percentage of Equity Holdings December 31, 2024	Percentage of Equity Holdings December 31, 2023	Remarks
Innodisk Corporation	Innodisk USA Corporation	Sales of Industrial embedded storage devices	100	100	
Innodisk Corporation	Innodisk Japan Corporation	After-sales services and support of industrial embedded storage devices	100	100	
Innodisk Corporation	Innodisk Europe B.V.	After-sales services and support of industrial embedded storage devices	100	100	
Innodisk Corporation	Innodisk Global-M Corporation	Investment holdings	100	100	
Innodisk Corporation	Aetina Corporation	Manufacturing and sales of industrial graphics cards	67.06	73.67	Note 1
Innodisk Corporation	Antzer Tech Co., Ltd.	Electronics Components Manufacturing	100	100	
Innodisk Global-M Corporation	Innodisk Shenzhen Corporation	Sales of Industrial embedded storage devices	100	100	
Innodisk Europe B.V.	Innodisk France SAS	After-sales services and support of industrial embedded storage devices	100	100	
Innodisk Europe B.V.	Innodisk Germany GmbH	After-sales services and support of industrial embedded storage devices	100		Note 6
Aetina Corporation	Aetina USA Corporation	After-sales service and support for industrial graphics cards	100	100	Note 2
Aetina Corporation	Aetina Europe B.V.	After-sales service and support for industrial graphics cards	100	100	Note 3
Aetina Corporation	Aetina (Shenzhen) Artificial Intelligence Co., Ltd.	After-sales service and support for industrial graphics cards	100	100	Note 4
Aetina Corporation	Aetina Japan Corporation	After-sales service and support for industrial graphics cards	100	100	Note 5

For the subsidiaries included in the consolidated financial statements on December 31, 2024 and 2023 referred to above, their financial statements as of December 31, 2024 and 2023 have all been reviewed by our CPAs.

Note 1: Aetina Corporation, through a resolution of the shareholders' meeting on May 19, 2023, issued 230,000 shares from capital increase for the payment of employees' remuneration by shares, with August 21, 2023 as the ex-date for capital increase, and the shareholding ratio of the Company decreased to 73.67%.
On May 9, 2024, the Board of Directors of Aetina Corporation approved a capital increase in cash of NT$138,000 , with the record date of the capital increase on September 5, 2024. The Company failed to increase the capital in accordance with the shareholding percentage, and the shareholding percentage fell to 67.06%.

Note 2: Aetina Corporation established its subsidiary Aetina USA Corporation in September 2021, and the capital injection has been completed on January 10, 2023.

Note 3: Aetina Corporation established its subsidiary Aetina Europe B.V. in January 2022, and the capital injection has been completed on March 13, 2023.

Note 4: Aetina Corporation established the subsidiary Aetina (Shenzhen) Artificial Intelligence Co., Ltd. in July 2023, and the capital injection was completed on November 10, 2023.

Note 5: Aetina Corporation established the subsidiary Aetina Japan Corporation in October 2023, and the capital injection has been completed on October 12, 2023.

Note 6: Innodisk Europe B.V. established a subsidiary Innodisk Germany GmbH in October 2024, and .the capital injection has been completed.

3. Subsidiaries not included in the consolidated financial report: none.
4. Adjustments for subsidiaries with different fiscal years: none.
5. Significant restrictions: none.
6. Subsidiaries with non-controlling interests that are material to the Group: none.

(IV) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (hereinafter referred to as the "functional currency"). The functional currency of the Company is "New Taiwan dollar", and the functional currencies of subsidiaries are "New Taiwan dollar", "Renminbi", "US dollar", “Euro” and "Japanese yen." The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional currency.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using spot exchange rate on the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the current period.

(2) Monetary assets and liabilities denominated in foreign currencies at period end are re-translated using the spot exchange rate on the balance sheet date. Exchange differences arising from re-translation on the balance sheet date are recognized in profit or loss in the current period.

(3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated using the spot exchange rate on the balance sheet date, and the translation differences are recognized in profit or loss in the current period. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated using the spot exchange on the

balance sheet date, and their translation differences are recognized in other comprehensive income. For those which are not measured at fair value, they are measured at the historical exchange rate on the initial transaction date.

(4) All foreign exchange gains and losses are presented in the statement of consolidated comprehensive income under "Other gains and losses."

2. Translation of foreign operations

(1) The operating results and financial position of all the subsidiaries with a functional currency different from the presentation currency are translated into the presentation currency as follows:

A. Assets and liabilities on each balance sheet presented are translated at the closing exchange rate on the date of the balance sheet.

B. Income and expenses on each statement of comprehensive income are translated at the average exchange rate of the period.

C. All exchange differences due to currency translation are recognized in other comprehensive income.

(2) Goodwill and fair value adjustments arising from the acquisition of a foreign entity are regarded as assets and liabilities of the foreign entity, and are translated at the closing rate.

(V) Classification of current and non-current items

1. Assets that meet any of the following criteria are classified as current assets:

(1) Assets that are expected to be realized, or intended to be sold or consumed within the normal operating cycle.

(2) Assets held mainly for trading purposes.

(3) Assets that are expected to be realized within twelve months from the balance sheet date.

(4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities in more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet any of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be paid off within the normal operating cycle.

(2) Assets held mainly for trading purposes.

(3) Liabilities that are to be paid off within twelve months from the balance sheet date.

(4) Those without the right to defer the settlement of liabilities for at least twelve months after the reporting period.

The Group classifies all liabilities that do not meet the above criteria as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

1. Refers to an irrevocable choice at the time of initial recognition to report in other comprehensive income the fair value changes of equity investments that are not held for trading.
2. The Group adopts transaction-date accounting for financial assets measured at fair value through other comprehensive income which meet the regular transaction practice requirements.
3. The Group measures assets at the fair value plus transaction cost at the time of initial recognition, and subsequently measures them at the fair value; changes in the fair value of equity instruments are recognized in other comprehensive income. At de-recognition, the accumulated profits or losses previously recognized in other comprehensive income shall not be reclassified to profits and losses but transferred to retained earnings. When the right to receive dividends is confirmed, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably; the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at amortized cost

1. They refer to those that meet the following criteria at the same time:
   (1) The financial assets are held under the business model of collecting contractual cash flows.
   (2) The financial assets' contractual cash flows on specific dates are solely for payments of the principal and the interest of outstanding principal.
2. The Group adopts transaction-date accounting for financial assets measured at amortized cost which meet the regular transaction practice requirements.
3. The Group measures financial assets at fair value plus transaction costs in the initial recognition, and the financial assets are subsequently amortized by the effective interest rate during the circulation to recognize interest income and impairment loss. The profits or losses are recognized in the profit and loss when the assets are de-recognized.
4. The Group holds time deposits that are not considered cash equivalents. Due to the short holding period, the impact of discounting is insignificant and they are measured at the amount of investment.

(IX) Accounts and notes receivable

1. Refers to accounts and notes that have been unconditionally charged for the right to exchange the value of the consideration due to the transfer of goods or services.
2. The short term accounts and notes payable with no interest paid are not significantly affected by discounting, and the Group measures them based on the original invoice amount.

(X) Impairment of financial assets

Regarding the financial assets measured at amortized cost, the Group considers all reasonable and supportable information (including forward-looking ones) and measures the loss allowance based on the expected 12-month credit losses for those that do not have their credit risk increased significantly since initial recognition. For those with their credit risk increasing significantly since initial recognition, the loss allowance is measured based on the expected full lifetime credit losses. For accounts receivable that do not contain significant financial components, the loss allowance is measured based on the expected amount of credit loss during the duration.

(XI) De-recognition of financial assets

A financial asset is de-recognized when the Group's rights to receive cash flows from the financial assets have expired.

(XII) Leasing arrangements (lessor) -- operating leases

Lease income from operating leases, less any incentives given to the lessee, is amortized in current profit or loss on a straight-line basis over the lease term.

(XIII) Inventories

Inventories are measured at the lower of cost or net realizable value, and the cost is determined by weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads, but excludes borrowing costs. At the end of year, inventories are evaluated at the lower of cost or net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost needed for completion and estimated cost needed to complete the sale.

(XIV) Investments accounted for under equity method -- Associates

1. Associates refer to entities over which the Group has significant influence but is not have control over. In general, the Group has more than 20% of their voting shares directly or indirectly. The Group accounts for its investment in associates using the equity method, and the investment is initially recognized at cost.
2. The Group recognizes the profit and loss as its current profit and loss upon the acquisition of an associate, and other comprehensive profit and loss after the acquisition are recognized as the other comprehensive profit and loss. When the Group’s share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group will not recognize further losses, unless it has incurred legal or constructive obligations or make payments on behalf of the associate.
3. If an associate has a change in equity not from profit or loss or other comprehensive income, and such a change does not affect the Group's shareholding in the associate, the Group will recognize the change in equity under"capital surplus" according to the shareholding percentage.
4. Unrealized gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. In the event that an associate issues new shares and the Group does not subscribe to or acquire the new shares in proportion, which results in a change to the Group's shareholding percentage but the Group maintains a significant influence on the associate, the increase or decrease of the Group's share of equity interest is an adjustment to "capital surplus" and "investments accounted for using the equity method". If the investment percentage is reduced, in addition to the above adjustments, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionally on the same basis as would be required if the relevant assets or liabilities were disposed of.
6. When the Group loses its significant influence on an associate, the remaining investment in said associate is re-measured at fair value, and the difference between the fair value and the book value is recognized as profit or loss in the current period.
7. When the Group disposes of an associate, if it loses the significant influence on the associate, all amounts previously recognized in other comprehensive income in relation to the associate are reclassified as profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses the significant

influence on an associate, all gains or losses previously recognized in other comprehensive income in relation to the associate should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. If the Group still has a significant influence over the associate, only the amount previously recognized in other comprehensive income will be transferred out in the above-mentioned manner.

(XV) Property, plant and equipment

1. Property, plant and equipment are initially recognized at cost.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The Group reviews the assets' residual values, useful lives and depreciation methods at the end of each fiscal year. If the estimates of the residual values and useful lives are different from the previous estimates or the expected pattern of consumption of future economic benefits embodied in the assets has changed significantly, then from the date of change, it shall be handled in accordance with the provisions of International Accounting Standards No. 8 "Changes and Errors in Accounting Policies and Accounting Estimates" regarding accounting estimate changes.

   The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 years to 50 years
Machinery and equipment	1 year to 8 years
Office equipment	2 year to 6 years
Others	1 year to 6 years

(XVI) Leasing agreements (lessee) - Right-of-use assets/lease liabilities

1. Leases are recognized as right-of-use assets and lease liabilities on the date when the leased assets are available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include fixed payments, less any lease incentives receivables.

   The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of re-measurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
3. At the commencement date, the right-of-use asset is recognized at cost comprising the

amount of initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's service life or the end of lease term. When the lease liability is remeasured, the amount of re-measurement is recognized as an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of the lease, the lessee reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognizes the difference between this amount and the re-measurement amount of the lease liability in profit or loss.

(XVII) Investment property

Investment properties are initially measured at cost, and subsequently measured using a cost model. Other than land, the depreciation is recognized on a straight-line basis with a service life between 18 and 41 years.

(XVIII) Intangible assets

1. Computer software

   Recognized by the acquisition cost and amortized on a straight-line basis with an estimated service life of 1 to 8 years.

2. Trademarks and patent rights

   Trademarks and patent rights acquired as a result of a business combination are recognized at fair value on the acquisition date. Trademarks and patent rights are assets with a finite useful life and are amortized at the estimated useful life of three years on a straight line basis.

3. Goodwill

   Goodwill is measured in a business combination using the acquisition method.

(XIX) Impairment of non-financial assets

1. The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. An impairment loss is recognized when the recoverable amount is lower than the book value. The recoverable amount is the higher of an asset's fair value less disposal cost or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
2. Goodwill is regularly estimated for its recoverable amount. An impairment loss is recognized when the recoverable amount is lower than its carrying amount. The goodwill impairment loss will not be reversed in subsequent years.
3. Goodwill is allocated to cash-generating units for the purpose of conducting impairment testing. The allocation identified based on the operating segment, and the goodwill is allocated to cash-generation units or groups of cash-generation units expected to benefit from the business combination that generates goodwill.

(XX) Borrowings

Refers to long- and short-term funds borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XXI) Accounts and notes payable

1. Refers to debts incurred as a result of the purchase of raw materials, goods or services, and notes payable due to business and non-business purposes.
2. The short-term accounts and notes payable with no interest paid are not significantly affected by discounting, and the Group measures them based on the original invoice amount.

(XXII) De-recognition of financial liabilities

The Group de-recognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled or expired.

(XXIII) Offset between financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis when there is a legally enforceable right to offset the amount of the recognized financial assets and liabilities and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(XXIV) Provision for liabilities

Liability reserve (which is for warranty) is a present statutory or deferred obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Future operating losses shall not be recognized as liability reserves.

(XXV) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pension

   For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as assets to the extent of a cash refund or a reduction in future payments.

3. Remuneration for employees and directors

   Remunerations for employees and directors are recognized as expenses and liabilities, provided that they have legal or constructive obligation and the amounts can be reasonably estimated. Any difference between the resolved amounts and the subsequent actually distributed amounts shall be treated as accounting estimate changes. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXVI) Employee share-based payments

The share-based payment agreement for delivery of equity is a transaction in which employees' labor service received as consideration for the Company's equity instrument at fair value, and it is recognized as compensation costs during the vesting period, and the equity is adjusted accordingly. The fair value of equity instrument shall reflect the effects of vesting and non-vesting conditions of market value. The recognized remuneration costs are adjusted in accordance with the expected service conditions to be met and the non-vesting market value conditions, until the final recognized amount is recognized with the vesting amount on the vesting date.

(XXVII) Income tax

1. Income tax expense includes current and deferred income taxes for the current period. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. Current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted on the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. The management periodically assesses the income tax filing status in accordance with applicable tax regulations, and makes income tax provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
3. Deferred income tax is recognized using the balance sheet liability method, and the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet are recognized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. When there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities against each other, and there is an intention to settle or simultaneously realize the assets and liabilities on a net basis, the current income tax assets and current income tax liabilities shall offset each other. When there is a legal enforcement right to offset current income tax assets and current income tax liabilities, and deferred income tax assets and liabilities are generated by the same taxpayer or a different taxpayer with the income tax levied by the same tax authority, but each entity intends to settle the assets and liabilities on a net basis or simultaneously realize the assets and liabilities, deferred income tax assets and liabilities are offset against each other.

(XXVIII) Share capital

Common stocks are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(XXIX) Dividend distribution

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities. Stock dividends are recorded as dividends to be distributed and transferred to be common stocks on the record date of issuance of new shares.

(XXX) Revenue recognition

1. The Group develops, manufactures and sells various products related to industrial storage devices and memory modules. The sales revenue is recognized when the control of products is transferred to customers. That is, once products are delivered to customers, the customers have discretion on the channel and price of product sales, and the Group has no outstanding

performance obligations that may affect customers' acceptance of the products. The delivery of products occurs when products are shipped to a designated location and the risk of obsolescence and loss has been transferred to customers, and the customers accept the products in accordance with the sales contract or have objective evidence that all criteria have been met.

2. The payment terms of sales transactions are usually payment in advance or net 30 to 90. With respect to the contracts signed between the Group and customers, the time interval between the transfer products or services promised to customers and the customers' payment has not exceeded one year, so the Group has not adjusted the transaction price to reflect the time value of money.
3. Sales revenue is recognized as the net after subtracting sales discounts from the contract price. The Group estimates possible sales discounts based on past experience and different contract conditions, and recognizes the refund liabilities accordingly.
4. The Group provides warranty for products sold, and has the obligation to repair product defects which are recognized as liability provisions when goods are sold.
5. Accounts receivable are recognized when the products are delivered to the customer, because the Group has an unconditional right to the contract price from that point on, and it only takes time to collect the consideration from the customer.

(XXXI) Operation Department

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(XXXII) Government subsidies

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and that the grant will be received. If the nature of government subsidies is to compensate the Group for expenses incurred, the government subsidies are recognized in profit or loss on a systematic basis in the period in which the related expenses are incurred.

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

In the Group’s preparation of the consolidated financial statements, the management has used its judgment to determine the accounting policies to be adopted, and based on the current situation on the balance sheet date, has made accounting estimates and assumptions based on reasonable expectations for future events. Significant accounting estimates and assumptions may differ from the actual results, and continuous evaluation and adjustment will be made based on historical experience and other factors. Such estimates and assumptions have a risk of causing an adjustment to the carrying amounts of assets and liabilities in the next financial year. Please see the following explanation of critical accounting judgments and key sources of estimation and uncertainty:

(I) Critical judgments adopted by the accounting policies

The critical judgments adopted in the Group's accounting policies have been assessed to be free from significant uncertainty.

(II) Significant accounting estimates and assumptions

Inventory Evaluation

During the inventory valuation, the Group needs to use judgment to evaluate the wear and tear, obsolescence and market sales value of the inventory to estimate the net realizable value, and write down the inventory cost to the net realizable value. Technological changes, environmental changes and sales conditions will change the inventory value, further affecting its valuation.

The book value of the Group's inventories on December 31, 2024 is detailed in Note 6(5).

VI. Statements of Main Accounting Items

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash:		
Cash on hand and working capital	$ 1,296	$ 1,225
Checking accounts and demand deposits	1,893,461	1,970,297
Cash equivalents:		
Time deposits	1,105,500	1,585,500
	$ 3,000,257	$ 3,557,022

1. The Group transacts with a variety of financial institutions with high credit quality to disperse credit risk, so the probability of counterparty default is remote.
2. The Group has transferred restricted bank deposits to financial assets measured at amortized cost - non-current. Please refer to Note 8 for details.

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

	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Domestic listed stocks - Preferred stocks	$ 29,970	$ 29,970
Valuation adjustment	(899)	(1,865)
	$ 29,071	$ 28,105

1. The Group chooses to classify equity instruments of strategic investment nature as financial assets measured at fair value through other comprehensive income.
2. Please refer to the consolidated statement of comprehensive income for the details of the financial assets measured at fair value through other comprehensive income which are recognized in the comprehensive profit and loss of the Group.
3. The Group has not pledged financial assets measured at fair value through other comprehensive income as collateral.
4. Please refer to Note 12(3) for relevant fair value information.

(III) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Current items:		
Time deposits due in three months to one year	$ 157,898	$ -
Non-current items:		
Pledged time deposits	$ 11,206	$ 11,206

1. Please refer to Note 6(21) for the recognized interest income from financial assets measured at amortized cost.
2. Please refer to Note 8 for the Group’s pledge of financial assets at amortized cost as collateral.

(IV) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 902	$ 1,017
Less: Loss allowance	-	-
	$ 902	$ 1,017
Accounts receivable	$ 1,184,755	$ 1,339,613
Account receivable - Related parties	44	31
	1,184,799	1,339,644
Less: Loss allowance	(635)	(5,986)
	$ 1,184,164	$ 1,333,658

1. For the aging analysis and the related credit risk information on notes and accounts receivable, please refer to Note 12(2).
2. On December 31, 2024 and 2023, the balances of notes and accounts receivable were both from customer contracts, and both the balances of notes and accounts receivable on January 1, 2023 were NT$1,444,073.
3. The Group does not hold any collateral for the aforementioned notes and accounts receivable.

(V) Inventories

	December 31, 2024		
	Cost	Loss allowance for falling prices	Book value
Raw materials	$ 1,172,585	($ 174,336)	$ 998,249
Work in process	321,811	(25,561)	296,250
Finished goods	278,921	(30,516)	248,405
Merchandise	110,111	(9,240)	100,871
	$ 1,883,428	($ 239,653)	$ 1,643,775

	December 31, 2023		
	Cost	Loss allowance for falling prices	Book value
Raw materials	$ 885,869	($ 155,352)	$ 730,517
Work in process	235,190	(22,909)	212,281
Finished goods	210,156	(25,154)	185,002
Merchandise	39,572	(8,124)	31,448
	$ 1,370,787	($ 211,539)	$ 1,159,248

1. None of the above inventories are provided with pledged collaterals.
2. The Group recognizes them as current losses of inventory cost.

	2024	2023
Cost of inventory sold	$ 6,016,785	$ 5,491,831
Loss on falling prices of inventory (price recovery gain)	28,114	(67,781)
Loss on scrapping of inventory	21,925	21,550
Others	23,569	22,266
	$ 6,090,393	$ 5,467,866

Because the Group sold inventory with valuation loss already recognized and inactive stock, the allowance for impairment loss reduced, and thus a price recovery gain was generated.

(VI) Investments accounted for using equity method

	December 31, 2024			December 31, 2023		
		Amount	Shareholding ratio		Amount	Shareholding ratio
Affiliates:						
Millitronic Co., Ltd.	$	23,931	32.16%	$	26,256	32.16%
Sysinno Technology Inc.		11,655	42.95%		12,278	42.95%
	$	35,586		$	38,534	

In 2024 and 2023, the Group's share of profits (losses) from affiliates recognized using the equity method was NT$(2,948) and NT$(4,274), respectively, which are recognized in the financial statements audited by the Company's independent auditors.

1. Sysinno Technology Inc. increased its capital by NT$17,500 in cash on March 21, 2023. The Company participated in the capital increase with NT$7,500 and acquired 300,000 shares, resulting in a decrease in our shareholding ratio to 42.95%.
2. Millitronic Co., Ltd. increased its capital by cash of NT$70,000 on December 19, 2023. The Company participated in the capital increase with NT$19,361 and acquired 1,382,944 shares, and the Company's shareholding decreased from 33.55% to 32.16%. Therefore, NT$2,994 is respectively adjusted in "capital surplus" and "investment under equity method", respectively for the change in the net worth of equity.
3. As of December 31, 2024 and 2023, the Group had no significant affiliates, and the consolidated book values of individual non-significant affiliates were NT$35,586 and NT$38,534, respectively. Their operating results are summarized as follows:

	2024	2023
Profit (loss) from continuing operations	($ 2,948)	($ 4,274)
Other comprehensive income or loss (net)	-	-
Total comprehensive profit and loss for the year	($ 2,948)	($ 4,274)

(VII) Property, plant and equipment

	2024										
	Land			Buildings and structures			Machinery and equipment	Office equipment	Unfinished construction and equipment pending acceptance	Others	Total
	For self use	For lease	Subtotal	For self use	For lease	Subtotal	For self use	For self use	For self use	For self use	
January 1											
Cost	$ 818,813	$ 213,475	$ 1,032,288	$ 1,059,117	$ 109,359	$ 1,168,476	$ 342,453	$ 78,969	$ 446,960	$ 129,926	$ 3,199,072
Accumulated depreciation and impairments	-	-	-	(164,279)	(1,356)	(165,635)	(232,068)	(49,363)	-	(74,126)	(521,192)
	$ 818,813	$ 213,475	$ 1,032,288	$ 894,838	$ 108,003	$ 1,002,841	$ 110,385	$ 29,606	$ 446,960	$ 55,800	$ 2,677,880
January 1	$ 818,813	$ 213,475	$ 1,032,288	$ 894,838	$ 108,003	$ 1,002,841	$ 110,385	$ 29,606	$ 446,960	$ 55,800	$ 2,677,880
Addition	-	-	-	186,543	-	186,543	23,998	42,486	32,849	22,242	308,118
Reclassification	-	-	-	436,186	-	436,186	6,024	3,044	(446,960)	1,288	(418)
Disposal	-	-	-	-	-	-	(9)	(9)	-	-	(18)
Depreciation expense	-	-	-	(41,546)	(2,711)	(44,257)	(37,623)	(22,782)	-	(18,032)	(122,694)
Net exchange difference	950	-	950	2,739	-	2,739	11	92	-	173	3,965
December 31	$ 819,763	$ 213,475	$ 1,033,238	$ 1,478,760	$ 105,292	$ 1,584,052	$ 102,786	$ 52,437	$ 32,849	$ 61,471	$ 2,866,833
December 31											
Cost	$ 819,763	$ 213,475	$ 1,033,238	$ 1,683,536	$ 109,359	$ 1,792,895	$ 372,494	$ 112,425	$ 32,849	$ 149,900	$ 3,493,801
Accumulated depreciation and impairments	-	-	-	(204,776)	(4,067)	(208,843)	(269,708)	(59,988)	-	(88,429)	(626,968)
	$ 819,763	$ 213,475	$ 1,033,238	$ 1,478,760	$ 105,292	$ 1,584,052	$ 102,786	$ 52,437	$ 32,849	$ 61,471	$ 2,866,833

	2023										
	Land			Buildings and structures			Machinery and equipment	Office equipment	Unfinished construction and equipment pending acceptance	Others	Total
	For self use	For lease	Subtotal	For self use	For lease	Subtotal	For self use	For self use	For self use	For self use	
January 1											
Cost	$ 818,658	$ -	$ 818,658	$ 1,042,912	$ -	$ 1,042,912	$ 324,396	$ 72,245	$ 220,157	$ 102,344	$ 2,580,712
Accumulated depreciation and impairments	-	-	-	(146,361)	-	(146,361)	(191,254)	(43,738)	-	(60,849)	(442,202)
	$ 818,658	$ -	$ 818,658	$ 896,551	$ -	$ 896,551	$ 133,142	$ 28,507	$ 220,157	$ 41,495	$ 2,138,510
January 1	$ 818,658	$ -	$ 818,658	$ 896,551	$ -	$ 896,551	$ 133,142	$ 28,507	$ 220,157	$ 41,495	$ 2,138,510
Addition	-	213,475	213,475	24,419	109,359	133,778	2,869	21,835	257,112	22,001	651,070
Reclassification	-	-	-	8,549	-	8,549	15,225	(7)	(30,309)	6,542	-
Disposal	-	-	-	-	-	-	(16)	(9)	-	-	(25)
Depreciation expense	-	-	-	(35,663)	(1,356)	(37,019)	(40,831)	(20,749)	-	(14,244)	(112,843)
Net exchange difference	155	-	155	982	-	982	(4)	29	-	6	1,168
December 31	$ 818,813	$ 213,475	$ 1,032,288	$ 894,838	$ 108,003	$ 1,002,841	$ 110,385	$ 29,606	$ 446,960	$ 55,800	$ 2,677,880
December 31											
Cost	$ 818,813	$ 213,475	$ 1,032,288	$ 1,059,117	$ 109,359	$ 1,168,476	$ 342,453	$ 78,969	$ 446,960	$ 129,926	$ 3,199,072
Accumulated depreciation and impairments	-	-	-	(164,279)	(1,356)	(165,635)	(232,068)	(49,363)	-	(74,126)	(521,192)
	$ 818,813	$ 213,475	$ 1,032,288	$ 894,838	$ 108,003	$ 1,002,841	$ 110,385	$ 29,606	$ 446,960	$ 55,800	$ 2,677,880

1. Please refer to Note 8 for the information on the collateral provided by the Group with its property, plant and equipment.
2. The Group had no capitalization of interest from property, plant and equipment in 2024 and 2023.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles, with the lease contract periods for buildings and company vehicles from 1 to 9 years. The land for the plant site in Taiwan is leased from Hsinchu Science Park; the lease contract has a term of 20 years, and the Company enjoys the priority of lease, with the lease period expected to be 50 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.

2. The information on the book value and recognized depreciation expenses of right-of-use assets are as follows:

	Land	Buildings	Company vehicles	Total
January 1, 2024	$ 168,613	$ 41,715	$ 4,250	$ 214,578
Addition	3,687	20,455	4,264	28,406
Early termination of leases	-	(2,806)	-	(2,806)
Depreciation expense	(6,757)	(18,956)	(3,419)	(29,132)
Net exchange difference	-	587	60	647
December 31, 2024	$ 165,543	$ 40,995	$ 5,155	$ 211,693

	Land	Buildings	Company vehicles	Total
January 1, 2023	$ 175,260	$ 27,702	$ 4,521	$ 207,483
Addition	-	36,982	3,267	40,249
Early termination of leases	-	(168)	-	(168)
Depreciation expense	(6,647)	(23,017)	(3,659)	(33,323)
Net exchange difference	-	216	121	337
December 31, 2023	$ 168,613	$ 41,715	$ 4,250	$ 214,578

3. The information on profit and loss items related to lease contracts is as follows:

Items affecting current profit and loss	2024	2023
Interest expenses on lease liabilities	$ 2,631	$ 2,554
Lease modification loss (gain)	(17)	(1)

4. In 2024 and 2023, other than the cash outflow from lease-related expenses mentioned in Note 6(8)3 above, please refer to Note 6(30) for details of the amount of cash outflow arising from the repayment of the principal of lease liabilities.

(IX) Leasing arrangements - lessor

1. The Group leases out assets such as land and buildings. The terms of the lease contracts are from 1 to 6 years, and the terms and conditions of the lease contracts are negotiated separately. In order to preserve the condition of leased assets, the Group usually requires lessees not to sublet, sublease or pledge all or part of the underlying leased assets.

2. Please refer to 6(22) for the rental income recognized by the Group based on operating lease contracts.

3. The maturity analysis of the lease payments for operating leases is as follows:

	December 31, 2024	December 31, 2023
2024	$ -	$ 15,536
2025	15,949	11,285
2026	1,284	1,437
2027 and afterwards	-	1,874
	$ 17,233	$ 30,132

(X) Investment property

	2024		
	Land	Buildings and structures	Total
January 1			
Cost	$ 86,909	$ 44,468	$ 131,377
Accumulated depreciation and impairments	-	(13,022)	(13,022)
	$ 86,909	$ 31,446	$ 118,355
January 1	$ 86,909	$ 31,446	$ 118,355
Addition	110,650	109,506	220,156
Depreciation expense	-	(3,858)	(3,858)
Net exchange difference	28	38	66
December 31	$ 197,587	$ 137,132	$ 334,719
December 31			
Cost	$ 197,587	$ 154,014	$ 351,601
Accumulated depreciation and impairments	-	(16,882)	(16,882)
	$ 197,587	$ 137,132	$ 334,719

	2023		
	Land	Buildings and structures	Total
January 1			
Cost	$ 86,688	$ 44,153	$ 130,841
Accumulated depreciation and impairments	-	(11,523)	(11,523)
	$ 86,688	$ 32,630	$ 119,318
January 1	$ 86,688	$ 32,630	$ 119,318
Depreciation expense	-	(1,446)	(1,446)
Net exchange difference	221	262	483
December 31	$ 86,909	$ 31,446	$ 118,355
December 31			
Cost	$ 86,909	$ 44,468	$ 131,377
Accumulated depreciation and impairments	-	(13,022)	(13,022)
	$ 86,909	$ 31,446	$ 118,355

1. Rental income and direct operating expenses of investment property.

	2024	2023
Rental income from investment property	$ 8,890	$ 6,652
Direct operating expenses incurred by investment property that generates rental income for the period	$ 4,523	$ 1,862

2. The fair values of the investment property held by the Group on December 31, 2024 and 2023 were NT$365,703 and NT$172,026, respectively. The above-mentioned fair value is obtained from the market price assessments and actual transaction prices of similar properties in the vicinity of the relevant assets, and belongs to Level 3.

3. Please refer to Note 8 for the information on the collateral provided by the Group with its property, plant and equipment.

4. The Group had no capitalization of interest from investment property in 2024 and 2023.

(XI) Intangible assets

	2024				
	Patent	Computer software	Trademark rights	Goodwill	Total
January 1					
Cost	$ 6,000	$ 119,037	$ 3,000	$ 12,464	$ 140,501
Accumulated amortization and impairments	(5,333)	(93,126)	(2,667)	-	(101,126)
	$ 667	$ 25,911	$ 333	$ 12,464	$ 39,375
January 1	$ 667	$ 25,911	$ 333	$ 12,464	$ 39,375
Additions - from separate acquisition	-	39,550	-	-	39,550
Amortization expense	(667)	(25,905)	(333)	-	(26,905)
Net exchange difference	-	-	-	740	740
December 31	$ -	$ 39,556	$ -	$ 13,204	$ 52,760
December 31					
Cost	$ 6,000	$ 158,587	$ 3,000	$ 13,204	$ 180,791
Accumulated amortization and impairments	(6,000)	(119,031)	(3,000)	-	(128,031)
	$ -	$ 39,556	$ -	$ 13,204	$ 52,760

	2023				
	Patent	Computer software	Trademark rights	Goodwill	Total
January 1					
Cost	$ 6,000	$ 99,750	$ 3,000	$ 12,466	$ 121,216
Accumulated amortization and impairments	(3,333)	(72,099)	(1,667)	-	(77,099)
	$ 2,667	$ 27,651	$ 1,333	$ 12,466	$ 44,117
January 1	$ 2,667	$ 27,651	$ 1,333	$ 12,466	$ 44,117
Additions - from separate acquisition	-	19,287	-	-	19,287
Amortization expense	(2,000)	(21,027)	(1,000)	-	(24,027)
Net exchange difference	-	-	-	(2)	(2)
December 31	$ 667	$ 25,911	$ 333	$ 12,464	$ 39,375
December 31					
Cost	$ 6,000	$ 119,037	$ 3,000	$ 12,464	$ 140,501
Accumulated amortization and impairments	(5,333)	(93,126)	(2,667)	-	(101,126)
	$ 667	$ 25,911	$ 333	$ 12,464	$ 39,375

1. Breakdown of intangible asset amortization:

	2024	2023
Operating costs	$ 1,305	$ 1,476
Selling expenses	312	116
General and administrative expenses	9,148	11,457
Research and development expenses	16,140	10,978
	$ 26,905	$ 24,027

2. Goodwill is allocated to cash-generating units of the Group:

	December 31, 2024	December 31, 2023
Innodisk USA Corporation	$ 11,673	$ 10,933
Others	1,531	1,531
	$ 13,204	$ 12,464

3. Goodwill is allocated to cash-generating units identified by the Group. The recoverable amount is evaluated based on the value in use which is calculated based on the estimated cash flow before tax.

   The Group calculated that the recoverable amount exceeds the carrying amount based on the value in use, so there is no impairment of goodwill. The calculation of value in use mainly considers gross margin, growth rate and discount rate.

   The management determines the budgeted gross margin based on past performance and the expectations for market development. The weighted average growth rate used is consistent with the industry's reported forecast. The adopted discount rate is a pre-tax rate and reflects the specific risks of the related operating units.

4. The Group had not pledged any intangible assets as collaterals on December 31, 2024 and 2023.

(XII) Other payables

	December 31, 2024	December 31, 2023
Payroll and bonus payable	$ 325,279	$ 304,206
Remunerations payable to employees and directors	93,002	97,981
Accrued expenses	85,924	73,781
Payable on machinery and equipment	10,020	16,766
Others	19,388	16,183
	$ 533,613	$ 508,917

(XIII) Long-term borrowings

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2024
Borrowing with installment repayments				
Innodisk Corporation				
E.Sun Commercial Bank Credit loan	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.375%	No.	$ 229,000
Innodisk Europe B.V.				
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is amortized annually and the interest is paid quarterly.	4.55%	No	8,535
Chinatrust Commercial Bank Credit loan	From March 15, 2019 to March 15, 2024; an extension was applied for the current period from March 15, 2024 to February 28, 2029. The principal and interest are paid on a quarterly basis each year.	4.45%	No	4,097
Aetina Corporation				
Chinatrust Commercial Bank Secured borrowings	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.1458%	Please see Note 8 for details.	85,468
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.2958%	No	34,858
				361,958
Less: Long-term borrowings, current portion				(17,877)
				$ 344,081

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2023
Borrowing with installment repayments				
Innodisk Corporation				
E.Sun Commercial Bank Credit loan	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.25%	No	$ 229,000
Innodisk Europe B.V.				
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is amortized annually and the interest is paid quarterly.	1.15%	No	10,194
Chinatrust Commercial Bank Credit loan	The borrowing period is from March 15, 2019 to March 15, 2024; the principal is amortized annually and the interest is paid quarterly.	1.15%	No	4,078
Aetina Corporation				
Chinatrust Commercial Bank Secured borrowings	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	0.94%	Please see Note 8 for details.	89,649
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	1.09%	No.	36,539
				369,460
Less: Long-term borrowings, current portion				(11,705)
				$ 357,755

Please refer to Note 6(24) for the Group’s interest expense recognized in profit or loss.

(XIV) Pensions

1. The Company and its domestic subsidiaries have established a defined contribution pension plan under the Labor Pension Act covering all regular employees with domestic citizenship. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

2. The overseas subsidiary Innodisk Global-M Corporation has not stipulated any employee pension regulations, and there is no mandatory requirement by local laws and regulations. Innodisk USA Corporation, Innodisk Europe BV, Innodisk Japan Corporation, and Aetina Japan Co., Ltd. adopt the defined contribution pension plan, and appropriate a certain percentage of the total salary of local employees on a monthly basis as pension. The Company has no further obligation other than the monthly appropriation.

3. Innodisk Memory Technology (Shenzhen) Co., Ltd. and Aetina (Shenzhen) Artificial Intelligence contribute monthly to the endowment insurance fund based on a certain percentage of the total salary of the local employees in accordance with the endowment insurance system stipulated by the government of the People's Republic of China. The pension of each employee is coordinated and arranged by the government. Other than the

monthly contributions, the Group has no further obligations.

4. In 2024 and 2023, the pension cost recognized by the Group in accordance with the above regulations was NT$53,288 and NT$46,844, respectively.

(XV) Share-based payment

1. The Company's share-based payment arrangements

(1) The board resolution on November 8, 2018 determined the first employee stock option plan of 2018 and established the stock option method. A total of 3,000,000 units of employee stock options was to be issued, each unit of stock option might subscribed to 1 share, and the measure became effective on December 11, 2018. The Company has processed the issuance of employee stock options on January 29, 2019.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee stock option plan - A	2019.1.29	3,000 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 are more years of service are entitled to 50%; those with 3 or more years of service are entitled to 100%.

(2) The board resolution on July 6, 2022 determined the first employee stock option plan of 2022 and established the stock option method. A total of 3,500,000 units of employee stock options was to be issued, and each unit of stock option subscribed to 1 share, and measures became effective on July 26, 2022. The Company has processed the issuance of employee stock options on August 5, 2022.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee stock option plan - B	2022.8.5	3,500 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 are more years of service are entitled to 50%; those with 3 or more years of service are entitled to 100%.

(3) On November 16, 2023, the board of directors of Aetina Corporation, the Company's subsidiary, resolved to issue the first employee stock options in 2023 and stipulated the measures for issuing employee stock options. It is planned to issue employee stock options of 1,700,000 units, and the number of shares to be subscribed per unit is 1 share. The Company issued the employee stock option options on December 22, 2023.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee stock option plan - Aetina	2023.12.22	1,700 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 are more years of service are entitled to 50%; those with 3 or more years of service are entitled to 100%.

(4) On May 9, 2024, the board of directors of Aetina Corporation, the Company's subsidiary, resolved to issue 2024 employee stock options reserved from capital increase in cash.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Capital increase in cash reserved for employee stock options - Aetina	2024.7.26	900 thousand shares	-	Immediate acquisition	Equity delivery

2. Detailed information of the share-based payment arrangement above

(1) Employee stock option plan

	2024					
	Innodisk				Aetina	
	Employee stock option plan - A		Employee stock option plan - B		Employee stock option plan	
	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)
Options outstanding as of January 1	-	-	3,362	156.84	1,383	16.04
Share options granted this period	-	-	-	-	317	16.04
Share options foregone this period	-	-	(65)	156.84	-	-
Share options exercised this period	-	-	(1,291)	148.54	-	-
Share options expiring this period	-	-	-	-	-	-
Options outstanding as of December 31	-	-	2,006	148.54	1,700	16.04
Options exercisable as of December 31	-		362		-	-

	2023					
	Innodisk				Aetina	
	Employee stock option plan - A		Employee stock option plan - B		Employee stock option plan	
	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)
Options outstanding as of January 1	123	81.40	3,455	168.00	-	-
Share options granted this period	-	-	-	-	1,383	16.04
Share options foregone this period	(10)	81.40	(93)	168.00	-	-
Share options exercised this period	(113)	81.40	-	-	-	-
Share options expiring this period	-	-	-	-	-	-
Options outstanding as of December 31	-	-	3,362	156.84	1,383	16.04
Options exercisable as of December 31	-		-		-	-

(2) Capital increase in cash reserved for employee stock options

The Company's subsidiary, Aetina Corporation, made a capital increase in cash in the third quarter of 2024, and reserved 900,000 shares for employee stock options at a strike price of NT$23 per share.

3. The Company’s weighted average stock price based on which the stock options were exercised in 2024 and 2023 on the exercise date was NT$284.20 and NT$221.28, respectively.

4. The expiration date and exercise price of stock options outstanding as of the balance sheet date are as follows:

(1) The Company

Approved issue date	Expiration date	December 31, 2024 Number of Shares (thousand shares)	December 31, 2024 Exercise price (NT$)
August 5, 2022	August 5, 2026	2,006	148.54

Approved issue date	Expiration date	December 31, 2023 Number of Shares (thousand shares)	December 31, 2023 Exercise price (NT$)
August 5, 2022	August 5, 2026	3,362	156.84

(2) The Company's subsidiary, Aetina Corporation

Approved issue date	Expiration date	December 31, 2024 Number of Shares (thousand shares)	December 31, 2024 Exercise price (NT$)
December 22, 2023	December 31, 2027	1,700	16.04

Approved issue date	Expiration date	December 31, 2023 Number of Shares (thousand shares)	December 31, 2023 Exercise price (NT$)
December 22, 2023	December 21, 2027	1,383	16.04

5. For the share-based payment transactions of the Company and the subsidiary Aetina Corporation on the grant date, The binomial evaluation model and the Black-Scholes option evaluation model are used to estimate the fair value of the stock option. The information is as follows:

Type of arrangement	Grant date	Stock price (NT$)	Exercise price (NT$)	Expected volatility	Expected duration	Expected dividend	Risk-free rate	Weighted average fair value per unit (NT$) (NT$)
Employee stock option plan - Innodisk-A	2019.1.29	105.50	105.50	34.34%	4 years	NA	0.61%	26.4442
Employee stock option plan - Innodisk-B	2022.8.5	168.00	168.00	30.62%	3.25 years	NA	0.95%	38.5462
Employee Stock Option Plan - Aetina	2023.12.22	22.00	16.04	36.77%	3.25 years	NA	1.13%	8.7668
Capital increase in cash reserved for employee stock options - Aetina	2024.7.26	19.92	23.00	46.28%	0.05 years	NA	1.22%	0.0726

6. Expenses incurred on share-based payment transactions are shown below:

   Equity delivery

	2024	2023
The Company	$ 36,468	$ 48,121
Subsidiary of the Company - Aetina	4,342	117
	$ 40,810	$ 48,238

(XVI) Provisions

	2024	2023
Balance on January 1	$ 59,569	$ 69,111
Provisions used for the period	(13,227)	(27,148)
Provision added this period	17,932	17,606
Balance on December 31	$ 64,274	$ 59,569

The analysis of provisions is as follows:

	December 31, 2024	December 31, 2023
Current	$ 21,302	$ 22,232
Non-current	42,972	37,337
	$ 64,274	$ 59,569

The Company's provisions for warranty liabilities are mainly related to sales of industrial storage devices and memory modules. The provisions for warranty liabilities are estimated based on the historical warranty information of the products.

(XVII) Share capital

1. As of December 31, 2024, the Company's authorized capital was NT$1,000,000 divided into 100,000 thousand shares (including 10,000 thousand shares of employee share options), and the paid-in capital was NT$914,561 with a par value of NT$10 per share. All proceeds from shares issued have been collected. The adjustments to the number of the Company's ordinary shares outstanding are as follows: (unit: share)

	2024	2023
January 1	88,397,642	86,553,081
Stock dividends	1,767,953	1,731,061
Employees exercise options	1,290,500	113,500
December 31	91,456,095	88,397,642

2. The shareholders' meeting on May 31, 2024 resolved to increase the Company’s capital by issuing new shares with the 2023 unappropriated retained earnings of NT$17,680. The record date for the capital increase was July 21, 2024.

3. The shareholders' meeting on May 31, 2023 resolved to increase the Company’s capital by issuing new shares with the 2022 unappropriated retained earnings of NT$17,311. The record date for the capital increase was August 27, 2023.

4. The ordinary shares issued due to the exercise of employee stock options in 2024 were 1,290,500 shares. As of December 31, 2024, there were 119,000 shares not yet registered for share capital change.

5. The ordinary shares issued due to the exercise of employee stock options in 2023 were 113,500 shares, and all of them had been registered for share capital change.

(XVIII) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surplus should not be used to cover accumulated capital deficit unless the legal reserve is insufficient.

2024	Issue of shares at premium	Difference between acquisition or disposal price and carrying value of equity in subsidiaries	Changes in ownership interests in subsidiaries recognized	Changes in net value of equities of associates and joint ventures recognized by using the equity method	Employee stock options	Others	Total
January 1	$ 1,315,986	$ 802	$ 25,386	$ 2,994	$ 62,674	$ 8,939	$ 1,416,781
Share-based payment	-	-	-	-	36,468	-	36,468
Changes in shareholders' equity in subsidiaries not recognized proportionately to ownership	-	-	22,010	-	-	-	22,010
Employees exercise options	224,139	-	-	-	(45,351)	-	178,788
Lapsed options	-	-	-	-	(2,281)	2,281	-
December 31	$ 1,540,125	$ 802	$ 47,396	$ 2,994	$ 51,510	$ 11,220	$ 1,654,047

2023	Issue of shares at premium	Difference between acquisition or disposal price and carrying value of equity in subsidiaries	Changes in ownership interests in subsidiaries recognized	Changes in net value of equities of associates and joint ventures recognized by using the equity method	Employee stock options	Others	Total
January 1	$ 1,302,829	$ 802	$ 24,806	$ -	$ 23,320	$ 4,705	$ 1,356,462
Share-based payment	-	-	-	-	48,121	-	48,121
Changes in net value of equities of associates and joint ventures recognized using the equity method	-	-	-	2,994	-	-	2,994
Share-based remuneration for employees of subsidiaries	-	-	580	-	-	-	580
Employees exercise options	13,157	-	-	-	(5,053)	-	8,104
Exercise right of disgorgement	-	-	-	-	-	520	520
Lapsed options	-	-	-	-	(3,714)	3,714	-
December 31	$ 1,315,986	$ 802	$ 25,386	$ 2,994	$ 62,674	$ 8,939	$ 1,416,781

(XIX) Retained earnings/subsequent handling

1. According to the Company's Articles of Incorporation, the income surplus from the general final accounts is distributed in the following order:

   (1) Tax appropriation.

   (2) Compensation for past losses.

   (3) Allocation of 10% as legal reserve. However, this shall not apply when the legal reserve has reached the amount of the Company's paid-in capital. A special reserve is also allocated or reversed in accordance with laws and regulations or the competent authority's requirements.

   (4) With respect to the balance and the accumulated unappropriated retained earnings of previous years, the board will propose a surplus distribution to the shareholders' meeting for resolution.

   Dividend policy: The Company considers future needs for business operations, long-term financial planning and shareholders' interest in the dividend policy. As the Company is currently in the growing stage, considering the future capital expenditure budget and the need for cash, the annual cash dividends will not be less than 10% of the total of cash and stock dividends. The Company's total earnings distribution to shareholders shall not be less than 30% of the current year's earnings.

2. Except for compensating losses or issuing new stocks or paying cash to shareholders in proportion to their shareholdings, the legal reserve shall not be used for any other purposes. The use of the legal reserve for the issuance of stocks or cash payment to shareholders in proportion to their shareholdings is limited to the portion in excess of 25% of the Company's paid-in capital.

3. In accordance with the regulations, the Company shall set aside a special reserve from the debit balance of other equity items on the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount can be included in distributable earnings.

4. The Company's distribution of profits

   (1) The 2023 and 2022 earnings distributions of the Company, as resolved by the Company's shareholders' meetings on May 31, 2024 and May 31, 2023, are as follows:

	2023		2022	
	Amount	Dividend per share (NT$)	Amount	Dividend per share (NT$)
Legal reserve allocated	$ 114,762		$ 185,019	
(Reversal) appropriation of special reserve	(924)		(12,223)	
Stock dividends	17,680	0.20	17,311	0.20
Cash dividends	901,656	10.20	1,194,433	13.80
	$ 1,033,174		$ 1,384,540	

(2) The distribution of 2024 earnings was resolved by the Board of Directors on February 26, 2025, with the details summarized below:

	2024	
	Amount	Dividend per share (NT$)
Legal reserve allocated	$ 110,617	
Stock dividends	18,291	0.20
Cash dividends	859,687	9.40
	$ 988,595	

(XX) Operating revenue

1. Segmentation of revenue from contracts with customers

The Group derives its revenue from the transfer of goods at a point in time in the following product categories and geographical regions:

	Industrial storage devices and memory modules					
2024	Taiwan	Asia	Americas	Europe	Others	Total
Revenue from contracts with customers	$ 2,697,012	$ 2,619,253	$ 1,659,298	$ 1,834,615	$ 105,464	$ 8,915,642

	Industrial storage devices and memory modules					
2023	Taiwan	Asia	Americas	Europe	Others	Total
Revenue from contracts with customers	$ 2,621,083	$ 2,427,848	$ 1,188,032	$ 1,934,982	$ 141,833	$ 8,313,778

2. Contract liabilities

(1) Contract liabilities related to contracts with customers recognized by the Group:

	December 31, 2024	December 31, 2023	January 1, 2023
Product sales contracts	$ 39,501	$ 27,548	$ 42,079

(2) Contract liabilities at the beginning of the period recognized as revenue of the period

	2024	2023
Product sales contracts	$ 25,440	$ 39,917

(XXI) Interest income

	2024	2023
Interest on bank deposits	$ 36,821	$ 38,674
Interest income from financial assets measured at amortized cost	874	785
Others	23	17
	$ 37,718	$ 39,476

(XXII) Other income

	2024	2023
Government grants	$ 56	$ 130
Rental income	19,011	12,444
Dividend income	1,349	1,127
Others	8,100	7,996
	$ 28,516	$ 21,697

(XXIII) Other gains and (losses)

	2024	2023
Net currency exchange gain (loss)	$ 131,883	$ 3,714
Gain (loss) on disposal of property, plant and equipment	(18)	(25)
Depreciation expenses of real estate investment	(3,858)	(1,446)
Others	(2,865)	(985)
	$ 125,142	$ 1,258

(XXIV) Financial costs

	2024	2023
Interest expense on bank borrowings	$ 6,424	$ 4,489
Interest expenses on lease liabilities	2,631	2,554
Others	8,730	54
	$ 17,785	$ 7,097

(XXV) Expenses by nature

	2024	2023
Employee benefits expense	$ 1,559,091	$ 1,395,071
Depreciation charges on property, plant and equipment	$ 122,694	$ 112,843
Depreciation expenses for right-of-use assets	$ 29,132	$ 33,323
Amortization expense on intangible assets	$ 26,905	$ 24,027

(XXVI) Employee benefit expenses

	2024	2023
Payroll expenses	$ 1,284,707	$ 1,145,269
Employee stock options	40,810	48,238
Labor and health insurance fees	107,537	95,815
Pension expense	53,288	46,844
Directors' remuneration	16,867	15,386
Other employee benefit expenses	55,882	43,519
	$ 1,559,091	$ 1,395,071

1. If there is still a balance in the income before tax after compensation for losses, the Company shall allocate the following amounts as employees' and directors' remunerations:

   (1) More than 3% as employees' remuneration.

   (2) Less than 2% as directors' remuneration.

   The employee remuneration may be made in the form of shares or cash, subject to the special resolution by the board of directors which shall reported to a shareholders' meeting. The recipients include the employees of subordinate companies in which the Company holds more than half of the shares with voting power or the total capital of the subordinate companies.

2. The estimated amount of employees' remuneration for 2024 and 2023 is NT$80,000 and NT$84,079, respectively; the estimated amount of directors' remuneration is NT$12,800 and NT$13,700, respectively. These amounts are recorded as salary expenses.

   The employees' remuneration and directors' and supervisors' remuneration were estimated and respectively accrued based on 5.65% and 0.90% of the Company's profit of 2024.

   The employees' and directors' remuneration approved by the board meeting for 2023 were NT$84,079 and NT$13,700, respectively, which were consistent with the amounts recognized in the 2023 consolidated financial statements, and NT$84,079 and NT$13,700 have been paid respectively in cash as of December 31, 2024.

3. Information about employees' and directors' remuneration of the Company as resolved by the board meeting is available on the Market Observation Post System.

(XXVII) Income tax

1. Income tax expense

(1) Components of income tax expense

	2024	2023
Current tax:		
Income tax arising from income of the current period	$ 94,019	$ 281,201
Prior-year income tax underestimate (overestimate)	9,440	(1,455)
Withholding and provisional tax	156,968	9,539
Additional tax on unappropriated retained earnings	(5,722)	(25,566)
Total current tax	254,705	263,719
Deferred income tax:		
Origination and reversal of temporary differences	(15,884)	(2,311)
Others:		
Additional surtax on unappropriated retained earnings	5,722	25,566
Effects of changes in foreign exchange rates	52	(53)
Income tax expense	$ 244,595	$ 286,921

(2) For 2024 and 2023, the Group had no income tax related to other comprehensive income and direct debits or credits.

2. Relationship between income tax expense and accounting profit

	2024	2023
Income tax of pre-tax profit based on statutory tax rate (note)	$ 269,465	$ 287,112
Investment-deductible tax effect	(35,000)	(28,000)
Unrealized investment gain/loss of domestic operations	(339)	3,152
Impact that cannot be recognized according to laws and regulations	1,148	626
Tax overestimate in the previous year	9,440	(1,455)
Additional surtax on unappropriated retained earnings	5,722	25,566
Others	(5,841)	(80)
Income tax expense	$ 244,595	$ 286,921

Note: The basis for applicable tax rate is calculated at the rate applicable to the Company in the country where it is located at.

3. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2024		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
Temporary difference			
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	$ 41,281	$ 4,988	$ 46,269
Deferred unrealized gain on sales	3,123	656	3,779
Provisions for after-sales services	11,914	941	12,855
Attendance bonus	3,209	576	3,785
Exchange difference arising on translation of foreign operations			
Unrealized investment losses	5,052	12,193	17,245
Unrealized exchange loss	6,966	(6,966)	-
Unrealized sales discounts	-	6,107	6,107
Lease liabilities	3,548	(618)	2,930
Others	273	(71)	202
Tax loss	11,495	2,204	13,699
Subtotal	86,861	20,010	106,871
Deferred income tax liabilities:			
Temporary difference			
Exchange difference arising on translation of foreign operations			
Unrealized investment gains	(242)	(285)	(527)
Unrealized investment gains	-	(4,033)	(4,033)
Unrealized purchase discounts	-	(426)	(426)
Right-of-use assets	(3,548)	618	(2,930)
Subtotal	(3,790)	(4,126)	(7,916)
Total	$ 83,071	$ 15,884	$ 98,955

	2023		
	January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
Temporary difference			
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	$ 54,735	($ 13,454)	$ 41,281
Deferred unrealized gain on sales	2,102	1,021	3,123
Provisions for after-sales services	13,822	(1,908)	11,914
Attendance bonus	3,066	143	3,209
Exchange difference arising on translation of foreign operations			
Unrealized investment losses	-	5,052	5,052
Unrealized exchange loss	3,204	3,762	6,966
Lease liabilities	4,145	(597)	3,548
Others	-	273	273
Tax loss	8,228	3,267	11,495
Subtotal	89,302	(2,441)	86,861
Deferred income tax liabilities:			
Temporary difference			
Exchange difference arising on translation of foreign operations			
Unrealized investment gains	(4,397)	4,155	(242)
Right-of-use assets	(4,145)	597	(3,548)
Subtotal	(8,542)	4,752	(3,790)
Total	$ 80,760	$ 2,311	$ 83,071

4. The effective period of the Group's unused tax losses and the income from unrecognized deferred income tax assets are as follows:

	December 31, 2024				
	Occurring year	Declared amount/approved amount	Amount not yet deducted	Income from unrecognized deferred income tax assets	Last deduction year
Aetina	2023 (declared amount)	17,363	17,363	-	122
	2024 (declared amount)	21,794	21,794	-	123
		$ 39,157	$ 39,157	$ -	

	December 31, 2024				
	Occurring year	Declared amount/approved amount	Amount not yet deducted	Income from unrecognized deferred income tax assets	Last deduction year
Antzer Tech Co., Ltd.	2017 (approved amount)	$ 19,055	$ 9,381	$ -	116
	2018 (approved amount)	21,381	21,381	1,425	117
	2019 (approved amount)	16,927	16,927	16,927	118
	2020 (approved amount)	14,317	14,317	14,317	119
	2021 (approved amount)	3,283	3,283	3,283	120
		$ 74,963	$ 65,289	$ 35,952	

	December 31, 2023				
	Occurring year	Declared amount/approved amount	Amount not yet deducted	Income from unrecognized deferred income tax assets	Last deduction year
Aetina	2023 (declared amount)	$ 19,207	$ 19,207	$ -	122

	December 31, 2023				
	Occurring year	Declared amount/approved amount	Amount not yet deducted	Income from unrecognized deferred income tax assets	Last deduction year
Antzer Tech Co., Ltd.	2017 (approved amount)	$ 19,055	$ 18,310	$ -	116
	2018 (approved amount)	21,381	21,381	1,425	117
	2019 (approved amount)	16,927	16,927	16,927	118
	2020 (approved amount)	14,317	14,317	14,317	119
	2021 (approved amount)	3,283	3,283	3,283	120
		$ 74,963	$ 74,218	$ 35,952	

5. The Company's income tax returns have been assessed and approved by the tax authority up to 2021.

   The business income taxes of the Group's domestic consolidated subsidiary Aetina Corporation have been approved by the tax authority up to 2022.

   The income taxes of the Group's domestic consolidated subsidiary Antzer Tech Co., Ltd. have been approved by the tax authority up to 2022.

(blank below)

(XXVIII) Earnings per share

	2024		
	Amount after tax	Weighted average number of shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 1,106,172	90,640	12.20
Diluted earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 1,106,172	90,640	
Impact of conversion of all dilutive potential ordinary shares			
- Employees' remuneration	-	406	
- Employee stock options	-	958	
Current net profit attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares from conversion	$ 1,106,172	92,004	12.02

	2023		
	Amount after tax	Weighted average number of shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 1,147,616	90,163	12.73
Diluted earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 1,147,616	90,163	
Impact of conversion of all dilutive potential ordinary shares			
- Employees' remuneration	-	358	
- Employee stock options	-	1,359	
Current net profit attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares from conversion	$ 1,147,616	91,880	12.49

The aforesaid weighted average number of outstanding shares in 2024 and 2023 has been retroactively adjusted according to the ratio of capital increase from earnings in 2024.

(XXIX) Supplemental cash flow information

1. Investing activities with partial cash payments:

	2024	2023
Purchase of property, plant and equipment	$ 308,118	$ 651,070
Add: Opening balance of payable on equipment	16,766	52,801
Less: Ending balance of payable on equipment	(10,020)	(16,766)
Cash paid during the year	$ 314,864	$ 687,105

2. Financing activities with no cash flow effects

	2024	2023
Capitalization of earnings	$ 17,680	$ 17,311

(XXX) Changes in liabilities arising from financing activities

	2024			
	Other payables - Cash dividends payable	Long-term borrowings (including the current portion)	Lease liabilities (current/non-current)	Guarantee deposit received
January 1	$ -	$ 369,460	$ 218,524	$ 3,310
Repayment of borrowings	-	(7,600)	-	-
Declared cash dividends	901,656	-	-	-
Cash dividends paid	(901,656)	-	-	-
Increase in principal of lease liabilities	-	-	28,406	-
Payment of lease liabilities	-	-	(27,523)	-
Other non-cash transactions	-	-	(2,823)	-
Increase in guarantee deposits received	-	-	-	3,308
Decrease in guarantee deposit received	-	-	-	(2,816)
Impact of changes in foreign exchange rates	-	98	-	19
December 31	$ -	$ 361,958	$ 216,584	$ 3,821

	2023			
	Other payables - Cash dividends payable	Long-term borrowings (including the current portion)	Lease liabilities (current/non-current)	Guarantee deposit received
January 1	$ -	$ 321,076	$ 210,413	$ 1,586
Increase in borrowings	-	229,000	-	-
Repayment of borrowings	-	(181,166)	-	-
Declared cash dividends	1,194,433	-	-	-
Cash dividends paid	(1,194,433)	-	-	-
Increase in principal of lease liabilities	-	-	40,249	-
Payment of lease liabilities	-	-	(31,969)	-
Other non-cash transactions	-	-	(169)	-
Increase in guarantee deposits received	-	-	-	1,771
Decrease in guarantee deposit received	-	-	-	(6)
Impact of changes in foreign exchange rates	-	550	-	(41)
December 31	$ -	$ 369,460	$ 218,524	$ 3,310

(XXXI) Non-controlling interests

Capital increased in cash by a subsidiary, but the Group did not subscribe the shares in proportion to its shareholding

The Company's subsidiary, Aetina Corporation issued new shares for cash increase on September 5, 2024. The Company did not subscribe according to the shareholding ratio, so the shareholding was reduced by 6.61%. The transaction increased the non-controlling interests by NT$72,782, and the equity attributable to owners of the parent decreased by NT$72,782. The effect of the change in equity of Aetina Corporation in 2024 on the equity attributable to owners of the parent is as follows:

	2024
Cash	$ 94,792
Increase in book value of non-controlling interests	(72,782)
Capital surplus - recognition pf changes in ownership interests in subsidiaries	$ 22,010

VII. Related-party transactions

(I) Related parties' names and relationships

Name of the related party	Relationship with the Group
Affiliates:	
Millitronic Co., Ltd.	An entity over which the Group has significant influence
Sysinno Technology Inc.	An entity over which the Group has significant influence
Other related parties:	
I-Media Tech Co., Ltd.	The director of that company and one of the Company's directors are the same person.
Innodisk Foundation	The amount donated by the Company and the directors is more than one-third of the total fund received by the foundation.
All directors, the general manager and key executives.	The Group's key executives and governance units

(II) Significant transactions with the related parties

1. Sales of goods

(1) Operating revenue

The Group's revenue from sales of goods and services to the related parties is shown as follows:

	2024	2023
An entity over which the Group has significant influence	$ 187	$ 190

The prices of products sold and services provided to the related parties from the Group are based on the agreements between the parties. The payment terms are net 25 to net 35. There are no significant differences with the non-related parties. The payment terms for non-related parties are payment in advance and net 30 to 90 days.

(2) Accounts receivable

The Group's accounts receivable from the above transactions with related parties is shown as follows:

	December 31, 2024	December 31, 2023
An entity over which the Group has significant influence	$ 44	$ 31

2. Purchase transactions

(1) Operating costs

Details on the Group's purchase transactions with related parties are as follows:

	2024	2023
An entity over which the Group has significant influence	$ 1,268	$ 393
Other related parties	316	149
	$ 1,584	$ 542

The prices of the Group’s purchase transactions with related parties are based on the agreements with such parties. The payment term is monthly settlement, net 30 to 90 days, which is not significantly different from those of non-related parties. The payment term for non-related parties is payment in advance, 7 days after shipment and monthly settlement, net 30 to 90 days.

(2) Accounts payable

The Group's accounts payment from the above transactions with related parties is shown as follows:

	December 31, 2024	December 31, 2023
An entity over which the Group has significant influence	$ 233	$ 108
Other related parties	139	79
	$ 372	$ 187

3. Donations/operating expenses

The operating expenses arising from supporting education development, fulfilling corporate social responsibility and donations to related parties are detailed as follows:

	2024	2023
Innodisk Foundation	$ 4,000	$ 3,000

4. Manufacturing overhead/operating expenses

The breakdown of the purchase of miscellaneous items from related parties by the Group is as follows:

	2024	2023
An entity over which the Group has significant influence	$ 36	$ 187

The Group's other accounts payable arising from the above-mentioned related party transactions on December 31, 2024 and 2023 were NT$0, NT$114, respectively.

5. Lease and service transactions

(1) Other income

The Group's income from leasing assets to related parties and providing administrative support and other services is detailed as follows:

	2024		2023	
	Rental income	Other income	Rental income	Other income
An entity over which the Group has significant influence	$ 974	$ 362	$ 997	$ 360

The Group's rental income from leasing out offices is negotiated with the related parties and is collected on a monthly basis.

(2) Other receivables

The Group's other accounts receivable from the above transactions with related parties is shown as follows:

	December 31, 2024	December 31, 2023
An entity over which the Group has significant influence	$ 32	$ 31

(3) Guarantee deposits received

The Group's deposits received from the above transactions with related parties are shown as follows:

	December 31, 2024	December 31, 2023
An entity over which the Group has significant influence	$ 169	$ 146

6. Acquisition of financial assets

2024: None.

Counterparty	Accounting item	Number of shares traded	Subject of transaction	2023 Price of acquisition
Sysinno Technology Inc.	Investments accounted for using equity method	300,000	Common stock	$ 7,500
Millitronic Co., Ltd.	Investments accounted for using equity method	1,382,944	Common stock	19,361
				$ 26,861

(III) Compensation of key management personnel

	2024	2023
Short-term employee benefits	$ 91,910	$ 110,413
Post-employment benefits	1,023	1,069
Share-based payment	8,467	11,308
	$ 101,400	$ 122,790

VIII. Pledged assets

Assets pledged by the Group as collateral are as follows:

Assets	Book value December 31, 2024	Book value December 31, 2023	Purpose of collateral pledged
Financial assets measured at amortized cost			
-- Non-current			
- Pledged time deposits	$ 11,206	$ 11,206	Provide pledged time deposits for lease and customs tax guarantee
Land and buildings	151,999	153,375	Long-term borrowings
	$ 163,205	$ 164,581	

IX. Material contingent liabilities and unrecognized contractual commitments

(I) Material contingent liabilities

None.

(II) Material unrecognized contractual commitments

1. As of December 31, 2024 and 2023, the amount of endorsements and guarantees for individual entities in the Group was NT$19,414 and NT$19,323, respectively, and the amount used was NT$12,632 and NT$14,272, respectively.

2. Capital expenditures that have been signed but not yet incurred

	December 31, 2024	December 31, 2023
Property, plant and equipment (note)	$ -	$ 144,703

Note: It was mainly due to the contractual commitment of the Company to invest in the new plant in the Yilan area of Hsinchu Science Park.

X. Losses Due to Major Disasters

None.

XI. Significant Subsequent Events

Please refer to Note 6(19) for the distribution of 2024 earnings resolved by the board meeting on February 26, 2025.

XII. Others

(I) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. The total debt is the total liabilities reported in the Consolidated Balance Sheet. Total capital is calculated as "equity" as shown in the Consolidated Balance Sheet, plus net debt.

The Group maintained the same strategy in 2024 as in 2023. Please refer to the consolidated balance sheet for the Group’s debt-to-capital ratio on December 31, 2024 and 2023.

(II) Financial instruments

1. Types of financial instruments

   The Group's financial assets (cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets measured at fair value through other comprehensive income - non-current , Financial assets at amortized cost - non-current and refundable deposits) and financial liabilities (accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion) , deposits, lease liabilities (current and non-current), please refer to the relevant information in the Consolidated Balance Sheet and Note 6.

2. Risk management policy

   (1) The Group’s operations are exposed to a variety of financial risks, including the market risk (exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.

   (2) Risk management is carried out by the Group Treasury Department in compliance with

the policy approved by the management. The Group's treasury department primarily identifies, evaluates and hedges financial risks.

3. Nature and degree of significant financial risks

(1) Market risk

A. Foreign exchange risk

(A) The Group has a multinational operation and is therefore subject to the exchange rate risk arising from transactions among the different currencies used by the Company and its subsidiaries which are mainly USD, RMB, JPY and Euro. The related exchange risk from future business transactions have been recognized in assets and liabilities.

(B) The Group's management has set up policies to require companies within the Group to manage the exchange rate risk of their functional currencies. Each company hedges its overall exchange rate risk through its treasury department. Exchange rate risk arises when future business transactions and recognized assets or liabilities are denominated in foreign currencies that are not the entity's function currency.

(C) The Group's operations involve certain non-functional currencies (the Company’s functional currency is NTD, and for some subsidiaries, the functional currencies are Euro, USD, JPY and RMB), so it is subject to the impact of exchange rate fluctuations. The information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	December 31, 2024		
(foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value (NTD)
Financial Assets			
Monetary items			
USD : NTD	66,037	32.7850	$ 2,165,023
RMB : NTD	18,284	4.4780	81,876
JPY : NTD	149,707	0.2099	31,423
EUR : NTD	440	34.1400	15,022
GBP : NTD	5	41.1900	206
Financial liabilities			
Monetary items			
USD : NTD	20,139	32.7850	$ 660,257
RMB : NTD	166	4.4780	743
JPY : NTD	8,013	0.2099	1,682

(foreign currency: functional currency)	December 31, 2023 Foreign currency (in thousands)	Exchange rate	Book value (NTD)
Financial Assets			
Monetary items			
USD : NTD	69,139	30.7050	$ 2,122,913
RMB : NTD	24,519	4.3270	106,094
JPY : NTD	144,556	0.2172	31,398
EUR : NTD	251	33.9800	8,529
GBP : NTD	6	39.1500	235
Financial liabilities			
Monetary items			
USD : NTD	19,175	30.7050	$ 588,768
RMB : NTD	170	4.3270	736
EUR : NTD	5	33.9800	170
JPY : NTD	5,944	0.2172	1,291
USD : RMB	6,714	7.0960	206,153

(D) Please refer to Note 6(23) for the total exchange gain (loss) (realized and unrealized) due to significant foreign exchange rate fluctuations on monetary items held by the Group in 2024 and 2023.

(E) The analysis of the Group's foreign currency risk due to significant exchange rate fluctuation is as follows:

	2024 Sensitivity Analysis		
	Fluctuation	Effect on profit or loss	Effect on other comprehensive income
Financial Assets			
Monetary items			
USD : NTD	1%	$ 21,650	$ -
RMB : NTD	1%	819	-
JPY : NTD	1%	314	-
EUR : NTD	1%	150	-
GBP : NTD	1%	2	-
Financial liabilities			
Monetary items			
USD : NTD	1%	(6,603)	-
RMB : NTD	1%	(7)	-
JPY : NTD	1%	(17)	-

	2023		
	Sensitivity Analysis		
	Fluctuation	Effect on profit or loss	Effect on other comprehensive income
Financial Assets			
Monetary items			
USD : NTD	1%	$ 21,229	$ -
RMB : NTD	1%	1,061	-
JPY : NTD	1%	314	-
EUR : NTD	1%	85	-
GBP : NTD	1%	2	-
Financial liabilities			
Monetary items			
USD : NTD	1%	(5,888)	-
RMB : NTD	1%	(7)	-
EUR : NTD	1%	(2)	-
JPY : NTD	1%	(13)	-
USD : RMB	1%	(2,062)	-

B. Price risk

(A) The Group's equity instruments exposed to the price risk are financial assets held and recognized at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Group dispersed its investment portfolio in accordance with the limits set by the Group.

(B) The Group mainly invests in equity instruments issued by domestic companies, and the prices of such equity instruments will be affected by the uncertainty in the future values of such investment objects. If the price of such instruments rises or falls by 1% while all other factors remain unchanged, the other comprehensive income classified as equity investments measured at fair value through other comprehensive income in 2024 and 2023 will increase or decrease by NT$291 and NT$281, respectively.

C. Cash flow and fair value interest rate risk

(A) The Group’s interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings at floating rates expose the Group to a cash flow interest rate risk, which is partially offset by cash and cash equivalents held at floating rates. The Group's borrowings at floating rates in 2024 and 2023 were denominated in NTD and EUR.

(B) On December 31, 2024 and 2023, if the borrowing rate increased by 1% with all other reasons remained unchanged, the net profit before tax for 2024 and 2023 would decrease by NT$3,620 and NT$3,695, respectively, mainly due to the increase of borrowing interest caused by floating interest rates.

(2) Credit risk

A. The credit risk of the Group is the risk of financial loss due to the inability of customers or counterparties of financial instruments to perform their contractual obligations, mainly due to the inability of counterparties to pay off the notes and accounts receivable according to the terms of collection, and the contractual cash flow classified as debt instrument investment measured at amortized cost.

B. The management of credit risk is conducted with a Group perspective. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored.

C. The credit risk of the Group's investment in debt instrument measured at amortized cost refers to counterparty default on contractual obligations, leading to the Group's financial losses. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

D. According to the Group's past experience, if the contract payment in accordance with the agreed payment terms is overdue for more than 30 days, the credit risk of the financial asset significantly increases since the original recognition.

E. According to the Group's past experience in payment collection, if a contract payment in accordance with the agreed payment terms is overdue for more than 180 days, it is considered a breach of contract.

F. The Group categorizes accounts receivable from customers based on customer ratings, and a simplified method is used to estimate the expected credit loss based on a preparation matrix.

G. The Group has included the business indicator query system of the National Development Council and Basel Committee on Banking Supervision's forward-looking considerations to adjust the loss rate based on historical and current information for specific periods.

H. The Group uses the following indicators to determine the status of credit impairment of debt instruments:

   (A) The issuer suffers from significant financial difficulties or is likely to go bankrupt or undergo financial restructuring.

   (B) The issuer's financial difficulties have caused the disappearance of the active market for the financial asset

   (C) The issuer delays or does not pay for the interest or principal.

   (D) Adverse changes in national or regional economic conditions leading to the issuer's default.

I. The Group will continue to pursue legal proceedings against financial assets that have already defaulted in order to protect the rights of creditors. The Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse.

J. The Group has incorporated forward-looking considerations to adjust the loss rate built upon historic and current data, in order to estimate the loss allowance of notes and accounts receivables. The preparation matrix is as follows:

	Not past due	Less than 30 days past due	31 to 60 days past due	61 to 180 days past due	More than 181 days past due	Total
December 31, 2024						
Expected loss rate	0.03%~0.2%	0.03%~0.74%	0.03%~1.47%	0.03%~61.22%	100%	
Notes receivable	$ 902	$ -	$ -	$ -	$ -	$ 902
Accounts receivable	1,113,531	67,496	3,515	37	220	1,184,799
Total book value	$ 1,114,433	$ 67,496	$ 3,515	$ 37	$ 220	$ 1,185,701
Loss allowance	($ 385)	($ 28)	($ 2)	$ -	($ 220)	($ 635)

	Not past due	Less than 30 days past due	31 to 60 days past due	61 to 180 days past due	More than 181 days past due	Total
December 31, 2023						
Expected loss rate	0.03%~0.20%	0.03%~0.61%	0.03%~1.22%	0.03%~76.51%	100%	
Notes receivable	$ 1,017	$ -	$ -	$ -	$ -	$ 1,017
Accounts receivable	1,273,748	52,472	4,015	9,408	1	1,339,644
Total book value	$ 1,274,765	$ 52,472	$ 4,015	$ 9,408	$ 1	$ 1,340,661
Loss allowance	($ 440)	($ 34)	($ 496)	($ 5,015)	($ 1)	($ 5,986)

The above is an aging report based on the number of days past due.

K. The Group adopts a simplified method in which the loss allowance for the accounts receivable is shown below:

	2024	2023
	Accounts receivable	Accounts receivable
January 1	$ 5,986	$ 22,605
Expected loss (gain) on credit impairment	(5,503)	(16,304)
Effects of changes in foreign exchange rates	152	(315)
December 31	$ 635	$ 5,986

(3) Liquidity risk

A. Cash flow forecasts are performed by the operating entities within the Group and summarized by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs.

B. The Group's finance department invests the remaining funds in interest-bearing demand deposits and equity securities; the instruments chosen have appropriate maturities or sufficient liquidity to correspond to the forecasts above and provide sufficient funds required. As of December 31, 2024 and 2023, the Group's positions in the currency and securities markets are expected to generate immediate cash flow for the management of liquidity risk.

C. The Group does not have derivative financial liabilities. Non-derivative financial liabilities are grouped by relevant maturity dates and analyzed based on the remaining period from the balance sheet date to the contract maturity date. Except for those listed in the table below, they are all due within one year and their undiscounted contract cash flows are equivalent to the amounts listed in the consolidated balance sheet. The undiscounted contract cash flows of other non-derivative financial liabilities are as follows:

December 31, 2024	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-derivative financial liabilities:					
Lease liabilities (current/non-current)	$ 29,658	$ 20,174	$ 36,216	$ 166,415	$ 252,463
Long-term borrowings (including current portion)	24,240	42,912	126,278	209,014	402,444

December 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-derivative financial liabilities:					
Lease liabilities (current/non-current)	$ 28,501	$ 20,742	$ 34,693	$ 171,846	$ 255,782
Long-term borrowings (including current portion)	17,028	22,458	122,750	247,356	409,592

(III) Fair value information

1. The different levels of valuation techniques used to measure the fair values of financial and non-financial instruments are defined as follows:

   Level 1 : The quoted price (unadjusted) of the same assets or liabilities that the enterprise may acquire on the measurement date in the active market. A market is regarded as active where transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investments in TWSE and TPEx listed stocks belongs to this category.

   Level 2 : The directly or indirectly observable input values of assets or liabilities, except for the quotations included in level 1.

   Level 3 : Unobservable input values for assets or liabilities.

2. For fair value information of investment property measured at cost, please refer to Note 6(10).

3. Financial instruments not measured at fair value

   For the Group's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), non-current financial assets measured at amortized cost, refundable deposits, accounts payable (including related parties), other payables (including related parties), lease liabilities (current and non-current), long-term borrowings (including the current portion), and guarantee deposits received, the book value is a reasonable approximation of the fair value.

4. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics and risks of assets and liabilities and the level of fair value, and the relevant information is as follows:

   (1) For those classified by the Group based on the nature of assets and liabilities, the relevant information is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ 29,071	$ -	$ -	$ 29,071

December 31, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ 28,105	$ -	$ -	$ 28,105

(2) The methods and assumptions used by the Group to measure fair value are as follows:

A. If the Group adopts market quotations as the fair value input (i.e. Level 1), the closing prices of TWSE/TPEx listed stocks shall be adopted on the balance sheet date.

B. The Group includes the adjustment of credit risk evaluation into the calculation of fair value of financial instruments and non-financial instruments to reflect the credit risk of counterparties and the credit quality of the Group.

5. The Group did not have any transfer between Level 1 and Level 2, and there was no change in Level 3 and no transfer into and out of Level 3 in 2024 and 2023.

XIII. Additional disclosures

(I) Significant transactions information

1. Loans to others: None.
2. Provision of endorsements/guarantees to others: Please refer to Schedule 1.
3. Holdings of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Schedule 2.
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital: Please refer to Schedule 3.
6. Disposal of real estate exceeding NT$300 million or 20% of paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital: Please refer to Schedule 4.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital: Please refer to Schedule 5.
9. Engagement in derivative trading: None.
10. Business relationships and significant intercompany transactions between the parent company and subsidiaries: Please refer to Schedule 6.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Schedule 7.

(III) Information on investments in China

1. Basic information: Please refer to Schedule 8.
2. Significant transactions either directly or indirectly through a third area with investee companies in China: Please refer to Schedule 9.

(IV) Information on major shareholders

Information on major shareholders: Detailed in Schedule 10.

XIV. Operating Segments Information

(I) General information

The Group is involved in only one industry. The main business is the research, development, manufacturing and sales of industrial memory storage devices. The Group's operating decision maker evaluates the performance and allocates resources of the Group as a whole, and has identified that the Company has only one reportable operating segment.

(II) Measurement of segmental information

The accounting policies of the operating segments of the Group are the same as those of the Company. The Company's operating decision maker assesses the performance of each operating segments based on the operating net profit.

(III) Information on segmental profit and loss, assets and liabilities

The Group has only one reportable segment and is not required to disclose information on segment profit or loss, assets and liabilities. In addition, the accounting policies and estimates of the Company's reportable segments are the same as the significant accounting policies summary, significant estimates and assumptions in Notes 4 and 5.

(IV) Information on adjustments to segmental profit and loss, assets and liabilities

1. Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the comprehensive income statement. Adjustments to reportable segmental profit and loss, and pre-tax profit from continuing operations are as follows:

	2024	2023
Profit (loss) of reportable segments	$ 1,178,496	$ 1,380,028
Interest income	37,718	39,476
Other income	28,516	21,697
Other gains and losses	125,142	1,258
Financing cost	(17,785)	(7,097)
Shares of losses of associates accounted for using equity method	(2,948)	(4,274)
Profit (loss) before tax from continuing operations	$ 1,349,139	$ 1,431,088

2. The amount of total assets provided to the chief operating decision-makers is measured in a manner consistent with the assets on the balance sheet, and the Group's reportable segmental assets are equal to total assets with no adjustment required.

(V) Information on products and services

The Group is in the business of various industrial memory storage devices, and the details on revenue balance are shown as follows:

	2024	2023
Industrial embedded storage devices	$ 4,573,999	$ 4,496,366
Industrial dynamic random-access memory module	3,461,821	3,058,601
Others	879,822	758,811
	$ 8,915,642	$ 8,313,778

(VI) Geographical information

The information of the Group's income from external customers by country and non-current assets by asset location is as follows:

	2024		2023	
	Revenue	Non-current assets (note)	Revenue	Non-current assets (note)
Taiwan	$ 2,697,012	$ 3,329,136	$ 2,621,083	$ 2,901,058
United States	1,495,435	74,367	1,077,128	70,839
Japan	707,804	7,632	563,437	10,894
Germany	509,191	-	633,578	-
China	1,331,083	8,066	1,397,522	13,064
Others	2,175,117	50,604	2,021,030	54,459
	$ 8,915,642	$ 3,469,805	$ 8,313,778	$ 3,050,314

Note: Non-current assets do not include financial assets and deferred income tax assets:

(VII) Major customer information

The Group did not have any single customer accounting for more than 10% of its operating revenue in 2024 and 2023.

Innodisk Corporation and Subsidiaries

Provision of endorsements and guarantees to others

January 1 to December 31, 2024

Schedule 1

Expressed in Thousands of NTD (unless otherwise specified)

		Party being endorsed/ guaranteed												
Number (Note 1)	Endorser / guarantor	Company name	Relationship (Note 2)	Endorsement/ guarantee limit for a single enterprise (Note 3)	Maximum outstanding endorsement/ guarantee amount for the period (Note 4)	Outstanding endorsement/guarantee amount for the period	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Percentage of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Maximum amount of endorsements/ guarantees (Note 3)	Provision of endorsements/ guarantees by the parent company to the subsidiary	Provision of endorsements/ guarantees by the subsidiary to the parent company	Provision of endorsements/ guarantees to the party in China	Remarks
0	Innodisk Corporation	Innodisk Europe B.V.	2	$ 1,498,229	$ 14,860	$ 14,339	$ 12,632	-	0.19%	$ 3,745,572	Y	N	N	
1	Innodisk Europe B.V.	Innodisk France SAS	4	11,690	5,260	5,075	-	-	8.68%	29,225	N	N	N	

Note 1: The numbers to be filled in are as follows:

(1) Fill in 0 for the issuer.

(2) The invested companies are numbered in order starting from 1.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are classified into the following seven categories; fill in the number of the category:

(1) A company with business dealings.

(2) A company in which the Company directly or indirectly holds more than 50% of its voting shares.

(3) A company which directly or indirectly holds more than 50% of the voting shares of the Company.

(4) A company in which the Company directly or indirectly holds more than 90% of its voting shares.

(5) A company with mutual guarantees in accordance with the contract in the same industry or a joint constructor for the purpose of contracting the project.

(6) A company jointly endorsed/guaranteed by all its shareholders in proportion to their ownerships due to joint venture.

(7) Performance guarantee and joint guarantee by industry peers engaging in a house pre-sale contract in accordance with the Consumer Protection Act.

Note 3: The total amount of endorsements and guarantees of the Company must not exceed 50% of the Company's net worth, and the total amount to a single enterprise shall not exceed 20% of the Company's net worth.

Note 4: The total amount of endorsements and guarantees by a subsidiary shall not exceed 50% of the subsidiary’s net worth, and the total amount to a single enterprise shall not exceed 20% of the subsidiary’s net worth.

Note 5: Maximum outstanding balance of endorsements/guarantees provided in the reporting period.

Innodisk Corporation and Subsidiaries

Holding of marketable securities at the end of the period (excluding the controlling shares in subsidiaries, associates and joint ventures)

December 31, 2024

Schedule 2

Expressed in Thousands of NTD
(unless otherwise specified)

Holding company	Type and name of securities	Relationship with the issuer of securities	Account of recognition	Period end				Remarks
				Number of Shares	Book value	Ownership	Fair value	
Innodisk Corporation	Domestic listed stocks - Preferred stock - Supreme Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income -- Non-current	666,000	$ 29,071	2.22%	$ 29,071	

Note: The shareholding ratio is calculated based on the total number of shares of the same type issued by the investee company; the stocks of TWSE and TPEx listed companies are expressed at the closing price at the end of the period, and the stocks of non-TWSE or non-TPEx listed companies are expressed at the estimated fair value.

Innodisk Corporation and Subsidiaries

Acquisition of real estate reaching NT$300 million or 20% of the paid-in capital or more

January 1 to December 31, 2024

Schedule 3

Expressed in Thousands of NTD
(unless otherwise specified)

The company which acquired the real estate	Property name	Date of fact	Transaction amount	Payment status	Counterparty	Relationship with the endorser/guarantor	Previous transfer information if the counterparty is a related party				Reference for price determination	Purpose of acquisition and status of use	Other agreed matters
							Owner	Relationship with the Issuer	Transfer date	Amount			
Innodisk Corporation	Nihonbashihama Real Estate	July 2024	$228,846	2024: Already paid NT$228,846.	Shibuya East Real Estate Co., Ltd.	-	-	-	-	-	The professional appraisal firm referred to by the board of directors of the Company.	For the Company's operation.	None

Note: It refers to the total contract price and deed tax.

Innodisk Corporation and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

January 1 to December 31, 2024

Schedule 4

Expressed in Thousands of NTD (unless otherwise specified)

			Transaction				Differences in transaction terms compared with third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty name	Relationship with the endorser/guarantor	Purchase/Sales	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remarks
Innodisk Corporation	Innodisk USA Corporation	Subsidiary	(Sales)	($ 1,073,776)	(13%)	Net 60	None	None	$ 307,278	22%	
Innodisk Corporation	Innodisk Shenzhen Corporation	Subsidiary	(Sales)	(542,031)	(7%)	Net 60	None	None	204,891	15%	
Innodisk USA Corporation	Innodisk Corporation	Parent company	Purchase	1,073,776	20%	Net 60	None	None	(307,278)	(42%)	
Innodisk Shenzhen Corporation	Innodisk Corporation	Parent company	Purchase	542,031	10%	Net 60	None	None	(204,891)	(28%)	

Innodisk Corporation and Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

January 1 to December 31, 2024

Schedule 5

Expressed in Thousands of NTD
(unless otherwise specified)

Companies with accounts receivable	Counterparty name	Relationship with the endorser/guarantor	Balance of account receivable from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Amount of recognized allowance for bad debts
					Amount	Action taken		
Innodisk Corporation	Innodisk USA Corporation	Subsidiary	$ 307,278	4.81	$ -	Not applicable	$ 70,617	$ -
Innodisk Corporation	Innodisk Shenzhen Corporation	Subsidiary	204,891	3.81	-	Not applicable	22,331	-

Innodisk Corporation and Subsidiaries

Business relationships and significant transactions between the parent company and subsidiaries and among subsidiaries and the amounts

January 1 to December 31, 2024

Schedule 6

Expressed in Thousands of NTD (Unless otherwise specified)

Individual transactions less than NT$10 million will not be disclosed. Transactions which are disclosed as part of the parent company's transactions will not be disclosed again.

				Status of transaction			
Number (Note 1)	Name of the trader	Counterparty of transaction	Relationship with the trader	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (note 2)
0	Innodisk Corporation	Innodisk USA Corporation	Parent company to subsidiary	Sales	$ 1,073,776	Same with other customers	12%
0	Innodisk Corporation	Innodisk Shenzhen Corporation	Parent company to subsidiary	Sales	542,031	Same with other customers	6%
0	Innodisk Corporation	Innodisk USA Corporation	Parent company to subsidiary	Accounts receivable	307,278	Same with other customers	3%
0	Innodisk Corporation	Innodisk Shenzhen Corporation	Parent company to subsidiary	Accounts receivable	204,891	Same with other customers	2%
0	Innodisk Corporation	Innodisk Japan Corporation	Parent company to subsidiary	Operating expenses	36,629	Same with other customers	0%
0	Innodisk Corporation	Innodisk Europe B.V.	Parent company to subsidiary	Operating expenses	106,482	Same with other customers	1%

Note 1: The business dealing information between the parent company and the subsidiaries shall be indicated in the number field respectively. The filling method of the number is as follows:

(1). Fill in 0 for the parent.

(2) The subsidiaries are numbered in order starting from "1".

Note 2: Regarding percentage of transaction amount to consolidated total operating revenue or total assets, it is computed based on the period-end balance to consolidated total assets for balance sheet accounts, and based on the accumulated amount for the period to consolidated total operating revenue for income statement accounts.

Note 3: For details of endorsements and guarantees between the parent and subsidiaries, please refer to Schedule (I) for the description of endorsements and guarantees for others.

Innodisk Corporation and Subsidiaries

Names, locations and other information of investee companies (not including investees in China)

January 1 to December 31, 2024

Schedule 7

Expressed in Thousands of NTD
(unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as of the end of period			Net profit (loss) of the investee for the current period	Investment income(loss) recognized by the Company for the current period	Remarks
				Balance at the end of period	End of the previous year	Number of Shares	Percentage	Book value			
Innodisk Corporation	Innodisk USA Corporation	United States	Sales of Industrial embedded storage devices	$ 140,499	$ 140,499	2,046,511	100.00	$ 60,454	($ 46,344)	($ 46,041)	
Innodisk Corporation	Innodisk Japan Corporation	Japan	After-sales services and support of industrial embedded storage devices	3,533	3,533	196	100.00	12,336	1,607	1,703	
Innodisk Corporation	Innodisk Europe B.V.	Netherlands	After-sales services and support of industrial embedded storage devices	17,802	17,802	50,000,100	100.00	58,450	9,245	9,245	
Innodisk Corporation	Innodisk Global-M Corporation	Mauritius	Investment holdings	20,154	20,154	665,000	100.00	(28,475)	(25,933)	(25,877)	
Innodisk Corporation	Aetina Corporation	Taiwan	Manufacturing and sales of industrial graphics cards	67,300	24,091	25,762,726	67.06	361,322	(3,137)	(1,505)	Note 7
Innodisk Corporation	Antzer Tech Co., Ltd.	Taiwan	Electronics Components Manufacturing	57,133	57,133	58,400,000	100.00	36,969	7,150	6,150	
Innodisk Corporation	Millitronic Co., Ltd.	Taiwan	Electronics Components Manufacturing	73,518	73,518	6,798,664	32.16	23,391	(7,230)	(2,325)	Note 6
Innodisk Corporation	Sysinno Technology Inc.	Taiwan	Electronics Components Manufacturing	20,400	20,400	945,000	42.95	11,655	(1,452)	(623)	Note 5
Innodisk Europe B.V.	Innodisk France SAS	France	After-sales services and support of industrial embedded storage devices	175	175	5,000	100.00	5,244	1,179	1,179	
Innodisk Europe B.V.	Innodisk Germany GmbH	Germany	After-sales services and support of industrial embedded storage devices	868	-	250	100.00	854	-	-	Note 8
Aetina Corporation	Aetina USA Corporation	United States	After-sales service and support for industrial graphics cards	6,098	6,098	200,000	100.00	7,244	298	298	Note 2
Aetina Corporation	Aetina Europe B.V.	Netherlands	After-sales service and support for industrial graphics cards	-	-	100	100.00	2,082	817	817	Note 3
Aetina Corporation	Aetina Japan Corporation	Japan	After-sales service and support for industrial graphics cards	1,087	1,087	500	100.00	1,153	204	204	Note 4

Note 1: Disclosed at the historical exchange rate
Note 2: Aetina Corporation established its subsidiary Aetina USA Corporation in September 2021, and the capital injection has been completed on January 10, 2023.
Note 3: Aetina Corporation established its subsidiary Aetina Europe B.V. in January 2022, and the capital injection has been completed on March 13, 2023.
Note 4: Aetina Corporation established the subsidiary, Aetina Japan Corporation in October 2023, and the capital injection has been completed on October 12, 2023.
Note 5: The Company injected an additional investment capital of NT$7,500 to Sysinno Technology Inc. and additionally acquired 300 thousand shares in March 2023.
Note 6: The Company injected an additional investment capital of NT$19,361 thousand to Millitronic Co., Ltd. and additionally acquired 1,383 thousand shares in December 2023.
Note 7: The Company invested NT$43,208 in Aetina Corporation in September 2024, and additionally acquired 1,879 thousand shares.
Note 8: Innodisk Europe B.V. established a subsidiary Innodisk Germany GmbH in October 2024.

Innodisk Corporation and Subsidiaries

Information on investments in China - Basic data

January 1 to December 31, 2024

Schedule 8

Expressed in Thousands of NTD (unless otherwise specified)

Investee in China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China as of the beginning of current period	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the year: Remitted to	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the year: Remitted back	Accumulated amount of remittance from Taiwan to China as of the end of current period	Net profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income(loss) recognized by the Company for the current period (Note 2)	Net profit (loss) of the investee for the year	Accumulated amount of investment income remitted back to Taiwan	Remarks
Innodisk Shenzhen Corporation	Sales of Industrial embedded storage devices	$18,168 (US$600 thousands) (Note 3)	2. Innodisk Global-M Corporation	$18,168 (US$600 thousands) (Note 3)	$ -	$ -	$18,168 (US$600 thousands) (Note 3)	($ 25,933)	100	($ 25,933)	($ 29,403)	$ -	
Aetina (Shenzhen) Artificial Intelligence Co., Ltd.	After-sales service and support for industrial graphics cards	$1,360 (US$42 thousand) (Note 5)	1. Aetina Corporation	$1,360 (US$42 thousand) (Note 5)	-	-	$1,360 (US$42 thousand) (Note 5)	111	100	111	1,237	-	Note 6

Note 1: Investment methods are classified into the following three categories; fill in the number of the category that each case belongs to:

(1) Direct investment in a company in China.

(2) Re-investment in China through a company in a third area (please specify the company in the third area).

(3) Other methods.

Note 2: The investment income (loss) recognized in the current period is based on the company's financial statements for the same period audited by the Taiwan parent company's independent auditors.

Note 3: Disclosed at the historical exchange rate

Company name	Accumulated amount of investment remitted from Taiwan to China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in China imposed by the Investment Commission of MOEA (Note 4)
Innodisk Corporation	$18,168 (US$600 thousands) (Note 3)	$18,168 (US$600 thousands) (Note 3)	$ 4,603,893
Aetina Corporation	$1,360 (US$42 thousand) (Note 5)	$1,360 (US$42 thousand) (Note 5)	$ 325,998

Note 4: The cap is 60% of the net worth in accordance with the provisions in the letter referenced (90) Tai-Cai-Zheng (1) #006130 from the Securities and Futures Commission, Ministry of Finance on November 16, 2001.

Note 5: Investment amount of Aetina Corporation approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) is USD 42 thousand.

Note 6: Aetina Corporation established its subsidiary, Aetna (Shenzhen) Artificial Intelligence Co., Ltd. in July 2023, and the capital injection has been completed on November 10, 2023.

Innodisk Corporation and Subsidiaries

Information on investment in China - Significant transactions, either directly or indirectly through a third area, with investee companies in China

January 1 to December 31, 2024

Schedule 9

Expressed in Thousands of NTD
(unless otherwise specified)

	Sales (Purchases)		Property transactions		Accounts receivable / payable		Notes endorsement and guarantee or provision of collateral		Financial intermediation				
Investee in China	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Highest balance	Ending balance	Range of interest rate	Current interest rate	Others
Innodisk Shenzhen Corporation	$ 542,031	7%	$ -	-	$ 204,891	15%	$ -	-	$ -	$ -	-	$ -	-

Innodisk Corporation and Subsidiaries

Information on major shareholders

December 31, 2024

Schedule 10

Names of major shareholders	Shares	
	Number of shares held	Ownership
Rui Ding Investment Co., Ltd.	6,957,733	7.60%
Cathay Life Insurance Company, Ltd.	4,713,592	5.15%

Note 1: The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the data of the last business day of the quarter, on shareholders holding 5% or more of the Company's ordinary shares and preference shares (including treasury shares) combined whose scripless registration and delivery have been completed.

The number of shares recorded in the Company's financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.

Note 2: If a shareholder delivers his or her shares to a trust, the above information shall be disclosed by the individual trustor account opened by the trustee. As for shareholders who handle the declaration of insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act,

The shareholding includes the shareholder's own shareholding plus the shares he has delivered to the trust over which he has the right to use the trust property. For information on insider equity declaration, please refer to the Market Observation Post System.

Membership Seal Certificate of Taipei CPA Association

Taipei Tsai-Cheng No. 1141424

Member Name	(1)	Tsui Miao Yeh
	(2)	Chan-Yuan Tu

CPA firm: PricewaterhouseCoopers, Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

Unified number: 03932533

Telephone: (02)27296666

Appointer's unified number: 27565769

Membership certificate number:	(1)	Taipei Kuai-Cheng No. 2890
	(2)	Taipei Kuai-Cheng No. 4538

Purpose of the membership seal certificate: For the audit and certification of the financial statements of Innodisk Corporation for 2024 (from January 1, 2024 to December 31, 2024).

Signature specimen (1)	葉翠苗	Seal specimen (1)	
Signature specimen (2)	涂展源	Seal specimen (2)	

Director:

Checker:

February 11, 2025