Stock Code:3046

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

Address: 7F-5, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan
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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the consolidated financial statements of AOPEN Incorporated as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 " Consolidated Financial Statements" , endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, AOPEN Incorporated and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare

AOPEN Incorporated
Victor Chien
Chairman
March 12, 2025

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Independent Auditors' Report

To the Board of Directors
AOPEN Incorporated:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the paragraph on Other Matter of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), and interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing 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 of 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 of our opinion.

Key Audit Matters

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

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Revenue recognition

Please refer to note 4(o) and note 6(u) for accounting policy on revenue recognition and related disclosures of revenue, respectively.

Description of key audit matter:

Revenue is recognized depending on the various trade terms agreed with customers, which leads to the risk that the sales transactions made close to the balance sheet date are not recorded in the appropriate period. Therefore, the revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matters above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of the Group's internal controls over financial reporting in the sales; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; and performing a sample test of sales transactions taking place before and after the balance sheet date to ensure that revenue was recognized in the appropriate period.

Other Matter

We did not audit the financial statements of the investment accounted for using the equity method. The financial statements of Apex Material Technology Corp. were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Apex Material Technology Corp., is based solely on the report of other auditors. The investment in Apex Material Technology Corp. accounted for using the equity method constituted 11.27% and 11.83% of the total consolidated assets as of December 31, 2024 and 2023, respectively, and the related share of profit of associates accounted for using the equity method constituted 4.85% and 9.10% of the consolidated net income before tax, for the years ended December 31, 2024 and 2023, respectively.

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified audit opinion with other matters section.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chang, Chun-I and Shih, Wei-Ming.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 1,517,066	51	1,173,079	42
1110	Financial assets at fair value through profit or loss－current (note 6(b))	435	-	313	-
1170	Accounts receivable, net (notes 6(d) and (u))	34,880	1	85,861	3
1180	Accounts receivable from related parties (notes 6(d), (u) and 7)	733,229	25	774,450	28
1200	Other receivables (note 6(e))	1,937	-	1,984	-
1220	Current income tax assets	798	-	372	-
130x	Inventories (note 6(f))	93,219	3	70,715	3
1476	Other financial assets－current (note 6(a))	-	-	200,000	7
1479	Other current assets	51,918	2	48,376	2
	Total current assets	2,433,482	82	2,355,150	85
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(c))	36,629	1	39,044	1
1550	Investments accounted for using the equity method (notes 6(g) and (w))	336,557	11	328,903	12
1600	Property, plant and equipment (note 6(i))	7,713	-	6,026	-
1755	Right-of-use assets (note 6(j))	8,084	-	6,655	-
1780	Intangible assets (notes 6(h) and (k))	102,169	3	1,374	-
1840	Deferred income tax assets (note 6(q))	40,065	2	25,176	1
1920	Refundable deposits	3,880	-	3,848	-
1975	Net defined benefit assets－non-current (note 6(p))	14,871	1	12,787	1
1995	Other non-current assets (note 8)	745	-	600	-
	Total non-current assets	550,713	18	424,413	15
	Total assets	**$ 2,984,195**	**100**	**2,779,563**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(l) and (aa))	$ 2,371	-	-	-
2120	Financial liabilities at fair value through profit or loss－current (note 6(b))	86	-	883	-
2130	Contract liabilities－current (note 6(u))	22,793	1	4,021	-
2170	Notes and accounts payable	1,104,644	37	1,158,352	42
2180	Accounts payable to related parties (note 7)	5,865	-	6,820	-
2200	Other payables (note 6(v))	77,614	3	78,717	3
2220	Other payables to related parties (note 7)	15,765	1	4,733	-
2230	Current income tax liabilities	8,240	-	7,871	-
2250	Provisions－current (note 6(n))	13,525	-	15,635	1
2280	Lease liabilities－current (notes 6(o) and (aa))	5,147	-	5,011	-
2320	Current portion of long-term ddebt (notes 6(m) and (aa))	75,833	3	-	-
2300	Other current liabilities	14,236	-	12,802	1
	Total current liabilities	1,346,119	45	1,294,845	47
	Non-current liabilities:				
2527	Contract liabilities－non-current (note 6(u))	1,523	-	3,473	-
2540	Long-term debt (notes 6(m) and (aa))	6,531	-	-	-
2570	Deferred income tax liabilities (note 6(q))	64,820	3	58,816	2
2580	Lease liabilities－non-current (notes 6(o) and (aa))	2,952	-	1,678	-
2640	Net defined benefit liabilities－non-current (note 6(p))	6,405	-	6,503	-
2670	Other non-current liabilities	1,840	-	2,307	-
	Total non-current liabilities	84,071	3	72,777	2
	Total liabilities	1,430,190	48	1,367,622	49
	Equity attributable to shareholders of the Parent (notes 6(c), (g), (p), (r) and (s)):				
3110	Common stock	784,480	26	784,480	28
3200	Capital surplus	424,412	14	410,864	15
3300	Retained earnings	415,794	14	269,767	10
3400	Other equity	(58,555)	(2)	(54,531)	(2)
	Total equity attributable to shareholders of the Parent	1,566,131	52	1,410,580	51
36XX	**Non-controlling interests** (note 6(h))	(12,126)	-	1,361	-
	Total equity	1,554,005	52	1,411,941	51
	Total liabilities and equity	**$ 2,984,195**	**100**	**2,779,563**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AOPEN INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Net revenue (notes 6(u), 7 and 14)**	$ 6,945,979	100	5,666,834	100
5000	**Less: operating costs (notes 6(f), (i), (n), 7 and 12)**	6,439,506	93	5,254,009	93
	Gross profit	506,473	7	412,825	7
	Less: operating expenses (notes 6(d), (i), (j), (k), (o), (p), (s), (v), 7 and 12):				
6100	Selling expenses	120,231	2	117,815	2
6200	General and administrative expenses	123,571	2	110,152	2
6300	Research and development expenses	26,661	-	20,375	-
6450	Gain on reversal of impairment loss	(365)	-	(655)	-
	Total operating expenses	270,098	4	247,687	4
	Operating income	236,375	3	165,138	3
	Non-operating income and loss:				
7100	Interest income	27,011	1	17,310	-
7130	Dividend income (note 6(c))	570	-	1,256	-
7020	Other gains and losses (note 6(w))	6,664	-	9,124	-
7050	Finance costs (notes 6(o) and (w))	(968)	-	(329)	-
7060	Share of losses of subsidiaries and associates accounted for using equity method (note 6(g))	13,745	-	19,265	1
	Total non-operating income and loss	47,022	1	46,626	1
	Income before income tax	283,397	4	211,764	4
7950	**Less: income tax benefit (note 6(q))**	(10,257)	-	(17,139)	-
	Net income	293,654	4	228,903	4
	Other comprehensive income (loss) (notes 6(g), (p) and (q)):				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans	2,244	-	153	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(2,415)	-	(13,180)	-
8320	Share of other comprehensive income of associates	146	-	84	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	1,374	-
	Total items that will not be reclassified subsequently to profit or loss	(25)	-	(11,569)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operations	(1,683)	-	(10,939)	-
8370	Share of other comprehensive income of associates	248	-	1,144	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(1,435)	-	(9,795)	-
	Other comprehensive loss for the year, net of income tax	(1,460)	-	(21,364)	-
	Total comprehensive income for the year	**$ 292,194**	**4**	**207,539**	**4**
	Net income attributable to:				
	Shareholders of the Parent	$ 300,533	4	232,207	4
	Non-controlling interests	(6,879)	-	(3,304)	-
		$ 293,654	**4**	**228,903**	**4**
	Total comprehensive income attributable to:				
	Shareholders of the Parent	$ 298,899	4	210,829	4
	Non-controlling interests	(6,705)	-	(3,290)	-
		$ 292,194	**4**	**207,539**	**4**
	Earnings per share (in New Taiwan Dollar) (note 6(t)):				
9750	Basic earnings per share	**$ 3.83**		**3.14**	
9850	Diluted earnings per share	**$ 3.82**		**3.14**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Attributable to shareholders of the Parent											
			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to shareholders of the Parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 714,480	2,976	-	-	147,097	147,097	(37,433)	4,517	(32,916)	831,637	4,651	836,288
Net income (loss) in 2023	-	-	-	-	232,207	232,207	-	-	-	232,207	(3,304)	228,903
Other comprehensive income (loss) in 2023	-	-	-	-	237	237	(9,809)	(11,806)	(21,615)	(21,378)	14	(21,364)
Total comprehensive income (loss) in 2023	-	-	-	-	232,444	232,444	(9,809)	(11,806)	(21,615)	210,829	(3,290)	207,539
Appropriation of earnings:												
Legal reserve	-	-	14,710	-	(14,710)	-	-	-	-	-	-	-
Special reserve	-	-	-	13,559	(13,559)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(107,172)	(107,172)	-	-	-	(107,172)	-	(107,172)
Capital increase by cash	70,000	404,081	-	-	-	-	-	-	-	474,081	-	474,081
Share-based payment transactions	-	3,807	-	-	(2,602)	(2,602)	-	-	-	1,205	-	1,205
Balance at December 31, 2023	784,480	410,864	14,710	13,559	241,498	269,767	(47,242)	(7,289)	(54,531)	1,410,580	1,361	1,411,941
Net income (loss) in 2024	-	-	-	-	300,533	300,533	-	-	-	300,533	(6,879)	293,654
Other comprehensive income (loss) in 2024	-	-	-	-	2,390	2,390	(1,104)	(2,920)	(4,024)	(1,634)	174	(1,460)
Total comprehensive income (loss) in 2024	-	-	-	-	302,923	302,923	(1,104)	(2,920)	(4,024)	298,899	(6,705)	292,194
Appropriation of earnings:												
Legal reserve	-	-	22,984	-	(22,984)	-	-	-	-	-	-	-
Special reserve	-	-	-	33,272	(33,272)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(156,896)	(156,896)	-	-	-	(156,896)	-	(156,896)
Changes in equity of investments in associates	-	13,548	-	-	-	-	-	-	-	13,548	-	13,548
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(6,782)	(6,782)
Balance at December 31, 2024	**$ 784,480**	**424,412**	**37,694**	**46,831**	**331,269**	**415,794**	**(48,346)**	**(10,209)**	**(58,555)**	**1,566,131**	**(12,126)**	**1,554,005**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from operating activities:		
Income before income tax	$ 283,397	211,764
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	8,622	8,639
Amortization	3,632	1,516
Gains on reversal of impairment loss	(365)	(655)
Interest expense	968	329
Interest income	(27,011)	(17,310)
Dividend income	(570)	(1,256)
Share-based compensation cost	-	1,205
Share of losses of subsidiaries and associates accounted for using equity method	(13,745)	(19,265)
Gains on disposal of property, plant and equipment	(79)	-
Gains on disposal of investments accounted for using the equity method	(1,435)	-
Total adjustments for profit or loss	(29,983)	(26,797)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(122)	(279)
Accounts receivable	52,875	(31,319)
Accounts receivable from related parties	41,221	(359,797)
Other receivables	(22)	(58)
Inventories	(19,971)	170,272
Other current assets	(2,291)	(3,304)
Net defined benefit assets	(208)	(221)
Changes in operating assets	71,482	(224,706)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(797)	(3,091)
Contract liabilities	16,822	(13,834)
Notes and accounts payable	(58,483)	420,924
Accounts payable to related parties	(955)	4,743
Other payables	(4,751)	16,654
Other payables to related parties	605	(1,061)
Provisions	(2,110)	30
Other current liabilities	1,310	2,748
Net defined benefit liabilities	270	(1,037)
Other non-current liabilities	(467)	(586)
Changes in operating liabilities	(48,556)	425,490
Total changes in operating assets and liabilities	22,926	200,784
Total adjustments	(7,057)	173,987
Cash provided by operations	276,340	385,751
Interest received	27,080	16,172
Interest paid	(968)	(329)
Income taxes paid	(4,873)	(4,468)
Net cash flows provided by operating activities	297,579	397,126

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AOPEN INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from investing activities:		
Proceeds from disposal of investments accounted for using the equity method	$ 1,435	-
Net cash flow from acquisition of subsidiaries	2,509	-
Additions to property, plant and equipment	(2,310)	(2,577)
Proceeds from disposal of property, plant and equipment	79	-
Decrease in refundable deposits	332	996
Additions to intangible assets	(1,641)	(1,833)
Decrease (increase) in other financial assets	200,000	(200,000)
Dividends received	20,940	23,653
Net cash flows provided by (used in) investing activities	221,344	(179,761)
Cash flows from financing activities:		
Increase in short-term borrowings	-	192,818
Decrease in short-term borrowings	(21,832)	(192,818)
Increase in other payables to related parties	10,427	-
Payments of lease liabilities	(6,267)	(5,895)
Cash dividends distributed to shareholders	(156,896)	(107,172)
Capital increase by cash	-	474,081
Net cash flows provided by (used in) financing activities	(174,568)	361,014
Effect of foreign exchange rate changes	(368)	(9,799)
Net increase in cash and cash equivalents	343,987	568,580
Cash and cash equivalents at beginning of year	1,173,079	604,499
Cash and cash equivalents at end of year	**$ 1,517,066**	**1,173,079**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

AOPEN INCORPORATED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

1. Organization and business

AOPEN Incorporated ("the Company") was incorporated on December 21, 1996, as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 7F-5, No. 369, Fuxing N. Rd., Songshan Dist., Taipei City, Taiwan. The Company and its subsidiaries ("the Group") primarily engaged in the marketing, manufacture, trading of computer products, software, computer components, peripheral equipment and apparatus, as well as IT product repair services for after-sales support provided to Aopen products.

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 12, 2025.

3. Application of new and revised accounting standards and interpretations:

(a) The impact of adopting the International Financial Reporting Standards (" IFRS Accounting Standards") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC")

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

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(c) The impact of IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards－Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

4. Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized as follows and have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The Group’s accompanying consolidated financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (the “Regulations”) and the IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (collectively as “Taiwan-IFRSs”).

(b) Basis of preparation

(i) Basis of measurement

The accompanying consolidated financial statements have been prepared on a historical cost basis except for the following items:

1) Financial instruments at fair value through profit or loss;

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

3) Net defined benefit liabilities (assets) measured at present value of defined benefit obligation, less the fair value of plan assets and the effect of the asset ceiling mentioned in note 4(p).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Group’s consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

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(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The accompanying consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Total comprehensive income (loss) of a subsidiary is attributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All inter-company transactions, balances, as well as resulting unrealized income and loss, are eliminated on consolidation.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries included in the consolidated financial statements

		Percentage of Ownership		
Name of Investor	**Name of Investee**	**December 31, 2024**	**December 31, 2023**	**Note**
The Company	AOPEN America Inc. ("AOA")	100.00 %	100.00 %	-
The Company	AOPEN Computer B.V. ("AOE")	100.00 %	100.00 %	-
The Company	AOPEN Technology Inc. ("AOTH")	100.00 %	100.00 %	-
The Company	AOPEN Japan Inc. ("AOJ")	100.00 %	100.00 %	-
The Company	AOPEN Global Solutions Pty Ltd. ("AOGS")	70.00 %	70.00 %	-
The Company	Aopen SmartVision Incorporated ("AOSV")	100.00 %	100.00 %	-
AOTH	Great Connection Ltd. ("GCL")	100.00 %	100.00 %	-
AOTH	AOPEN International (Shanghai) Co., Ltd. ("AOC")	100.00 %	100.00 %	-
AOTH	AOPEN Information Products (Zhongshan) Inc. ("AOZ")	100.00 %	100.00 %	-
AOGS	AOPEN Australia & New Zealand Pty Ltd. ("AOAU")	70.00 %	70.00 %	-
AOJ	Amadana Corporation ("AMDA")	90.00 %	-	Note 1
AMDA	Beasty Coffee Cafe Laboratory Corporation ("BCC")	90.00 %	-	Note 1

Note 1: On July 1, 2024, the Group obtained control over AMDA, wherein AMDA and its subsidiaries have become the Group's subsidiaries and have been included in the Group's consolidated entities thereafter.

(Continued)

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(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period ("the reporting date"), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

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

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Group's consolidated financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Group's consolidated financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

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

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash consists of cash on hand, checking deposits and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(Continued)

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method, less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment loss are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive the dividends is established (usually the ex-dividend date).

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

All financial assets not classified as amortized cost or at FVOCI as described above (e.g. financial assets held for trading and those that are managed and evaluated for performance on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(Continued)

4) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

5) Impairment of financial assets

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

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following financial assets which are measured using 12-month ECL:

- bank balances, other receivables, refundable deposits and other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group measures loss allowances and contract assets for accounts receivable at an amount equal to lifetime ECL.

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

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

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Group’s historical experience and credit assessment, as well as forward-looking information.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets, and loss allowance or reversal amount is recognized in profit or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due. The recognition or reversal of the loss allowance is recognized in profit or loss.

6) Derecognition of financial assets

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

The Group enters into transactions whereby it transfers the assets recognized in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets; in these cases, the transferred assets are not derecognized.

(ii) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its foreign currency exposures. Derivatives are initially measured at fair value and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss. If the valuation of a derivative instrument is in a positive fair value, it is classified as a financial asset, otherwise, it is classified as a financial liability.

(iii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the standard cost method, and includes expenditure incurred in acquiring the inventories, outsourcing production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(i) Investments in associates

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

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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The Group recognizes its share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in percentage of ownership.

Unrealized gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated investors’ interests in the associate.

When the Group’s share of losses in an associate equals or exceeds its interest in the associate, the recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing of a part interest in the associate, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued. If the Group’s ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to the reduction in ownership interest to profit or loss (or retained earnings).

Losses recognized using the equity method in excess of the Group’s investment in ordinary shares are applied to the other components of the Group’s interest in an associate in the reverse order of their seniority. The interest in an associate is the carrying amount of the investment in the associate, which is determined using the equity method, together with any long-term interests that, in substance, form part of the Group’s net investment in the associate. Such items may include preference shares and long-term receivables or loans, but excluding trade receivables, trade payables or any long-term receivables for which adequate collateral exists.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group’s proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. If the adjustments are charged to capital surplus and the capital surplus resulting from investments accounted for using the equity method is not sufficient, the remaining difference is debited to retained earnings. If the Group’s ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

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(j) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of assets, less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Machinery	2 to 5 years
Molding equipment	1 year
Other equipment	2 to 8 years
Leasehold improvements	3 to 5 years

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end, with the effect of any changes in estimate accounted for on a prospective basis.

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

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

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Group's assessment on whether it will exercise an option to purchase the underlying asset; or
- there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or
- there is any lease modification in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

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The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising from the acquisition is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships and trademarks, are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Computer software	1 to 3 years
Trademarks	10 years
Customer relationships	8 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets, other than inventories and deferred tax assets, may be impaired. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount for an individual asset or a CGU is the higher of its fair value, less, costs to sell or its value in use. When the recoverable amount of an asset or a CGU is less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss immediately.

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An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(n) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(o) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of goods－electronic products

The Group primarily engages in the manufacture and sale of computer products and lifestyle appliances and others. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

The Group offers a standard warranty for the product sold to provide assurance that the product complies with agreed-upon specifications. Please refer to note 6(n) for more explanation.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expenses related to the increased obligations resulting from the services rendered by employees in the previous years are recognized in profit or loss immediately.

The remeasurements of the net defined benefit liability (asset) comprise 1) actuarial gains and losses; 2) return on plan assets, excluding the amounts included in the net interest on the net defined benefit liability (asset); and 3) any change in the effect of the asset ceiling, excluding the amounts included in the net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income and reflected in retained earnings.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(Continued)

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

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(r) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the consolidated financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Group' s dilutive potential common shares include remuneration to employees that could be settled in the form of common stock.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group' s chief operating decision maker, who decides on the allocation of resources to the segment and assesses its performance. Each operating segment consists of standalone financial information.

(t) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, and the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. Equity-settled share-based payment transactions are measured when the Group issues equity instruments for the employees of its parent company and are recognized as a deduction of equity and debited to capital surplus in the vesting period, and then debited to retained earnings if there is a deficiency in equity.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Group and employees have a shared understanding of the subscription price and the shares to which employees subscribed.

(u) Business combinations

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of the acquisition-date fair value of consideration transferred, including the amount of non-controlling interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value).

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

(Continued)

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation.

During the measurement period, the adjustments are to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

5. Critical accounting judgments and key sources of estimation and assumption uncertainty

The preparation of the consolidated financial statements requires management to make judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying the accounting policies that have significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment as to whether the Group has substantial control or significant influence over its investees

The Group holds 15.09% voting rights of Apex Material Technology Corp. ("AMTC"), as well as owns one of directors' seats of AMTC and participates in the decision-making on the Board. Therefore, the Group has significant influence over AMTC and the equity method was used to account for the Group's investment in AMTC.

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 791	692
Demand deposits and checking accounts	857,105	750,984
Time deposits with original maturities less than three months	659,170	421,403
	$ 1,517,066	1,173,079

As of December 31, 2024 and 2023, the time deposits with original maturities between three months and one year amounted to $0 and $200,000, respectively, which were classified as other financial assets－current.

Please refer to note 6(x) for the sensitivity analysis of financial assets of the Group.

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(b) Financial assets and liabilities at fair value through profit or loss－current

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Foreign exchange swaps	$ 50	292
Foreign currency forward contracts	385	21
	$ 435	313

	December 31, 2024	December 31, 2023
Financial liabilities held for trading:		
Derivative instruments not used for hedging		
Foreign exchange swaps	$ 86	12
Foreign currency forward contracts	-	871
	$ 86	883

The Group entered into derivative contracts to manage foreign currency exchange risk arising from its operating activities. At each reporting date, the outstanding foreign currency derivative contracts that did not conform to the criteria for hedge accounting, and were recognized as financial assets and liabilities at fair value through profit or loss, consisted of the following:

Foreign exchange swaps:

	December 31, 2024		
	Contract amount (in thousands)	Currency	Maturity period
Foreign exchange swaps	EUR 2,160	EUR / NTD	2025/01～2025/02

	December 31, 2023		
	Contract amount (in thousands)	Currency	Maturity period
Foreign exchange swaps	EUR 1,470	EUR / NTD	2024/01～2024/02

Foreign currency forward contracts:

	December 31, 2024		
	Contract amount (in thousands)	Currency	Maturity period
EUR Sell / USD Buy	EUR 650	EUR / USD	2025/01～2025/02
AUD Sell / USD Buy	AUD 100	AUD / USD	2025/02

(Continued)

	December 31, 2023			
	Contract amount (in thousands)		Currency	Maturity period
EUR Sell / USD Buy	EUR	1,480	EUR / USD	2024/01～2024/03
AUD Sell / USD Buy	AUD	100	AUD / USD	2024/01

(c) Financial assets at fair value through other comprehensive income－non-current

	December 31, 2024	December 31, 2023
Unlisted stock	$ 25,989	28,044
Domestic listed stock	10,640	11,000
	$ 36,629	39,044

The Group designated the investments shown above as financial assets at fair value through other comprehensive income (FVOCI) because these equity instruments are held for long-term strategic purposes and not for trading. Please refer to note 6(x) for information on market risk.

For the years ended December 31, 2024 and 2023, the Group recognized the dividend income of $570 and $1,256, respectively, deriving from the investments shown above.

(d) Accounts receivable (including related parties)

	December 31, 2024	December 31, 2023
Accounts receivable from operating activities	$ 45,822	97,482
Accounts receivable from related parties	733,229	774,450
Less: loss allowance	(10,942)	(11,621)
	$ 768,109	860,311

Except for the entire credit loss incurred from accounts receivable in default, which was individually recognized by the Group, the Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables, by taking into account the forward-looking information. Analysis of expected credit losses on accounts receivable was as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 763,684	0.00%~6.19%	793
Past due 1-30 days	5,808	0.00%~25.60%	1,198
Past due 31-60 days	734	42.74%	314
Past due 61-90 days	506	15.66%~63.50%	318
Past due 91 days or over	552	100%	552
	771,284		3,175
Accounts receivable assessed individually	7,767	100%	7,767
	$ 779,051		10,942

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	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 846,776	0.00%~6.37%	2,782
Past due 1-30 days	17,918	0.00%~23.60%	3,427
Past due 31-60 days	1,780	0.00%~12.65%	225
Past due 61-90 days	455	0.00%~40.31%	184
Past due 91 days or over	124	100%	124
	867,053		6,742
Accounts receivable assessed individually	4,879	100%	4,879
	$ **871,932**		**11,621**

Movements of the allowance for accounts receivable were as follows:

	2024	2023
Balance at January 1	$ 11,621	12,747
Reversal of impairment loss recognized	(365)	(655)
Write-off	(320)	(510)
Effects of exchange rate changes	6	39
Balance at December 31	$ **10,942**	**11,621**

(e) Other receivables (including related parties)

	December 31, 2024	December 31, 2023
Other receivables	$ 869	40,987
Interest receivable	1,068	1,138
Less: loss allowance	-	(40,141)
	$ **1,937**	**1,984**

As of December 31, 2024, there is no loss allowance provided for other receivables after the management's assessment.

As of December 31, 2023, except for other receivables amounting to $40,141, wherein the loss allowances were fully provided, no loss allowance was provided for the remaining receivables after the management's assessment.

Please refer to note 6(x) for credit risk exposure of other receivables.

(f) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 11,020	14,440
Work in process	138	142
Finished goods	82,061	56,133
	$ **93,219**	**70,715**

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Except for inventories recognized as costs of sales and expenses, the following gains and losses were included in the Group's operating costs:

	2024	2023
Losses on inventory physical count	$ 567	35
Provision for inventory valuation	11,670	28,731
Royalty costs	7,311	4,443
Warranty expenses related to after-sale services	1,649	1,017
Others	983	746
	$ 22,180	**34,972**

The write-downs of inventories arose from the write-downs of inventories to net realizable value.

(g) Investments accounted for using the equity method

	December 31, 2024	December 31, 2023
Associates	$ 336,557	328,903

Information in respect of the Group's material associate is as follows:

			Percentage of ownership	
Name of associate	Main business	Location	December 31, 2024	December 31, 2023
Apex Material Technology Corp. ("AMTC")	Manufacture and sale of touch display, touch controller and its driver, the Group's strategic partners	Taiwan	15.09 %	16.60 %

AMTC issued new shares for capital increase by cash before its initial public offerings in April 2024, resulting in a decrease in the Group's ownership interest in AMTC from 16.60% to 15.09%, at the amount of $13,548, recognized as an increase in capital surplus.

Aggregated financial information on associates that were material to the Group is summarized as follows. The financial information summarized the information on fair value adjustments made at the time of acquisition and adjustments on the differences in accounting policies, as well as the value adjustments on the assessment of impairment.

The summarized financial information of AMTC:

	December 31, 2024	December 31, 2023
Current assets	$ 1,093,071	836,754
Non-current assets	1,481,874	1,536,529
Current liabilities	(198,413)	(180,419)
Non-current liabilities	(236,077)	(247,833)
Equity	**$ 2,140,455**	**1,945,031**
Equity attributable to non-controlling interests of AMTC	**$ 646**	**257**
Equity attributable to shareholders of AMTC	**$ 2,139,809**	**1,944,774**

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	2024	2023
Net sales	$ **940,379**	**1,041,691**
Net income	$ 91,171	164,379
Other comprehensive income	2,583	7,601
Total comprehensive income	$ **93,754**	**171,980**
Total comprehensive loss attributable to non-controlling interests of AMTC	$ **(967)**	**(879)**
Total comprehensive income attributable to shareholders of AMTC	$ **94,721**	**172,859**

	2024	2023
The carrying amount of equity of associates at January 1	$ 328,903	330,807
Net income attributable to the Group	13,745	19,265
Other comprehensive income attributable to the Group	394	1,228
Add: Changes in equity of investments in associates	13,548	-
Less: Dividends received from associates	(20,370)	(22,397)
The carrying amount of equity of associates at December 31	$ **336,220**	**328,903**

Aggregate financial information of associates that were not individually material to the Group was summarized as follows. The financial information was included in the Group' s consolidated financial statements.

	December 31, 2024	December 31, 2023
The aggregate carrying amount of associates that were not individually material to the Group	$ **337**	**-**

In November 2024, the Group disposed its ownership interest in its associate, amadana international, wherein the consideration and disposal of investments amounted to $1,435.

(h) Business combination

(i) Acquisition of subsidiary－Amadana Corportaion and its subsidiaries

1) Consideration transferred

On July 1, 2024 (the acquisition date), the Group acquired 90% equity ownership of Amadana Corportaion ("AMDA") through participating in AMDA's capital increase for a cash consideration of JPY 90,000 and obtained control over it. Thereafter, AMDA has been included in the Group' s consolidated entities. AMDA and its subsidiaries are engaged in the consulting services for lifestyle appliances and product design. The acquisition of AMDA enables the Group to develop various business solutions through AMDA's expertise in user experience and human-machine interface design.

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2) Identifiable net assets acquired in a business combination and goodwill

On July 1, 2024 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)		$ 18,639
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of AMDA's identifiable net assets)		(6,782)
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	$ 21,148	
Accounts receivable, net	1,535	
Inventories	2,643	
Other current assets	1,251	
Investments accounted for using equity method	339	
Property, plant and equipment	1,890	
Right-of-use assets	3,444	
Intangible assets－trademarks	4,383	
Intangible assets－customer relationships	12,846	
Refundable deposits	364	
Other non-current assets	56	
Short-term borrowings	(22,721)	
Notes and accounts payable	(4,775)	
Other payables	(3,648)	
Current income tax liabilities	(1,190)	
Lease liabilities－current	(1,789)	
Current portion of long-term debt	(75,324)	
Other current liabilities	(124)	
Long-term debt	(6,487)	
Lease liabilities－non-current	(1,662)	
Deferred income tax liabilities	(5,169)	(72,990)
Goodwill		**$ 84,847**

The fair value of the abovementioned assets and liabilities was the provisional amount and the Group continuously reviews the abovementioned items during the measurement period. If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional amounts, or any additional liability provisions existed as at the acquisition date, the acquisition accounting will be updated.

3) Intangible assets

Intangible assets－ trademarks and customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 10 and 8 years, respectively.

Goodwill arising from the acquisition of AMDA is due to the profitability, future market development and the value of assembled workforce. None of the goodwill recognized qualifies as an identifiable intangible asset and is expected to be deductible for income tax purposes.

(Continued)

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4) Pro forma information

From July 1, 2024 (the acquisition date) to December 31, 2024, AMDA and its subsidiaries have been included in the Group's consolidated entities and has contributed the revenue of $8,883 and the net loss of $1,684 to the Group. If this acquisition had occurred on January 1, 2024, the management estimates that consolidated revenue would have been $6,957,666, and consolidated net income would have been $279,088.

(i) Property, plant and equipment

	Machinery	Other equipment	Leasehold improvements	Total
Cost or deemed cost:				
Balance at January 1, 2024	$ 743	105,490	6,253	112,486
Acquisition through business combination (Note 6(h))	-	3,966	-	3,966
Additions	-	2,063	247	2,310
Disposals	-	(14,078)	-	(14,078)
Reclassification	-	110	-	110
Effect of exchange rate changes	-	79	(82)	(3)
Balance at December 31, 2024	**$ 743**	**97,630**	**6,418**	**104,791**
Balance at January 1, 2023	$ 743	103,009	10,287	114,039
Additions	-	2,577	-	2,577
Disposals	-	(300)	(3,993)	(4,293)
Reclassification	-	70	-	70
Effect of exchange rate changes	-	134	(41)	93
Balance at December 31, 2023	**$ 743**	**105,490**	**6,253**	**112,486**
Accumulated depreciation and impairment loss:				
Balance at January 1, 2024	$ 742	99,735	5,983	106,460
Depreciation	1	2,377	223	2,601
Acquisition through business combination (Note 6(h))	-	2,076	-	2,076
Disposals	-	(14,078)	-	(14,078)
Effect of exchange rate changes	-	103	(84)	19
Balance at December 31, 2024	**$ 743**	**90,213**	**6,122**	**97,078**
Balance at January 1, 2023	$ 724	97,484	9,845	108,053
Depreciation	18	2,513	147	2,678
Disposals	-	(300)	(3,993)	(4,293)
Effect of exchange rate changes	-	38	(16)	22
Balance at December 31, 2023	**$ 742**	**99,735**	**5,983**	**106,460**
Carrying amounts:				
Balance at December 31, 2024	**$ -**	**7,417**	**296**	**7,713**
Balance at December 31, 2023	**$ 1**	**5,755**	**270**	**6,026**
Balance at January 1, 2023	**$ 19**	**5,525**	**442**	**5,986**

(Continued)

(j) Right-of-use assets

The movements of cost and accumulated depreciation of right-of-use assets for the years ended December 31, 2024 and 2023 were as follows:

	Buildings	Transportation equipment and others	Total
Cost:			
Balance at January 1, 2024	$ 22,886	1,908	24,794
Acquisition through business combination (Note 6(h))	2,474	970	3,444
Additions	4,140	-	4,140
Disposals	(19,101)	(1,908)	(21,009)
Effect of exchange rate changes	74	7	81
Balance at December 31, 2024	**$ 10,473**	**977**	**11,450**
Balance at January 1, 2023	$ 21,716	2,385	24,101
Additions	4,573	-	4,573
Disposals	(3,721)	(538)	(4,259)
Effect of exchange rate changes	318	61	379
Balance at December 31, 2023	**$ 22,886**	**1,908**	**24,794**
Accumulated depreciation:			
Balance at January 1, 2024	$ 16,522	1,617	18,139
Depreciation	5,597	424	6,021
Disposals	(19,101)	(1,908)	(21,009)
Effect of exchange rate changes	195	20	215
Balance at December 31, 2024	**$ 3,213**	**153**	**3,366**
Balance at January 1, 2023	$ 14,435	1,735	16,170
Depreciation	5,600	361	5,961
Disposals	(3,721)	(538)	(4,259)
Effect of exchange rate changes	208	59	267
Balance at December 31, 2023	**$ 16,522**	**1,617**	**18,139**
Carrying amounts:			
Balance at December 31, 2024	**$ 7,260**	**824**	**8,084**
Balance at December 31, 2023	**$ 6,364**	**291**	**6,655**
Balance at January 1, 2023	**$ 7,281**	**650**	**7,931**

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(k) Intangible assets

	Goodwill	Customer relationships	Other intangible assets	Total
Cost:				
Balance at January 1, 2024	$ -	-	5,948	5,948
Additions	-	-	1,641	1,641
Acquisition through business combination (Note 6(h))	84,847	12,846	4,383	102,076
Effect of exchange rate changes	573	86	69	728
Balance at December 31, 2024	**$ 85,420**	**12,932**	**12,041**	**110,393**
Balance at January 1, 2023	$ -	-	5,924	5,924
Additions	-	-	1,833	1,833
Derecognition	-	-	(1,779)	(1,779)
Effect of exchange rate changes	-	-	(30)	(30)
Balance at December 31, 2023	**$ -**	**-**	**5,948**	**5,948**
Accumulated amortization:				
Balance at January 1, 2024	$ -	-	4,574	4,574
Amortization	-	1,311	2,321	3,632
Effect of exchange rate changes	-	(18)	36	18
Balance at December 31, 2024	**$ -**	**1,293**	**6,931**	**8,224**
Balance at January 1, 2023	$ -	-	4,867	4,867
Amortization	-	-	1,516	1,516
Derecognition	-	-	(1,779)	(1,779)
Effect of exchange rate changes	-	-	(30)	(30)
Balance at December 31, 2023	**$ -**	**-**	**4,574**	**4,574**
Carrying amounts:				
Balance at December 31, 2024	**$ 85,420**	**11,639**	**5,110**	**102,169**
Balance at December 31, 2023	**$ -**	**-**	**1,374**	**1,374**

(i) Impairment test on goodwill

The carrying amounts of goodwill arising from business combinations and the respective CGUs to which the goodwill was allocated for impairment test purpose in 2024 were as follows:

	December 31, 2024
Balance at January 1, 2024	$ -
Acquisition through business combination	84,847
Effect of exchange rate changes	573
Balance at December 31, 2024	**$ 85,420**

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Each CGU to which the goodwill is allocated represents the lowest level within the Group, at which the goodwill is monitored for internal management purpose. As of December 31, 2024, based on the results of impairment tests conducted by the Group on goodwill acquired from AMDA, the recoverable amount of CGUs exceeded its carrying amount; as a result, no impairment loss was recognized. The recoverable amount of a CGU was determined based on the value in use and the related key assumptions were as follows:

	December 31, 2024
Revenue growth rates	9.6%~90.4%
Pre-tax discount rates	11.29%

1) The cash flow projections were based on future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using 0% growth rate.

2) The discount rate used to determine value in use is based on the weighted average cost of capital.

(l) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 2,371	-
Unused credit facilities	$ 1,057,810	1,037,350
Interest rate	1.775%	-

(m) Long-term debt

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 82,364	-
Less: current portion of long-term debt	(75,833)	-
	$ 6,531	-
Unused credit facilities	$ -	-
Interest rate	1.05%~2.35%	-
Maturity year	2028	-

The Group had long-term debt amounting to $81,811 due to business combination on July 1, 2024.

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(n) Provisions

	2024	2023
Balance at January 1, 2024	$ 15,635	15,605
Amount recognized	890	2,121
Amount utilized	(3,013)	(2,034)
Effect of exchange rate changes	13	(57)
Balance at December 31, 2024	**$ 13,525**	**15,635**

Provision for warranties is related mainly to the sale of components business products and system business products. It is based on estimates made from historical warranty data associated with similar goods and services.

(o) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	**$ 5,147**	**5,011**
Non-current	**$ 2,952**	**1,678**

Please refer to note 6(x) for the maturity analysis of lease liabilities.

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest expense on lease liabilities	**$ 32**	**32**
Expenses relating to short-term leases	**$ 3,412**	**2,117**

The amounts recognized in the consolidated statement of cash flows for the Group were as follows:

	2024	2023
Total cash outflow for leases	**$ 9,711**	**8,044**

(i) Lease of buildings

The Group leases buildings for its office, with lease terms ranging from 1 to 5 years, some of which include the option to extend the lease upon maturity.

In addition, as leases of buildings, with lease terms of less than 1 year, are considered as short-term leases, the Group elected to apply for an exemption and not to recognize its right-of-use assets and lease liabilities.

(ii) Other leases

The Group leases transportation equipment and other leases with lease terms of 2 to 5 years.

(p) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of the defined benefit obligations and the net defined benefit liabilities (assets) for the defined benefit plans was as follows:

	December 31, 2024	December 31, 2023
Present value of benefit obligations	$ 19,148	18,870
Fair value of plan assets	(27,614)	(25,154)
Net defined benefit liabilities (assets)	**$ (8,466)**	**(6,284)**
Net defined benefit liabilities－non-current	**$ 6,405**	**6,503**
Net defined benefit assets－non-current	**$ (14,871)**	**(12,787)**

The Company develops the defined benefit pension plans in accordance with the regulations of the Bureau of Labor Funds of the Ministry of Labor. The plans (covered by the Labor Standards Law) entitle a retired employee to receive a payment based on years of service and an average salary for the six months prior to the employee's retirement.

The foreign subsidiary, AOJ, also develops defined benefit pension plans according to their respective local laws and regulations.

1) Composition of plan assets

The pension fund (the "Fund") contributed by the Company is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", with regard to the utilization of the Fund, the minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

Foreign subsidiaries with defined benefit pension plans make pension contributions to the pension management institutions in accordance with their respective local regulations.

As of December 31, 2024 and 2023, the Group's labor pension fund account balance at Bank of Taiwan amounted to $27,614 and $25,154, respectively. Please refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets including the asset portfolio and yield of the fund.

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2) Movements in present value of the defined benefit obligations

	2024	2023
Defined benefit obligations at January 1	$ 18,870	19,741
Current service costs and interest	756	812
Remeasurement on the net defined benefit liabilities (assets):		
—Actuarial loss (gain) arising from experience adjustments	720	(326)
—Actuarial loss (gain) arising from changes in financial assumption	(822)	280
Effect of exchange rate changes	(285)	(528)
Benefits paid by the plan	(91)	(1,109)
Defined benefit obligations at December 31	**$ 19,148**	**18,870**

3) Movements in fair value of plan assets

	2024	2023
Fair value of plan assets at January 1	$ 25,154	24,614
Interest income	409	431
Remeasurement on the net defined benefit liabilities (assets):		
—Return on plan assets (excluding amounts included in net interest expense)	2,142	109
Benefits paid by the plan	(91)	-
Fair value of plan assets at December 31	**$ 27,614**	**25,154**

4) There were no effects on the asset ceiling in 2024 and 2023.

5) Expenses recognized in profit or loss

	2024	2023
Current service costs	$ 453	474
Net interest income of net defined benefit liabilities/assets	(106)	(93)
	$ 347	**381**
Selling expenses	$ 555	602
Administrative expenses	(156)	(150)
Research and development expenses	(52)	(71)
	$ 347	**381**

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6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2024	December 31, 2021
Discount rate	2.000 %	1.625 %
Rates on future salary increase	2.5%~3%	2.5%~3%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date of December 31, 2024 is $149.

The weighted-average duration of the defined benefit plans ranges from 10.77 to 17.26 years.

7) Sensitivity analysis

The following table summarizes the impact of the change in the assumptions on the present value of the defined benefit obligation.

	The impact on the defined benefit obligation	
	0.25% Increase	0.25% Decrease
December 31, 2024		
Discount rate	$ (520)	541
Rates on future salary increase	529	(512)
December 31, 2023		
Discount rate	(556)	579
Rates on future salary increase	564	(544)

The above sensitivity analysis considers the change in one assumption at a time, leaving other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are interrelated. The method used to carry out the sensitivity analysis is consistent with the calculation of the net defined benefit liabilities recognized in the balance sheets.

The method and assumptions used to carry out the sensitivity analysis is the same as in the prior year.

(ii) Defined contribution plans

The Company and its domestic subsidiaries contribute monthly an amount equal to 6% of each employee’s monthly wages to the employee’s individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance. For the years ended December 31, 2024 and 2023, the Group recognized the pension expenses of $1,373 and $1,334, respectively, in relation to the defined contribution plans.

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Foreign subsidiaries make contributions based on certain percentage of the total monthly salary in compliance with their respective local regulations under this defined contribution plan. For the years ended December 31, 2024 and 2023, the Group recognized the pension expenses of $2,859 and $2,898, respectively, in relation to the defined contribution plans.

(q) Income taxes

(i) The components of income tax expense (benefit) were as follows:

		2024	2023
Current income tax expense (benefit)			
Current period	$	4,060	8,971
Adjustments for prior-year income tax expense		(174)	868
		3,886	9,839
Deferred income tax expense (benefit)			
Origination and reversal of temporary differences		835	(4,650)
Recognition of previously unrecognized tax losses		(14,978)	(22,328)
		(14,143)	(26,978)
Income tax expense (benefit)	**$**	**(10,257)**	**(17,139)**

(ii) The components of income tax benefit recognized in other comprehensive income were as follows:

		2024	2023
Unrealized losses from investments in equity instruments at fair value through other comprehensive income	**$**	**-**	**(1,374)**

(iii) Reconciliation of income tax expense (benefit) and income before income tax for 2024 and 2023 was as follows:

		2024	2023
Income before income tax	**$**	**283,397**	**211,764**
Income tax using the Company's statutory tax rate	$	56,680	42,353
Adjustments for prior-year income tax expense		(174)	868
Effect of different tax rates in foreign jurisdictions		3,686	7,004
Non-deductible expenses		(2,543)	(3,485)
Recognition of previously unrecognized tax losses		(14,978)	(22,328)
Changes in unrecognized temporary differences		(53,823)	(42,269)
5% surtax on undistributed earnings		964	583
Others		(69)	135
	$	**(10,257)**	**(17,139)**

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(iv) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets

	December 31, 2024	December 31, 2023
Losses associated with investments in subsidiaries	$ 194,780	186,874
The carryforward of unused tax losses	77,696	148,159
Others	32,122	33,025
	$ 304,598	**368,058**

The above deferred income tax assets were not recognized as management believed that it is not probable that future taxable profits will be available against which the Group can utilize the benefits therefrom.

Each entity in the Group is entitled to use tax losses to offset future taxable income in accordance with the respective local tax regulations of each jurisdiction. As of December 31, 2024, the tax effects of unused tax losses and the respective expiry years were as follows:

Year of loss	Unused tax losses	Year of expiry
2007	$ 17,050	2027
2008	14,084	2028
2009	16,580	2029
2010	45,506	2030
2011	8,970	2031
2012	20,015	2032
2013	3,165	2033
2014	77,483	2034
2015	266	2025
2016	92,058	2026~2036
2017	3,184	2027~2037
2020	70,103	2030~2040
2021	2,281	2031
2022	2,236	2042
2023	47,187	2043
2024	63,679	2044
	$ 483,847	

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2) Unrecognized deferred income tax liabilities

The Group is able to control the timing of reversal of the temporary differences associated with investments in subsidiaries. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities. The related amounts were as follows:

	December 31, 2024	December 31, 2023
Net profits associated with investments in subsidiaries	$ 29,799	27,027

3) Recognized deferred income tax assets and liabilities

	Tax losses
Deferred income tax assets:	
Balance at January 1, 2024	$ 25,176
Recognized in profit or loss	14,978
Foreign currency translation differences	(89)
Balance at December 31, 2024	$ 40,065
Balance at January 1, 2023	$ 2,846
Recognized in profit or loss	22,328
Foreign currency translation differences	2
Balance at December 31, 2023	$ 25,176

	Unremitted earnings from subsidiaries	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Acquistion through business combination	Others	Total
Deferred income tax liabilities:					
Balance at January 1, 2024	$ 54,100	-	-	4,716	58,816
Recognized in profit or loss	793	-	-	42	835
Intangible assets arising from business combination	-	-	5,169	-	5,169
Balance at December 31, 2024	$ 54,893	-	5,169	4,758	64,820
Balance at January 1, 2023	$ 59,314	1,374	-	4,152	64,840
Recognized in profit or loss	(5,214)	-	-	564	(4,650)
Recognized in other comprehensive loss	-	(1,374)	-	-	(1,374)
Balance at December 31, 2023	$ 54,100	-	-	4,716	58,816

The Company' s income tax returns for the years through 2022 were examined and approved by the R.O.C. income tax authorities.

(r) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the Company's authorized shares of common stock consisted of 440,000 thousand shares, of which 78,448 thousand shares were issued. The total value of the Company's authorized shares of common stock amounted to $4,400,000, of which $784,480 was issued. The par value of the Company's common stock is NTD 10 per share.

On May 3, 2023, the Board of Directors approved the issuance of common stock of 7,000 thousand shares at the issuance price of NTD 68 per share. The effective date of issuance of common stock was set on August 24, 2023, and related registration procedures have been completed.

The movements in outstanding shares of common stock from January 1 to December 31, 2023 and 2022, were as follows (in thousands of shares):

	2024	2023
Balance at January 1	78,448	71,448
Capital increase by cash	-	7,000
Balance at December 31	**78,448**	**78,448**

(ii) Capital surplus

	December 31, 2024	December 31, 2023
Premium on issuance of stock	$ 406,428	406,428
Surplus from equity-method investments	2,976	2,976
Forfeited employee stock options	1,460	1,460
Changes in equity of investments in associates	13,548	-
	$ 424,412	**410,864**

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of the par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the distribution of stock dividends from capital surplus, in any year, shall not exceed 10% of the paid-in capital.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that at least 10% of the annual net income, after deducting the accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of the paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years, shall be distributed as shareholder dividends. Except for the distribution of capital surplus and legal reserve in accordance with applicable laws and regulations, the Company cannot distribute any earnings when there are no retained earnings.

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The distributable dividends in whole or in part will be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The dividend policy of the Company depends on the current and future development plan, investment environments, concerning the interest of shareholders, etc.; therefore, share or cash dividends of the Company shall be distributed at least 10 percent (10%) of yearly dividends. For the purpose of having a balance and steady dividend policy, the cash dividends shall not less than ten percent (10%) of the total dividend amount when distributing the dividend to the shareholders, except as otherwise the dividend is decided not to distribute with a consent adopted by the meeting of the Board of Directors and also approved by the shareholders' meeting. Provided the Company has no earning of the fiscal year, the Company shall not distribute share or cash dividends; however, in consideration of the financial, business and operational situations of the Company, the Company may distribute partial or all the legal reserve and the capital reserve in accordance with the regulations or rules of the relevant authorities.

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity shall be set aside from the current and prior-year earnings. This special reserve shall be reverted to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

On March 13, 2024, the Company's Board of Directors resolved to distribute cash dividends of $2 per share, which amounted to $156,896. On May 29, 2024, the Company's shareholders' meeting approved an appropriation of legal reserve and special reserve of $22,984 and $33,272, respectively.

On March 15, 2023, the Company's Board of Directors resolved to distribute cash dividends of $1.5 per share, which amounted to $107,172. On June 16, 2023, the Company's shareholders' meeting approved an appropriation of legal reserve and special reserve of $14,710 and $13,559, respectively.

(iv) Other equity items (net after tax)

	Foreign currency translation differences	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ (47,242)	(7,289)	(54,531)
Foreign exchange differences arising from translation of foreign operations	(1,857)	-	(1,857)
Share of foreign currency translation differences of associates	753	-	753
Valuation losses on financial assets at fair value through other comprehensive income	-	(2,415)	(2,415)
Valuation losses on financial assets at fair value through other comprehensive income arising from associates accounted for using equity method	-	(505)	(505)
Balance at December 31, 2024	**$ (48,346)**	**(10,209)**	**(58,555)**

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	Foreign currency translation differences	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ (37,433)	4,517	(32,916)
Foreign exchange differences arising from translation of foreign operations	(10,953)	-	(10,953)
Share of foreign currency translation differences of associates	1,144	-	1,144
Valuation losses on financial assets at fair value through other comprehensive income	-	(11,806)	(11,806)
Balance at December 31, 2023	**$ (47,242)**	**(7,289)**	**(54,531)**

(v) Non-controlling interests (net after tax)

	2024	2023
Balance at January 1	$ 1,361	4,651
Net loss attributable to non-controlling interests	(6,879)	(3,304)
Acquisition of subsidiaries	(6,782)	-
Foreign exchange differences arising from translation of foreign operations	174	14
	$ (12,126)	**1,361**

(s) Share-based payment

The Group’s equity-settled share-based payment was as follows:

	Issuance of new shares reserved for employee subscriptions
Grant date	2023/07/24
Number of shares granted (in thousands)	537
Vesting conditions	Immediately vested
Qualified employees	Full-time employees of the Group and its parent company

On May 3, 2023, the Board of Directors approved the issuance of common stock for cash, some of which were reserved for employee subscription. The Group used the Black-Scholes Model in estimating the fair value of its employee stock options at the grant date. The main inputs to the valuation model were as follows:

Fair value of stock options at the grant date (NTD/per share)	7.09
Fair value of common stock at the grant date (NTD/per share)	72
Exercise price (NTD/per share)	68
Expected volatility (%)	65.72%
Expected life (years)	0.0685
Risk-free interest rate (%)	1.10%

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Expected volatility is based on the weighted average of historical volatility, and expected life is in accordance with the related regulations governing employee subscription. The risk-free interest rate is based on interest rate on 1-month time deposits announced by Bank of Taiwan.

The compensation cost recognized for the share-based payment in 2024 amounted to $1,205. Issuance of new shares reserved for employee subscriptions of its parent company amounting to $2,602 based on equity-settled share-based payment was recognized as a deduction from retained earnings.

(t) Earnings per share ("EPS")

(i) Basic earnings per share

	2024	2023
Net income attributable to shareholders of the Company	$ 300,533	232,207
Weighted-average number of common shares outstanding (in thousands)	78,448	73,941
Basic earnings per share (in New Taiwan Dollar)	$ 3.83	3.14

(ii) Diluted earnings per share

	2024	2023
Net income attributable to shareholders of the Company	$ 300,533	232,207
Weighted-average number of common shares outstanding (in thousands)	78,448	73,941
Effect of dilutive potential common shares (in thousands):		
Effect of remuneration to employees	135	92
Weighted-average shares of common shares outstanding, (including effect of dilutive potential common shares) (in thousands)	78,583	74,033
Diluted earnings per share (in New Taiwan Dollar)	$ 3.82	3.14

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024			
	Americas	Europe	Asia Pacific and emerging markets	Total
Major products/services lines				
Computer system and components	$ 121,360	378,506	6,434,078	6,933,944
Lifestyle appliances and others	-	-	12,035	12,035
Total	$ 121,360	378,506	6,446,113	6,945,979

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	2023			
	Americas	**Europe**	**Asia Pacific and emerging markets**	**Total**
Major products/services lines				
Computer system and components	$ 116,231	426,725	5,121,082	5,664,038
Lifestyle appliances and others	-	-	2,796	2,796
Total	**$ 116,231**	**426,725**	**5,123,878**	**5,666,834**

(ii) Contract balances

	December 31, 2024	**December 31, 2023**	**January 1, 2023**
Notes and accounts receivable (including related parties)	$ 779,051	871,932	481,326
Less: loss allowance	(10,942)	(11,621)	(12,747)
	$ 768,109	**860,311**	**468,579**
Contract liabilities－current	$ 22,793	4,021	15,631
Contract liabilities－non-current	1,523	3,473	5,697
	$ 24,316	**7,494**	**21,328**

Please refer to note 6(d) for details on notes and accounts receivable (including related parties) and related loss allowance.

The major changes in the balance of contract liabilities were due to the timing difference between the satisfaction of performance obligation and the receipt of customer's payment.

The amounts of revenue recognized in 2024 and 2023 that were included in the contract liability balances on January 1, 2024 and 2023 were $4,744 and $16,723, respectively.

(v) Remuneration to employees and directors

The Company's Articles of Incorporation require that annual earnings shall first be offset against any deficit, then, shall be allocated as follows:

(i) A minimum of 2% shall be allocated as employee remuneration, in share or cash, to qualified full-time employees, including those of the Company's subsidiaries.

(ii) A maximum of 0.8% shall be allocated as directors' remuneration which is reviewed by the Remuneration Committee and reported to the Board of Directors for approval.

The remunerations to employees for 2024 and 2023 were $5,920 and $4,253, respectively, and the remunerations to directors for 2024 and 2023 were $2,347 and $1,701, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in following year.

The Company accrued its remuneration to employees and directors for 2024 amounting to $5,920 and $2,347, respectively, of which $7,241 and $1,600 were approved for distribution by the Board of Directors on March 12, 2025 and will be paid in cash, respectively. The difference between accrual and actual payment was recognized as change in accounting estimate and recognized in profit or loss in 2025. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The Company accrued its remuneration to employees and directors for 2023 amounting to $4,253 and $1,701, respectively, of which $5,793 and $1,280 were approved for distribution by the Board of Directors on March 13, 2024 and will be paid in cash, respectively. The difference between accrual and actual payment was recognized as change in accounting estimate and recognized in profit or loss in 2024. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(w) Non-operating income and loss

(i) Other gains and losses

	2024	2023
Gains on disposal of property, plant and equipment	$ 79	-
Gains on disposal of investments accounted for using the equity method	1,435	-
Foreign currency exchange gains (losses)	(11)	8,247
Others	5,161	877
	$ 6,664	**9,124**

(ii) Finance costs

	2024	2023
Interest expense from bank loans	$ (936)	(297)
Interest expense on lease liabilities	(32)	(32)
	$ (968)	**(329)**

(x) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of the Group's financial assets.

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2) Concentration of credit risk

As of December 31, 2024 and 2023, 98.06% and 94.56%, respectively, of accounts receivable were concentrated on six customers; thus, credit risk is significantly centralized.

The Group continuously evaluates the credit quality of its customers and utilizes insurance to minimize the credit risk.

3) Credit risk from receivables

Please refer to note 6(d) for credit risk exposure of accounts receivable.

Other financial assets measured at amortized cost include low-credit-risk financial assets of other receivables, and thus, the loss allowance is measured using 12-months ECL. Please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2024 for descriptions on how the Group determines the credit risk. For details on loss allowance, please refer to notes 6(d) and (e).

(ii) Liquidity risk

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and estimated interest.

	Contractual cash flows	Within 1 year	1-2 years	Over 5 years
December 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	$ 2,375	2,375	-	-
Long-term debt	82,791	76,014	3,684	3,093
Notes and accounts payable (including related parties)	1,110,509	1,110,509	-	-
Other payables (including related parties)	93,379	93,379	-	-
Lease liabilities (including current and non-current)	8,136	5,175	2,313	648
	$ 1,297,190	**1,287,452**	**5,997**	**3,741**
Derivative financial instruments:				
Foreign currency forward contracts and foreign exchange swaps－settled in gross:				
Outflow	$ 97,404	97,404	-	-
Inflow	(98,275)	(98,275)	-	-
	$ (871)	**(871)**	**-**	**-**

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	Contractual cash flows	Within 1 year	1-2 years	Over 5 years
December 31, 2023				
Non-derivative financial liabilities:				
Notes and accounts payable (including related parties)	$ 1,165,172	1,165,172	-	-
Other payables (including related parties)	83,450	83,450	-	-
Lease liabilities (including current and non-current)	6,711	5,030	1,681	-
	$ 1,255,333	**1,253,652**	**1,681**	**-**
Derivative financial instruments:				
Foreign currency forward contracts and foreign exchange swaps－settled in gross:				
Outflow	$ 102,182	102,182	-	-
Inflow	(101,860)	(101,860)	-	-
	$ 322	**322**	**-**	**-**

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Foreign currency risk

The Group's exposure to foreign currency risk arises from cash and cash equivalents, accounts receivable (payable) (including related parties) and other receivables (payables) (including related parties) that are denominated in a currency other than the respective functional currencies of Group entities.

At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

	December 31, 2024				
	Foreign currency (in thousands)	**Exchange rate**	**NTD (in thousands)**	**Change in magnitude**	**Pre-tax effect on profit or loss**
Financial assets					
Monetary items					
USD	$ 34,846	32.7810	1,142,273	5 %	57,114
EUR	3,332	33.9414	113,081	5 %	5,654
Non-monetary items					
AUD	1,281	20.2849	25,989	5 %	1,299
Financial liabilities					
Monetary items					
USD	32,854	32.7810	1,076,994	5 %	53,850
EUR	240	33.9414	8,142	5 %	407

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	December 31, 2023					
		Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Change in magnitude	Pre-tax effect on profit or loss
Financial assets						
Monetary items						
USD	$	37,764	30.7350	1,160,692	5 %	58,035
EUR		4,053	33.9284	137,506	5 %	6,875
Non-monetary items						
AUD		1,339	20.9367	28,044	5 %	1,402
Financial liabilities						
Monetary items						
USD		36,274	30.7350	1,114,876	5 %	55,744
EUR		240	33.9284	8,139	5 %	407

With varieties of functional currencies within the consolidated entities of the Group, the Group disclosed net realized and unrealized foreign exchange gains (losses) on monetary items in aggregate. Please refer to note 6(v) for further information.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to non-derivative financial instruments on the reporting date. The sensitivity analysis assumes the liabilities carrying floating interest rates recorded at the reporting date had been outstanding for the entire period. The change in interest rate reported to the key management in the Group is based on 50 basis points (0.5%), which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

If the interest rate had been 50 basis points (0.5%) higher/lower with all other variables held constant, pre-tax income for the years ended December 31, 2024 and 2023 would have been \$16 and \$0, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

(v) Other market price risk

The Group is exposed to the risk of price fluctuation in securities resulting from its investment in publicly traded stocks. The Group supervises the equity price risk actively and manages the risk based on fair value. The Group also has strategic investments in privately held stocks, in which the Group does not actively participate in their trading.

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Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2024 and 2023 would have increased or decreased by $1,831 and $1,952, respectively.

(vi) Fair value information

1) Financial instruments not measured at fair value

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The following financial instruments are measured at fair value on a recurring basis.

The table below analyzes the financial instruments measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

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

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	December 31, 2024				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets mandatorily measured at fair value through profit or loss－current:					
Foreign exchange swaps and foreign currency forward contracts	**$ 435**	**-**	**435**	**-**	**435**
Financial assets at fair value through other comprehensive income－non-current:					
Unlisted stock	$ 25,989	-	-	25,989	25,989
Domestic listed stock	10,640	10,640	-	-	10,640
	$ 36,629	**10,640**	**-**	**25,989**	**36,629**
Financial liabilities mandatorily measured at fair value through profit or loss－current:					
Foreign exchange swaps and foreign currency forward contracts	**$ 86**	**-**	**86**	**-**	**86**

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	December 31, 2023				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at fair value through profit or loss－current:					
Foreign exchange swaps and foreign currency forward contracts	$ **313**	**-**	**313**	**-**	**313**
Financial assets at fair value through other comprehensive income－non-current:					
Unlisted stock	$ 28,044	-	-	28,044	28,044
Domestic listed stock	11,000	11,000	-	-	11,000
	$ **39,044**	**11,000**	**-**	**28,044**	**39,044**
Financial liabilities mandatorily measured at fair value through profit or loss－current:					
Foreign exchange swaps and foreign currency forward contracts	$ **883**	**-**	**883**	**-**	**883**

There were no transfers among fair value hierarchies for the years ended December 31, 2024 and 2023.

3) Valuation techniques used for financial instruments measured at fair value

a) Non-derivative financial instruments

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices. The fair value of unlisted common shares is estimated by using the market approach and is determined by reference to valuations of similar companies, recent financing activities, market conditions and other economic indicators.

b) Derivative financial instruments

The fair value of foreign currency forward contracts and foreign exchange swaps is computed individually by each contract using the valuation technique and quoted price from a bank competitor.

4) Movement in financial assets included in Level 3 fair value hierarchy

	Financial assets at fair value through other comprehensive income
Balance at January 1, 2024	$ 28,044
Total gains or losses:	
Recognized in other comprehensive loss	(2,055)
Balance at December 31, 2024	$ **25,989**
Balance at January 1, 2023	$ 41,204
Total gains or losses:	
Recognized in other comprehensive loss	(13,160)
Balance at December 31, 2023	$ **28,044**

(Continued)

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The abovementioned total gains or losses were included in unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income.

5) Quantitative information of significant unobservable inputs

The fair value measurements in Level 3 are based on investments at fair value through other comprehensive income－equity investments without an active market.

The fair value measurements in Level 3 consist of multiple significant unobservable inputs which are independent of each other and therefore do not include the interrelationship with other significant unobservable inputs.

Quantitative information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Investments at fair value through other comprehensive income －equity investments without an active market	Comparable company valuation	• Price-to-earnings ratio of 0.41~10.45 on December 31, 2023	• The higher the price-to-earnings ratio, the higher the estimated fair value would be
		• Enterprise value-to-sales ratio of 0.35 on December 31, 2024	• The higher the enterprise value-to-sales ratio, the higher the estimated fair value would be
		• Price-book ratio of 0.95~1.81 on December 31, 2023	• The higher the price-book ratio, the higher the estimated fair value would be
		• Discount for lack of marketability of 40% on December 31, 2024 and 2023	• The higher the discount for lack of marketability, the lower the estimated fair value would be

6) Fair value measurements in Level 3－ sensitivity analysis of reasonably possible alternative assumptions

The Group' s measurement on the fair value of financial instruments may change if different valuation models or inputs are used. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on other comprehensive income:

			Other comprehensive income			
		Change in	December 31, 2024		December 31, 2023	
	Input	assumptions	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets at fair value through other comprehensive income	Enterprise value-to-sales ratio, price-to-earnings ratio and price-book ratio	3%	$ 3,731	(3,731)	841	(841)

The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using a valuation technique. If the fair value of a financial instrument is subject to more than one inputs, the analysis above would reflect only the effects of changes in a single input and will not include the interrelationship with another inputs.

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(vii) Offsetting of financial assets and financial liabilities

The Group has financial instrument transactions which are set off in accordance with paragraph 42 of IAS 32, wherein the related financial assets and liabilities are presented in the balance sheets on a net basis.

The table below summarizes the related information of offsetting of financial assets and liabilities:

December 31, 2024

Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes and accounts receivable	$ 46,151	11,271	34,880	-	-	34,880

December 31, 2024

Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes and accounts payable	$ 1,115,915	11,271	1,104,644	-	-	1,104,644

December 31, 2023

Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes and accounts receivable	$ 103,042	17,181	85,861	-	-	85,861

December 31, 2023

Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Notes and accounts payable	$ 1,175,533	17,181	1,158,352	-	-	1,158,352

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(y) Financial risk management

(i) Overview

The daily operation of the Group is affected by multiple financial risks, including market risk (foreign currency risk, interest rate risk and market price risk), credit risk and liquidity risk. The overall risk control policy focuses on unpredictable events in financial market and seeks reduction of potential adverse impact the Group's financial status and financial performance.

(ii) Risk management framework

Risk management policies are approved by the Board of Directors and is executed by the Group' s financial department. For financial risks arising from operation management, the financial department is accountable for recognizing, evaluating and planning the hedge methods through cooperation with other operating units. The Board of Directors develops and documents risk policies which cover specific risk exposures such as currency risk and derivative financial instrument risk to ensure the hedge tools are performed properly and effectively.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Group' s receivables from customers and investments.

1) Accounts receivable

The Group has insured credit insurance that covers accounts receivable from related customers, while customers without credit insurance may transact with the Group only on a prepayment basis.

The Group developed expected credit loss model for estimated future loss on accounts receivable and other receivables.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks and companies with good credit rating. The Group expects the counterparties above to meet their obligations, hence, there is no significant credit risk arising from these counterparties.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Group' s approach to managing liquidity is to ensure, as much as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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Generally, the Group ensures that there is sufficient cash to cover its expected operating expenditure demand over the succeeding 3 months, but excluding potential influence under unexpected extremely condition (i.e. nature disaster).

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, and will affect the Group' s income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and financing activities that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies used in these transactions are mainly the Euro (EUR), US dollar (USD) and Chinese yuan (CNY).

Procedures responsive to fluctuation of foreign exchange:

a) The Group utilizes foreign currency loans or foreign currency spot/forward contracts to hedge its said exposure based on the offsetting of foreign currency accounts receivable arising from the sales transactions and foreign currency accounts payable arising from the purchase transactions.

b) The Group collects information on currency to monitor the trend of currency rate and keeps connection with the foreign currency department of financial institutions to collect the market information and determine the exchange rate appropriately for securing the currency risk.

2) Interest rate risk

The Group's bank loans carry floating interest rates, and the Group has not entered into interest rate swap contracts to convert floating interest rates to fixed interest rates. Referring to the market rate, the Group negotiates the interest rates of bank loans with the bank on a monthly basis to reduce the risk arising from fluctuation of interest rates.

3) Other market price risk

The Group is exposed to the risk of price fluctuation in its equity instruments, which are held for cash flow management and unused capital. These equity instruments are held for strategic purposes and not for trading. Significant investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Board of Directors.

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(z) Capital management

The capital management aims to maintain a stable capital structure by reviewing the liability-to-equity ratio to enhance long-term shareholder value and to ensure its continuing operations. In consideration of the overall economic environment and the development of the industry, business models, channel resources and product strategies, the Group performs procedures on related capital expenditures and working capital to optimize capital structure.

The management monitors the capital structure regularly and considers the potential risk the Group may be involved in various capital structures. Generally, the strategy of capital structure management remains cautious.

(aa) Financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes			
	January 1, 2024	**Cash flows**	**Acquisition through business combination**	**Movement of leases**	**Fluctuation of foreign exchange rate**	**December 31, 2024**
Long-term debt	$ -	-	81,811	-	553	82,364
Short-term borrowings	-	(21,832)	22,721	-	1,482	2,371
Lease liabilities	6,689	(6,267)	3,451	4,140	86	8,099
Total liabilities from financing activities	$ **6,689**	**(28,099)**	**107,983**	**4,140**	**2,121**	**92,834**

			Non-cash changes			
	January 1, 2023	**Cash flows**	**Acquisition through business combination**	**Movement of leases**	**Fluctuation of foreign exchange rate**	**December 31, 2023**
Lease liabilities (total liabilities from financing activities)	$ **7,989**	**(5,895)**	**-**	**4,573**	**22**	**6,689**

7. Related-party transactions

(a) Parent company and ultimate controlling party

Acer Incorporated is the parent company and the ultimate controlling party of the Group and owns 43.67% of the outstanding shares of the Group as of December 31, 2024. Acer Incorporated has issued the consolidated financial statements for public use.

(b) Related party name and categories

The followings are related parties that have had transactions with the Group during the reporting periods:

Name of related party	**Relationship with the Group**
Acer Incorporated ("Acer")	The Group's parent company
Apex Material Technology Corp. ("AMTC")	The Group's associate

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Name of related party	Relationship with the Group
Weblink International Inc. (“WLII”)	Other related party
Acer e-Enabling Service Business Inc. (“AEB”)	〃
Acer Computer Australia Pty. Limited (“ACA”)	〃
Acer (Chongqing) Ltd. (“ACCQ”)	〃
ACER ITS INC. (“ITS”)	〃
PT. Acer Indonesia (“AIN”)	〃
Acer Medical Inc. (“AMED”)	〃
Acer India Private Limited (“AIL”)	〃
STAR VR CORPORATION (“ASBZ”)	〃
Acer Synergy Tech Corp. (“AST”)	〃
ACER Computer GmbH (“ACG”)	〃
Acer America Corporation (“AAC”)	〃
Acer Japan Corp. (“AJC”)	〃
Acer Europe SA (“AEG”)	〃
Acer Gadget Inc. (“AGT”)	〃
Highpoint Service Network Corporation (“HSNC”)	〃
Acer Computer Co., Ltd. (“ATH”)	〃
Aspire Service & Development Inc. (“ASDI”)	〃
Acer Computer Iberica, S.A. (“AIB”)	〃
Acer Computer (Far East) Limited (“AFE”)	〃
Acer Digital Service Co. (“ADSC”)	〃
Acer AI Cloud Inc. (“AIC”)	〃
Acer Cyber Security Incorporated (“ACSI”)	〃

(c) Significant related-party transactions

(i) Sales to related parties

	Sales		Accounts receivable from related parties	
	2024	**2023**	**December 31, 2024**	**December 31, 2023**
Parent company	$ 6,335,044	4,911,590	733,140	773,965
Other related parties	7,778	66,580	89	485
	$ 6,342,822	**4,978,170**	**733,229**	**774,450**

The sales prices with related parties are not comparable with those of third-party customers due to their different product specifications. Receivables from related parties were uncollateralized.

(Continued)

(ii) Purchases from related parties

	Purchases		Accounts payable to related parties	
	2024	**2023**	**December 31, 2024**	**December 31, 2023**
Parent company	$ 39,155	18,847	4,131	4,470
Other related parties	2,428	7,446	1,734	2,350
	$ 41,583	**26,293**	**5,865**	**6,820**

The purchase prices with related parties are not comparable with those of third-party vendors as their specifications of products are different.

(iii) Operating expenses and other payables

Operating expenses and outstanding balances arising from management services provided by related parties and other transactions were as follows:

	Cost and expenses		Other payables to related parties	
	2024	**2023**	**December 31, 2024**	**December 31, 2023**
Parent company	$ 6,644	5,860	5,040	4,644
Other related parties	99	80	234	71
	$ 6,743	**5,940**	**5,274**	**4,715**

(iv) Borrowings from related parties

The borrowings from the related party (excluding interest payable) were as follows:

Related-party catergory/name	**December 31, 2024**	**December 31, 2023**
Other related party:		
ADSC	$ 10,427	-
	$ 10,427	**-**

The interest rate of borrowings from the related party was based on the average interest rate of the related party's short-term borrowings from financial institutions, which were unsecured.

(v) Lease

The Group leases warehouses and offices from its parent company; as these leases are short-term, the Group has elected not to recognize its right-of-use assets and lease liabilities for these leases. For the years ended December 31, 2024 and 2023, the Group recognized its rental expenses of $1,053 and $1,087, respectively. As of both December 31, 2024 and 2023, the related payables of $18 were included in other payables to related parties.

(d) Compensation for key management personnel

	2024	2023
Short-term employee benefits	$ 29,104	27,820
Post-employment benefits	1,168	1,028
	$ 30,272	28,848

8. Pledged assets

The carrying values of pledged assets were as follows:

Assets	Pledged to secure	December 31, 2024	December 31, 2023
Other non-current assets －time deposits	Performance guarantees and guarantees for customs duties	$ 600	600

9. Significant commitments and contingencies: None

10. Significant loss from disaster: None

11. Significant subsequent events: None

12. Others

(a) Employee benefits, depreciation, and amortization categorized by function were as follows:

By function / By item	2024 Cost of revenue	2024 Operating expenses	2024 Total	2023 Cost of revenue	2023 Operating expenses	2023 Total
Employee benefits:						
Salaries	-	153,691	153,691	-	140,744	140,744
Insurance	-	10,984	10,984	-	9,185	9,185
Pension	-	4,579	4,579	-	4,613	4,613
Remuneration to directors	-	4,366	4,366	-	3,606	3,606
Others	-	8,020	8,020	-	7,882	7,882
Depreciation	370	8,252	8,622	455	8,184	8,639
Amortization	-	3,632	3,632	-	1,516	1,516

(b) Seasonality operations

The Group’s operations were not significantly influenced by seasonality or cyclicality factors.

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13. Additional disclosures

(a) Information on significant transactions:

The followings were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2024:

(i) Financing provided to other parties: None

(ii) Guarantee and endorsement provided to other parties: None

(iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities):

(In Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2024					
				Shares/ Units	Carrying Value	Percentage of Ownership	Fair Value	Maximum Percentage of Ownership during 2024	Note
The Company	Stock: BlueChip	-	Financial assets at fair value through other comprehensive income－non-current	570,000	25,989	8.22 %	25,989	9.70 %	-
〃	Stock: MPL	-	〃	24,670	-	13.79 %	-	13.86 %	-
〃	Stock: Fubon Financial Holding Co., Ltd. Preferred Shares C	-	〃	200,000	10,640	0.06 %	10,640	0.06 %	-
〃	Stock: Cameo	-	Financial assets at fair value through profit or loss－non-current	209,595	-	6.38 %	-	6.38 %	-
AOTH	Stock: Xserve (BVI) Corp.	-	〃	142,500	-	19.00 %	-	19.00 %	-

(iv) Marketable securities for which the accumulated purchase or sale amounts exceed $300 million or 20% of the paid-in capital: None

(v) Acquisition of real estate which exceeds $300 million or 20% of the paid-in capital: None

(vi) Disposal of real estate which exceeds $300 million or 20% of the paid-in capital: None

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(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

Company Name	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/ (Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Notes/Accounts Receivable or (Payable)	
AOE	The Company	Parent/Subsidiary	Purchases	276,573	100.00 %	-	-	-	(118,137)	96.10 %	Note 1
AOA	The Company	〃	Purchases	143,373	85.76 %	-	-	-	(295,401)	97.26 %	〃
The Company	AOE	〃	(Sales)	(276,573)	4.05 %	-	-	-	118,137	9.92 %	〃
The Company	AOA	〃	(Sales)	(143,373)	2.10 %	-	-	-	295,401	24.80 %	〃
The Company	Acer	〃	(Sales)	(6,334,900)	92.70 %	-	-	-	733,140	61.55 %	-

Note: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(viii) Receivables from related parties which exceed $100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Loss Allowance	Note
					Amount	Action Taken			
The Company	AOA	Parent/Subsidiary	295,401	0.57	295,401	Under collection	2,222	-	Note 1
〃	AOE	〃	118,137	2.21	98,667	〃	15,676	-	〃
〃	Acer	〃	733,140	8.41	-	-	733,111	-	-

Note: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(ix) Information about derivative instrument transactions: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Account (Note 3)	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 4)
0	The Company	AOA	1	Sales	143,373	-	2.06 %
0	The Company	AOE	1	〃	276,573	〃	3.98 %
0	The Company	AOA	1	Accounts receivable	295,401	〃	9.90 %
0	The Company	AOE	1	〃	118,137	〃	3.96 %

Note 1: Parties with the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

Note 2: The relationships with counterparties are as follows:

No. "1" represents the transactions from the Company to subsidiary.

No. "2" represents the transactions from subsidiary to the Company.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of the consolidated operating revenue or total assets. The corresponding purchases and accounts payable are not disclosed.

Note 4: The ratio is based on the transaction amount divided by the consolidated operating revenues or consolidated total assets.

Note 5: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

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(b) Information on investees:

The following is the information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollar/Shares)

				Original Investment Amount		Balance as of December 31, 2024						
Investor	Investee	Location	Main Businesses and Products	December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value	Maximum Percentage of Ownership during 2024	Net Income (Loss) of the Investee	Share of Profits/ (Losses) of the Investee	Note
The Company	AOA	USA	Note 1	295,771	295,771	15,000,000	100.00 %	(251,915)	100.00 %	(45,764)	(45,764)	Note 6
〃	AOE	The Netherlands	〃	214,094	214,094	40	100.00 %	(40,608)	100.00 %	(6,270)	(6,270)	〃
〃	AOTH	British Virgin Islands	Note 3	1,623	1,623	50,000	100.00 %	333,340	100.00 %	7,214	7,214	〃
〃	AOJ	Japan	Note 1	2,899	2,899	200	100.00 %	23,890	100.00 %	(2,643)	(2,643)	〃
〃	AOSV	Taiwan	〃	15,000	15,000	1,500,000	100.00 %	13,255	100.00 %	353	353	〃
〃	AOGS	Australia	〃	2,956	2,956	105,000	70.00 %	(27,542)	70.00 %	(19,239)	(12,673)	〃
〃	AMTC	Taiwan	Note 2	363,284	363,284	6,399,123	15.09 %	336,220	16.60 %	91,171	13,745	-
AOGS	AOAU	Australia	Note 1	3	3	100	100.00 %	(16,055)	100.00 %	(19,233)	(19,233)	Note 6
AOTH	GCL	Hong Kong	〃	2,675	2,675	300,000	100.00 %	4,172	100.00 %	(1)	(1)	〃
AOJ	AMDA	Japan	Note 4	18,639	-	37,746	90.00 %	15,973	90.00 %	(1,684)	(1,515)	〃
AMDA	BCC	Japan	Note 5	2,071	-	200	100.00 %	(5,715)	100.00 %	(516)	(516)	〃
〃	GV	Japan	Note 4	207	-	20	50.00 %	89	50.00 %	-	-	-
〃	Incorporation amadana Creative Institute	Japan	〃	1,864	-	180	30.00 %	248	30.00 %	-	-	-

Note 1: Marketing and trading of computer products, software, computer components, peripheral equipment and apparatus, as well as IT product repair services for after-sales support provided to Aopen products

Note 2: Sale and manufacture of touch screens, touch screen controllers, and drivers

Note 3: Investment and holding activity

Note 4: Design and sales of lifestyle appliances and others

Note 5: Consulting services of catering and catering management

Note 6: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(c) Information on investment in Mainland China:

(i) Information on investments in Mainland China:

(In US Dollar/Thousands of New Taiwan Dollar)

					Investment Flows								
Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Outflow	Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Maximum Percentage of Ownership during 2024	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
AOPEN International (Shanghai) Co., Ltd. (“AOC”)	Marketing and trading of computer products, software, computer components, peripheral equipment and apparatus, as well as IT product repair services for after-sales support provided to Aopen products	161,322 (USD 4,800,000)	2	161,322 (USD 4,800,000)	-	-	161,322 (USD 4,800,000)	(697) (USD (22,012))	100.00 %	100.00 %	(697) (USD (22,012))	7,567 (USD 230,830)	-
AOPEN Information Products (Zhongshan) Inc. (“AOZ”)	Outsource manufacturing management of computer products, computer components, peripheral equipment and apparatus	450,261 (USD 13,500,000)	2	450,261 (USD 13,500,000)	-	-	450,261 (USD 13,500,000)	7,913 (USD 246,555)	100.00 %	100.00 %	7,913 (USD 246,555)	321,508 (USD 9,807,759)	-

Note 1: Method of investments:

Type 1: Direct investment in Mainland China.

Type 2: Indirect investment in Mainland China through a holding company established in a third country.

Note 2: Investment income or loss was recognized based on the audited financial statements issued by the auditors of the Parent Company in Taiwan.

Note 3: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(Continued)

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(ii) Limits on investment in Mainland China:

(In US Dollar/Thousands of New Taiwan Dollar)

Accumulated Investment in Mainland China as of December 31, 2024 (Note 1) (Note 2) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1) (Note 2) (Note 3)	Upper Limit on Investment Authorized by Investment Commission, MOEA (Note 5)
655,692 (USD 20,002,200)	655,692 (USD 20,002,200)	-

Note 1: The above amounts were translated into New Taiwan Dollar at the exchange rate of USD 1=NTD 32.781.

Note 2: The Group disposed its entire previous investment of USD 1,645,200 in Sichuan Jiannanchun Sempo Technology Company Limited in September 2008, and the disposal price of USD 730,000 was repatriated in March 2010. The abovementioned investment not yet reported to the Investment Commission, MOEA remained included in investment in Mainland China.

Note 3: Zhongshan Taida Electronics Co., Ltd., in which the Company indirectly invested, ceased its operations and was liquidated. A liquidating dividend of USD 31,549.06 (19% of the shareholdings) was repatriated to T-Conn Precision Corporation in a third country, Republic of Mauritius. On March 12, 2010, although the Investment Commission, MOEA approved the withdrawal of the abovementioned investment, the amount of USD 57,000 remained included in the investment in Mainland China due to the liquidating dividend that has yet to be repatriated.

Note 4: Method of investments

Type 1: Investment in Mainland China through remittance from a third country
Type 2: Indirect investment in Mainland China through a holding company (AOTH) established in a third country
Type 3: Indirect investment in Mainland China through an existing company established in a third country
Type 4: Others

Note 5: Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

(iii) Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions with investee companies in Mainland China for the year ended December 31, 2024, please refer to the "Information on significant transactions" above.

(d) Major shareholders:

Shareholding / Major Shareholder's Name	Shares	Percentage
Acer Incorporated	34,264,311	43.67 %

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14. Segment information

(a) General information

The Group has three reportable segments: the Americas segment, the Europe segment and the Asia Pacific and emerging market segment which primarily engage in the research, design and marketing of computer products and lifestyle appliances and others. The Group’ s reportable segments are strategic divisions that provide related products and services and are managed separately because they require different business models and marketing strategies due to their various channels and customers.

(b) Product and service information

	2024				
	Americas	**Europe**	**Asia Pacific and emerging markets**	**Adjustments and eliminations**	**Total**
Revenue:					
Revenues from external customers	$ 121,360	378,506	6,446,113	-	6,945,979
Intra-group revenue	-	-	-	-	-
Interest income	5,365	5,365	16,281	-	27,011
Total revenues	**$ 126,725**	**383,871**	**6,462,394**	**-**	**6,972,990**
Interest expense	**$ -**	**12**	**956**	**-**	**968**
Amortization and depreciation	**$ 544**	**6,301**	**5,409**	**-**	**12,254**
Segment profit (loss)	**$ (41,049)**	**(11,734)**	**289,158**	**47,022**	**283,397**
				(Note 1)	

Note 1: Non-operating income amounted to $47,022.

	2023				
	Americas	**Europe**	**Asia Pacific and emerging markets**	**Adjustments and eliminations**	**Total**
Revenue:					
Revenues from external customers	$ 116,231	426,725	5,123,878	-	5,666,834
Intra-group revenue	-	-	-	-	-
Interest income	2,532	2,658	12,120	-	17,310
Total revenues	**$ 118,763**	**429,383**	**5,135,998**	**-**	**5,684,144**
Interest expense	**$ 8**	**48**	**273**	**-**	**329**
Amortization and depreciation	**$ 1,098**	**6,348**	**2,709**	**-**	**10,155**
Segment profit (loss)	**$ (43,999)**	**(4,097)**	**213,234**	**46,626**	**211,764**
				(Note 2)	

Note 2: Non-operating income amounted to $46,626.

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(c) Product and service information

Revenues from external customers are detailed below:

Products and services	2024	2023
Computer system and components	$ 6,933,944	5,664,038
Lifestyle appliances and others	12,035	2,796
Total	**$ 6,945,979**	**5,666,834**

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of the customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers are detailed below:

Region	2024	2023
Asia (including Taiwan)	$ 6,446,113	5,123,878
Americas	121,360	116,231
Europe	378,506	426,725
Total	**$ 6,945,979**	**5,666,834**

Non-current assets:

Region	December 31, 2024	December 31, 2023
Taiwan	$ 2,000	3,175
Mainland China	45	55
America	90	83
Japan	107,504	3,412
The Netherlands	8,017	6,868
Australia	310	462
Total	**$ 117,966**	**14,055**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, excluding financial instruments, investments accounted for using the equity method, deferred income tax assets, and pension fund assets.

(e) Major customers' information

Sales to individual customer representing more than 10% of the revenue in the consolidated statements of comprehensive income were as follows:

	2024	2023
Sales to Customer A	**$ 6,335,044**	**4,911,590**