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ASROCK INCORPORATION
PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these parent company only financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language parent company only financial statements shall prevail.

Parent Company Only Financial Statements

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Independent Auditor's Report

To ASRock Incorporation:

Opinion

We have audited the accompanying balance sheets of ASRock Incorporation (the "Company") as of December 31, 2024 and 2023, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements, including the summary of significant accounting policies (collectively "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Financial Statements" section. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, we are convinced that we have acquired sufficient and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. Those matters are addressed in the context of our audit of the parent company only financial statements as a whole and in the forming of our opinion. We do not provide a separate opinion on those matters.

Investments accounted for using equity method - Inventory of Subsidiary

The net carrying value of inventory as of December 31, 2024 for the Company's investments accounted for using equity method - Inventory of Subsidiary was significant to the parent company only financial statements. The Group's main business, the sale of motherboard products, are affected by market demand and changes. The management measured allowance for inventory obsolescence valuation losses based on market demands. The valuation involved management's significant judgment, we have therefore determined valuation on inventory a key audit matter. The audit procedures we performed regarding inventories valuation included but not limited to, understanding the program of estimating the allowance for inventory valuation, testing the effectiveness of relevant control. For the raw material and products, we selected samples and checked related certificates, to confirm the correctness of net realizable value that management used. In addition, we obtained and reviewed the full-year purchase and sales details of raw materials and products. For raw materials that are not frequently used and products with low sales volume, we referred to industry information and management to discuss the reasonableness of allowance for inventory valuation and obsolescence losses. We also considered the appropriateness of disclosure of inventories in Notes V and VI of the Company's consolidated financial statements.

Revenue recognition

The main source of revenue was from the sales of motherboard. Due to diversified pricing strategy, the orders and implied item in contracts usually included quantity discount and warranty, therefore the Company should determine the performance obligation and the timing of revenue recognition. Consequently, we considered that revenue recognition from contracts with customers is key audit matter. For revenue recognition, we have conducted audit procedures including but not limited to evaluating the design and operating effectiveness of internal controls with respect to the revenue cycle, selecting representative samples to conduct test of transactions by inspecting contracts approved by both parties, identifying the performance obligation, evaluating whether the transaction price were appropriately allocated to all the performance obligations in the contract in proportion to the stand-alone selling prices of each performance obligation, and confirming the correctness of timing when a performance obligation is satisfied. We also considered the appropriation of operating revenue disclosure in Notes IV, V and VI of parent company only financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain invested associates accounted for using the equity method by the Company, which were audited by other independent auditors. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The investments accounted for using the equity method in these investee companies on December 31, 2024 and December 31, 2023 were $1,811,804 thousand and $255,269 thousand respectively, accounting for 13.08% and 2.10% of the total assets. For the years ended December 31, 2024 and 2023, the shares of profits and losses of subsidiaries, associates and joint ventures recognized using the equity method were $9,528 thousand and $132,322 thousand respectively, accounting for 0.68% and 12.37% of the profit before tax.

Responsibilities of Management and Those in Charge with Governance of the Financial Statements

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for auditing the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditors' report that summarizes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the auditing conducted in accordance with generally accepted auditing standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material, whether individually or aggregately, if they can reasonably be expected to influence the economic decisions of financial statement users.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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

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

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

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

5. Evaluate the overall presentation, structure, and contents of the financial statements including any related disclosures, and whether the financial statements have represented related transactions and events in an appropriate manner.

6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the parent company only 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 related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements are therefore the key audit matters. We describe these matters in our auditor's 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 communications.

The engagement partners on the review resulting in this independent auditors' report are Chien-Ju, Yu and Hsuan-Hsuan, Wang.

Ernst & Young, Taiwan

March 4, 2025

<u>Notice to Readers</u>

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the parent company only financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASROCK INCORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2024 and 2023

Unit: thousands of NTD

Assets			December 31, 2024		December 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV and VI(I)	$1,700,242	12	$1,677,840	14
1136	Financial assets measured at amortized cost - current	IV, VI(III) and VI(XIV)	545,000	4	970,000	8
1170	Accounts receivable, net	IV, V, VI(IV) and VI(XIV)	721,139	5	577,828	5
1180	Accounts receivable - related parties, net	IV, V, VI(IV), VI(XIV) and VII	2,016,352	15	1,940,562	16
130x	Inventories, net	IV, V and VI(V)	1,265,318	10	1,389,644	12
1410	Prepayments	VII	31,950	-	30,347	-
1470	Other current assets	VII	181,163	1	34,045	-
11xx	Total current assets		6,461,164	47	6,620,266	55
	Non-current assets					
1517	Financial asset measured at fair value through other comprehensive income - non-current	IV and VI(II)	20,000	-	20,000	-
1550	Investments accounted for using equity method	IV and VI(VI)	7,085,666	51	5,163,315	43
1600	Property, plant and equipment	IV, VI(VII) and VII	106,310	1	165,147	1
1755	Right-of-use assets	IV and VI(XV)	29,404	-	45,993	-
1780	Intangible assets	IV and VI(VIII)	10,422	-	12,030	-
1840	Deferred tax assets	IV, V and VI(XIX)	109,337	1	111,899	1
1920	Guarantee deposits paid		17,115	-	17,155	-
1990	Other non-current assets		7,705	-	3,980	-
15xx	Total non-current assets		7,385,959	53	5,539,519	45
1xxx	Total assets		$13,847,123	100	$12,159,785	100

(The accompanying notes are an integral part of the parent company only financial statements)

ASROCK INCORPORATION
PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)
December 31, 2024 and 2023

Unit: thousands of NTD

Liabilities and equity			December 31, 2024		December 31, 2023	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2170	Accounts payable		$170,386	1	$64,644	1
2180	Accounts payable - related parties	VII	3,259,051	24	2,925,807	24
2200	Other payables	VI(IX) and VII	602,176	5	456,379	4
2230	Current tax liabilities	IV, V and VI(XIX)	67,666	-	239,771	2
2280	Lease liabilities - current	IV, VI(XV) and VI(XVII)	16,606	-	18,449	-
2300	Other current liabilities	VII	384,437	3	278,431	2
21xx	Total current liabilities		4,500,322	33	3,983,481	33
	Non-current liabilities					
2570	Deferred tax liabilities	IV, V and VI(XIX)	-	-	4,797	-
2580	Lease liabilities - non-current	IV, VI(XV) and VI(XVII)	13,325	-	27,997	-
2640	Net defined benefit liabilities - non-current	IV, V and VI(X)	17,353	-	20,606	-
2670	Other non-current liabilities- others		16,127	-	-	-
25xx	Total non-current liabilities		46,805	-	53,400	-
2xxx	Total liabilities		4,547,127	33	4,036,881	33
	Equity					
3100	Share capital					
3110	Ordinary share	VI(XI)	1,235,870	9	1,216,408	10
3200	Capital surplus	VI(XI) and VI(XII)	3,718,255	27	3,187,635	26
3300	Retained earnings					
3310	Legal reserve	VI(XI)	1,784,271	13	1,691,849	14
3320	Special reserve	VI(XI)	166,285	1	165,345	1
3350	Unappropriated retained earnings	VI(XI) and VI(XII)	2,397,053	17	2,028,400	17
	Total retained earnings		4,347,609	31	3,885,594	32
3400	Other equity interest	IV and VI(XII)	(1,668)	-	(166,682)	(1)
3500	Treasury stock	IV and VI(XI)	(70)	-	(51)	-
3xxx	Total equity		9,299,996	67	8,122,904	67
	Total liabilities and equity		$13,847,123	100	$12,159,785	100

(The accompanying notes are an integral part of the parent company only financial statements)

ASROCK INCORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023

Unit: thousands of NTD

Code	Accounting items	Note	For the years ended December 31			
			2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	IV, V, VI(XIII) and VII	$14,314,080	100	$14,344,522	100
5000	Operating costs	VI(V) and VII	(12,314,892)	(86)	(12,509,349)	(87)
5900	Gross profit		1,999,188	14	1,835,173	13
5910	Unrealized sales profit		(237,604)	(2)	(298,998)	(2)
5920	Realized sales profit		298,998	2	403,549	2
5950	Net operating income		2,060,582	14	1,939,724	13
6000	Operating expenses	VI(VIII), VI(X), VI(XII), VI(XV), VI(XVI) and VII				
6100	Sales and marketing expenses		(507,385)	(4)	(418,407)	(3)
6200	General and administrative expenses		(263,433)	(1)	(177,690)	(1)
6300	Research and development expenses		(528,842)	(4)	(459,170)	(3)
6450	Expected Credit Losses	VI(XIV)	(1,495)	-	(3,177)	-
	Total operating expenses		(1,301,155)	(9)	(1,058,444)	(7)
6900	Net operating income		759,427	5	881,280	6
7000	Non-operating income and expenses	VI(XVII) and VII				
7100	Interest income		54,721	-	70,339	-
7010	Other income		14,211	-	19,267	-
7020	Other gains and losses		18,158	-	(65,834)	-
7050	Finance costs		(651)	-	(3,465)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	IV and VI(VI)	547,854	4	168,219	1
	Total non-operating income and expenses		634,293	4	188,526	1
7900	Profit before tax		1,393,720	9	1,069,806	7
7950	Income tax expenses	IV, V and VI(XIX)	(104,945)	-	(150,765)	(1)
8000	Profit from continuing operations		1,288,775	9	919,041	6
8200	Net profit		1,288,775	9	919,041	6
8300	Other comprehensive income	IV, VI(IX) and VI(XVIII)				
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurements of defined benefit plans		4,050	-	(2,784)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(810)	-	557	-
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		324,820	2	(940)	-
	Other comprehensive income (after tax)		328,060	2	(3,167)	-
8500	Total comprehensive income		$1,616,835	11	$915,874	6
	Earnings per share (NT$)	VI(XX)				
9750	Basic earnings per share					
9710	Profit from continuing operations		$10.54		$7.54	
9850	Diluted earnings per share	VI(XX)				
9810	Profit from continuing operations		$10.49		$7.52	

(The accompanying notes are an integral part of the parent company only financial statements)

ASROCK INCORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2024 and 2023

Unit: thousands of NTD

	Item	Share capital	Capital surplus	Retained earnings			Other equity interest		Treasury stock	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Deferred compensation cost		
Code		3100	3200	3310	3320	3350	3410	3491	3500	3XXX
A1	Balance as of January 1, 2023	$1,219,930	$3,252,907	$1,582,928	$581,757	$1,772,619	$(165,345)	$(52,449)	$(12)	$8,192,335
	Appropriation and distribution of 2022 retained earnings									
B1	Legal reserve appropriated	-	-	108,921	-	(108,921)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(975,934)	-	-	-	(975,934)
B17	Special reserve reversed	-	-	-	(416,412)	416,412	-	-		-
D1	Net income for 2023	-	-	-	-	919,041	-	-	-	919,041
D3	Other comprehensive income for 2023	-	-	-	-	(2,227)	(940)	-	-	(3,167)
D5	Total comprehensive income for 2023	-	-	-	-	916,814	(940)	-	-	915,874
L3	Treasury stock cancelled	(3,522)	-	-	-	-	-	-	3,522	-
M7	Changes in subsidiaries' ownership	-	4,657	-	-	-	-	-	-	4,657
N1	Share-based payment transaction	-	(69,929)	-	-	7,410	-	52,052	(3,561)	(14,028)
Z1	Balance as of December 31, 2023	$1,216,408	$3,187,635	$1,691,849	$165,345	$2,028,400	$(166,285)	$(397)	$(51)	$8,122,904
A1	Balance as of January 1, 2024	$1,216,408	$3,187,635	$1,691,849	$165,345	$2,028,400	$(166,285)	$(397)	$(51)	$8,122,904
	Appropriation and distribution of 2023 retained earnings									
B1	Legal reserve appropriated	-	-	92,422	-	(92,422)	-	-	-	-
B3	Special reserve appropriated	-	-	-	940	(940)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(839,286)	-	-	-	(839,286)
D1	Net income for 2024	-	-	-	-	1,288,775	-	-	-	1,288,775
D3	Other comprehensive income for 2024	-	-	-	-	3,240	324,820	-	-	328,060
D5	Total comprehensive income for 2024	-	-	-	-	1,292,015	324,820	-	-	1,616,835
L3	Treasury stock cancelled	(3,471)	-	-	-	-	-	-	3,471	-
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	321,475	-	-	-	-	-	-	321,475
M7	Changes in subsidiaries' ownership	-	(33,815)	-	-	-	-	-	-	(33,815)
N1	Expiration of restricted shares of stock issued to employees	-	157	-	-	205	-	-	(3,490)	(3,128)
N1	Share-based payment transaction	22,933	242,803	-	-	9,081	-	(159,806)	-	115,011
Z1	Balance as of December 31, 2024	$1,235,870	$3,718,255	$1,784,271	$166,285	$2,397,053	$158,535	$(160,203)	$(70)	$9,299,996

(The accompanying notes are an integral part of the parent company only financial statements)

ASROCK INCORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023

Unit: thousands of NTD

Code	Item	For the years ended December 31	
		2024	2023
AAAA	Cash flows from operating activities:		
A10000	Profit before tax	$1,393,720	$1,069,806
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	103,254	104,521
A20200	Amortization expense	5,398	3,317
A20300	Expected credit losses	1,495	3,177
A20900	Interest expenses	651	3,465
A21200	Interest income	(54,721)	(70,339)
A21900	Compensation cost arising from employee stock options	115,011	(10,853)
A22400	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(547,854)	(168,219)
A22500	Loss on disposal and scrapping of property, plant and equipment	-	3,994
A22600	Property, plant and equipment reclassified to expenses	-	1
A23900	Unrealized sales profit	237,604	298,998
A24000	Realized sales profit	(298,998)	(403,549)
A30000	Changes in operating assets and liabilities:		
A31150	Increase in accounts receivable	(144,806)	(170,911)
A31160	(Increase) decrease in accounts receivable - related parties	(75,790)	303,197
A31200	Decrease (increase) in inventories	124,326	(292,251)
A31230	(Increase) Decrease in prepayments	(1,603)	9,792
A31240	(Increase) Decrease in other current assets	(149,761)	153,085
A32150	Increase in accounts payable	105,742	8,416
A32160	Increase in accounts payables-related parties	333,244	1,939,327
A32180	Increase in other payables	145,797	39,855
A32230	Increase (decrease) in other current liabilities	106,006	(383,942)
A32240	Increase in net defined benefit liabilities	797	775
A32250	Increase in other non-current liabilities	16,127	-
A33000	Cash inflows from operations	1,415,639	2,441,662
A33500	Income taxes paid	(280,095)	(184,979)
AAAA	Net cash inflow from operation activities	1,135,544	2,256,683
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	-	(20,000)
B00040	Acquisition of financial assets measured at amortized cost	-	(880,000)
B00050	Proceed from disposal of financial assets measured at amortized cost	425,000	-
B01800	Investments accounted for using equity method	(1,149,120)	-
B01900	Disposal of investments accounted for using equity method	351,229	-
B02700	Acquisition of property, plant and equipment	(24,947)	(9,308)
B03700	Increase in guarantee deposits paid	-	(181)
B03800	Decrease in guarantee deposits paid	40	-
B04500	Acquisition of intangible assets	(3,790)	(13,042)
B06700	Increase in other non-current assets	(3,725)	(3,980)
B07500	Interest received	57,364	63,754
B07600	Dividends received	97,268	153,466
BBBB	Net cash flows from investing activities	(250,681)	(709,291)
CCCC	Cash flows from financing activities:		
C00200	Decrease in short-term loans	-	(625,000)
C04020	Repayment of lease principal	(20,047)	(20,257)
C04500	Cash dividends paid out	(839,286)	(975,934)
C05600	Interest paid	-	(2,675)
C09900	Other	(3,128)	(3,175)
CCCC	Net cash used in financing activities	(862,461)	(1,627,041)
EEEE	Net increase (decrease) in cash and cash equivalents	22,402	(79,649)
E00100	Cash and cash equivalents, beginning of the period	1,677,840	1,757,489
E00200	Cash and cash equivalents, end of the period	$1,700,242	$1,677,840

(The accompanying notes are an integral part of the parent company only financial statements)

ASRock Incorporation
Notes to Parent Company Only Financial Statements
For the years ended December 31, 2024 and 2023
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company History

ASRock Incorporation (the Company) was approved to establish on May 10, 2002, and began its main business activities. The current main business is the sales of motherboards and related product development and design. The Company's first public offering was approved by the Securities and Futures Bureau in May, 2006 and its common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in November, 2007. The Company's registered office and the main business location are at 2F., No. 37, Sec. 2, Jhongyang S. Rd., Beitou Dist., Taipei City 11270, Taiwan (R.O.C.). Pegatron Corporation is the ultimate controller of the Company to which the company belongs.

II. Date and Procedures for Approval of the Financial Report

The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 were authorized for issue by the Company's board of directors on March 4, 2025.

III. Application of New and Amended Standards and Interpretations

(I) Changes in accounting policies resulting from first-time applying for the International Financial Reporting Standards

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Company.

(II) As of the release date of the financial report, the Company has not adopted the following newly issued, revised and amended standards or interpretations issued by the International Accounting Standards Board and endorsed by the FSC:

Item	New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
1	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

1. Lack of Exchangeability (Amendments to IAS 21)

   The amendments are to specify the exchangeability and lack of exchangeability between currencies and how to determine a spot exchange rate and add additional requirements for disclosure when there is lack of exchangeability between currencies.

The above newly issued, revised, and amended standards and interpretations, which were issued by the International Accounting Standards Board and endorsed by the FSC and apply to the fiscal years starting on or after January 1, 2025, caused no material impact on the Company.

(III) As of the release date of the financial report, the Company has not adopted the following newly issued, revised and amended standards or interpretations issued by the International Accounting Standards Board but not yet approved by the FSC:

Item	New/Revised/Amended Standards and Interpretations	Effective date by International Accounting Standards Board
1	IFRS 10 “Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17, “Insurance Contracts”	January 1, 2023

(Unless otherwise stated, all amounts are in NTD thousand)

3	IFRS 18, “Presentation and Disclosure in Financial Statements”	January 1, 2027
4	Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
5	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
6	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
7	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026

1. IFRS 10 “Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

   The plan addresses the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 requires contributions of non-monetary assets to an associate or joint venture in exchange for an equity interest in the associate or joint venture shall eliminate Profits and losses resulting from upstream transactions. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. The amendment restricts the preceding requirements of IAS 28 when the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 shall be recognized in full.

   The amendment also revised IFRS 10 so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

2. IFRS 17, "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfillment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

After the issuance of the Standard in May 2017, its amendments were issued in 2020 and 2021. In addition to extending the effective date by 2 years (that is, from the original January 1, 2021 to January 1, 2023) and providing additional exemptions in the transitional provisions, the amendments also simplified some provisions to reduce the cost of adopting the Standard and amended some of the provisions to make some of the circumstances easier to interpret. IFRS 17 replaces an interim Standard (IFRS 4 "Insurance Contracts")

3. IFRS 18, "Presentation and Disclosure in Financial Statements"

This standard will replace IAS1 "Presentation of Financial Statements". The main changes are as follows:

(1) Improving comparability of income statements

Requiring entities to classify all income and expenses within their income statement into one of five categories: operating, investment, financing, income tax, or discontinued operations. The first three are new categories to improve the structure of the income statement; and all enterprises are required to provide newly defined subtotals (including operating profits and losses). The improved structure and newly defined subtotals allow investors to have a consistent starting point when analyzing the financial performance of enterprises and make it easier to compare enterprises.

(2) Enhancing transparency of management-defined performance measures

Requiring entities to disclose explanations of entity-specific measures (management-defined performance measures) that are relevant to the income statement.

(3) Aggregating useful financial statement information

Establishing application guidance on how to organize information in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. Requiring companies to provide more transparency in operating expenses to help investors find and understand the information they use.

4. Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Simplifying the disclosure of subsidiaries without public accountability and allowing subsidiaries that meet the definition to choose to apply this standard.

5. Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

   The amendments include:

   (1) Clarifying that financial liabilities are derecognized on the settlement date, and explaining the accounting treatment for settlement of financial liabilities using electronic payment before the settlement date.
   (2) Clarifying how to assess cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent characteristics.
   (3) Clarifying the treatment of non-recourse assets and contractually linked instruments.
   (4) IFRS 7 requires additional disclosures for financial assets or liabilities with contractual terms related to contingent event (including linkage with ESG) and for equity instruments classified as at fair value through other comprehensive income.

6. Annual Improvements to IFRS Accounting Standards - Volume 11

   (1) Amendments to IFRS 1
   (2) Amendments to IFRS 7
   (3) Amendments to the Guidance on Implementing IFRS 7
   (4) Amendments to IFRS 9
   (5) Amendments to IFRS 10
   (6) Amendments to IAS 7

7. Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

   The amendments include:
   (1) Clarify the regulations applicable to "self-use."
   (2) When a contract is used as a hedging instrument, hedge accounting is permitted.
   (3) The regulations for note disclosure are added to help investors understand the impact of these contracts on the financial performance and cash flow of the Company.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under (1) and (3) - (7), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared basis on a historical cost, except for financial instruments at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (NTD) unless otherwise stated.

(III) Foreign currency transactions

The Company's parent company only financial statements are presented in NTD, which is also the Company's functional currency.

Foreign currency transactions are initially recorded at their respective functional currency rates of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currencies are translated at the functional currency closing rate of exchange ruling at the end of each reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items shall be recognized in profit or loss in the period in which they arise except for the following:

1. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
2. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
3. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(IV) Translation of financial statements in foreign currency

Each foreign operation within the Company determines its own functional currency and that functional currency shall be used to measure its financial statements. The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on translation are recognized in other comprehensive income, and the cumulative exchange differences that were previously recognized as a separate component of other comprehensive income and accumulated in equity are reclassified from equity to profit or loss upon the disposal of the foreign operation. The partial disposals are accounted for as disposals when the partial disposal involves the loss of control, significant influence or joint control of a subsidiary that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income adjusted with investments accounted for using equity method. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation shall be treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(V) Classification standard of current and non-current assets and liabilities

In case of any of the following circumstances, it shall be classified as current assets, and the other assets rather than current assets shall be classified as non-current assets:

1. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
2. The Company holds the asset primarily for the purpose of trading.
3. The Company expects to realize the asset within twelve months after the reporting period.

4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle the liability at least twelve months after the reporting period.

Any of the following shall be classified as current liabilities, and the other liabilities rather than current liabilities shall be classified as non-current liabilities:

1. The Company expects to settle the liability in its normal operating cycle.
2. The Company holds the liability primarily for the purpose of trading.
3. The liability is due to be settled within twelve months after the reporting period.
4. The Company does not have the right to defer settlement of the liability for at least twelve months after the reporting date.

(VI) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including time deposits with a contract period of less than 3 months) or investments that are readily convertible into a fixed amount of cash and are subject to an insignificant risk of change in value.

(VII) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities that meet the scope of IFRS 9 “Financial Instruments” are, upon initial recognition, measured at fair value and are directly attributable to the transaction costs of acquiring or issuing the financial assets and financial liabilities other than those classified as financial assets or financial liabilities at fair value through profit or loss, which is added to or deducted from the fair value of the financial asset or financial liability.

1. Recognition and measurement of financial instruments

The Company shall recognize or derecognize a regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(1) The business model for managing the financial assets
(2) The contractual cash flow characteristics of the financial asset

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable financial assets measured at amortized cost, and other receivables, etc., on the balance sheet:

(1) The business model for managing the financial asset: Hold financial assets in order to collect contractual cash flows
(2) The contractual cash flow characteristics of the financial asset: Cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets, other than those involved in hedging relationships, are subsequently measured at amortized cost (the amount measured at original recognition, less principal payments made, plus or minus the cumulative amortization of the difference between the original amount and the amount due (using the effective interest method), and adjusted for an allowance loss). A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest calculated using the effective interest method (by multiplying the total carrying amount of the financial asset by the effective interest rate) is recognized in profit or loss if:

(1) For purchased or originated credit-impaired financial assets, it is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
(2) If it is not the former, but subsequently becomes credit impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and presented as a financial asset at fair value through other comprehensive on the balance sheet:

(1) The operating model for managing financial assets: To collect contractual cash flows and sell financial assets.
(2) The contractual cash flow characteristics of the financial asset: Cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on related the type of financial asset are described as below:

(1) A gain or loss on the type of financial asset recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(2) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(3) Interest calculated using the effective interest method (by multiplying the total carrying amount of the financial asset by the effective interest rate) is recognized in profit or loss if:

A. For purchased or originated credit-impaired financial assets, it is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
B. If it is not the former, but becomes credit impaired afterwards, the effective interest rate is multiplied by the amortized cost of the financial asset.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

2. Impairment of financial assets

For financial assets measured at amortized cost, the Company recognizes expected credit losses and measures an allowance for losses.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(1) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
(2) The time value of money; and
(3) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

(1) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk has increased significantly since initial recognition is no longer met.
(2) Measure at an amount equal to the lifetime expected credit losses: Including the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(3) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(4) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company shall assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

3. Derecognition of financial assets

A financial asset held by the Company is derecognized when:

(1) The rights to receive cash flows from the financial asset have expired
(2) The Company has transferred the financial asset and substantially all the risks and rewards of ownership of the asset have been transferred.
(3) The Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

4. Financial liabilities and equity instruments

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the amount of consideration received, less the direct cost of issuing.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include payables and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Related gains and losses and the amortization are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

5. Offsetting financial assets and financial liabilities

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

(VIII) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(IX) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition for sale and production:

Raw materials - Purchase cost on a weighted average cost basis.

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(X) Investments accounted for using equity method

The Company's investment in subsidiaries is presented based on Article 21 of the Securities Issuer's Financial Report Preparation Standards, expressed as "investments using the equity method" and made necessary evaluation adjustments to enable individual financial reporting of the current period's profit and loss and other comprehensive gains and losses. The current profit and loss and other comprehensive gains and losses in the financial report prepared on a consolidated basis are the same as the share of the owners of the parent company, and the owner's equity of the individual financial report is the same as the equity of the owners of the parent company in the financial report prepared on a consolidated basis. These adjustments are mainly due to the consideration of the treatment of the consolidated financial statements of the investment subsidiary in accordance with IFRS No. 10 "Consolidated Financial Statements" and the differences in the application of IFRS at different levels of reporting entities, and debits or credits to "investment account for under the equity method", "share of profits and losses of subsidiaries, affiliates and joint ventures using the equity method" or "share of other comprehensive profits and losses of subsidiaries, affiliates and joint ventures using the equity method".

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

1. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
2. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(XI) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant is depreciated separately. When significant parts of property, plant and equipment are required to be replaced at regular intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, Plant and Equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Other repairs and maintenance costs are recognized in profit or loss.

Depreciation is set aside on a straight-line method basis over the estimated useful lives of the following assets:

Machinery and equipment	5 years
Office equipment	3 years
Leasehold improvements	Shorter of the lease period or the useful life
Other equipment	2-5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(XII) Leases

The Company assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

1. the right to obtain substantially all of the economic benefits from use of the identified asset; and
2. the right to direct the use of the identified asset

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

<u>The Company as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

1. Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
2. Variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date);
3. Amounts expected to be payable by the lessee under residual value guarantees;
4. The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
5. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

1. The amount of the lease liability initially measured;
2. Any lease payments made at or before the commencement date, less any lease incentives received;
3. Any initial direct costs incurred by the lessee; and
4. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset 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.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low- value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

(XIII) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets do not meet the recognition conditions, shall not be capitalized and the expenditure shall be recognized in profit or loss when the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the de-recognition of intangible assets are recognized in profit or loss.

Intangible assets under development-research and development costs

Research costs are recognized as expenses when incurred. Development expenditures, on an individual project, are recognized as an intangible asset when meets the following conditions:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale
2. Its intention to complete and its ability to use or sell the asset
3. The asset will generate future economic benefits.
4. The availability of resources to complete the asset.
5. The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 2 years).

(XIV) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. The recoverable amount is the greater of its net fair value and its value in use.

For assets excluding goodwill, an assessment is made by the Company at each end of reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal carrying amount of the asset does not exceed the carrying amount less the appropriated depreciation or after amortization, had no impairment loss been recognized for the asset.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(XV) Provision for liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

If an obligation occurs over a period of time, the public accountability will be recognized gradually.

Provision for warranty

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(XVI) Treasury stock

Own equity instruments which are reacquired (Treasury stock) are recognized at cost and deducted from equity.

(XVII) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting treatment are explained respectively as follows:

Sale of goods

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is high-end machinery and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with variable consideration is subsequently resolved. Refund liabilities are also recognized for expected volume discounts during the specific period of the agreement.

The Company provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. These accounts receivable usually have a short period and do not have a significant financial component.

<u>Rendering of services</u>

The services provided by the Company are mainly entrusted product development and other related services, which belongs to negotiated transactions, and are recognized as revenue when the performance obligations are met.

(XVIII) Post-employment benefits plans

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company’s parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method based on actuarial assumptions at the end of annual reporting period. Remeasurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

1. the date of the plan amendment or curtailment, and
2. the date that the Company recognizes restructuring-related costs or post-employment benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(XIX) Share-based payment transaction

The cost of equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of share-based payment for equity-settled transactions is recognized on a period-by-period, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each end of reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Changes in cumulative costs recognized for share-based payment transactions at the beginning and end of each reporting period shall be recognized in profit or loss for that period.

No expense is recognized for share-based compensation awards that ultimately do not meet vesting conditions. However, if the vested conditions of the equity settlement transaction are related to market conditions or non-vested conditions, the relevant expenses shall still be recognized when all service or performance conditions have been met, regardless of whether the market conditions or non-vested conditions have been met.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where a share-based equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stock for employees issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(XX) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred tax is provided on temporary differences at the end of reporting date between the tax bases of assets and liabilities and their carrying amounts on the balance sheet.

Deferred tax liabilities are recognized for all taxable temporary differences, except the following two:

1. Initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
2. In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except the following two:

1. An asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
2. In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each end of reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In accordance with the Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”, a temporary exception to the requirements for the recognition of deferred income tax assets and liabilities related to Pillar Two income tax and the disclosure of relevant information.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

The preparation of the Company’s parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. It is stated as follows:

(I) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note XII for more details.

(II) Post-employment benefits plans

The cost of post-employment benefit plan and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the discount rate and changes of the future salary, etc. For detailed descriptions of the assumptions used to measure the pension costs and the defined benefit obligations, please see Note VI.

(III) Revenue recognition - sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note VI for more details.

(IV) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective enterprise’s domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(Unless otherwise stated, all amounts are in NTD thousand)

(V) Trade receivables - estimation of impairment loss

The Company estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note VI for more details.

(VI) Inventories

Due to the rapid changes in technology and product demand, the Company assessed the inventory at the end of the reporting period due to normal wear and tear, obsolescence, or changes in market sales prices, and reduced inventory costs to net realizable value. The Company estimates the loss of obsolete inventories based on the product life cycle, historical experience, and subsequent inventory destocked. Please refer to Note VI for more details.

VI. Explanation of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$355	$355
Cash in banks	269,842	188,047
Time deposits	577,900	844,213
Cash equivalents - bonds with repurchase agreements	852,145	645,225
Total	$1,700,242	$1,677,840

(Unless otherwise stated, all amounts are in NTD thousand)

The Company's cash and cash equivalents are not pledged.

(II) Financial asset measured at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Investments in equity instruments measured at fair value through other comprehensive income - non-current:		
Unlisted and non-OTC stocks	$20,000	$20,000

The Company did not provide collateral for financial asset measured at fair value through other comprehensive income.

(III) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Time deposit - Current	$545,000	$970,000

The Company classified certain financial assets as financial assets measured at amortized cost. Please refer to Note VI (XIV) for more details on loss their allowance and Note XII for more details on credit risk.

(IV) Accounts receivable and accounts receivable - related parties

	December 31, 2024	December 31, 2023
Accounts receivable (total carrying amount)	$730,140	$585,334
Less: loss allowances	(9,001)	(7,506)
Subtotal	721,139	577,828
Accounts receivable - related parties (total carrying amount)	2,016,352	1,940,562
Less: loss allowances	-	-
Subtotal	2,016,352	1,940,562
Total	$2,737,491	$2,518,390

(Unless otherwise stated, all amounts are in NTD thousand)

The Company's accounts receivable are not pledged.

Accounts receivable credit period are generally on 30-90 days. The total carrying amount as of December 31, 2024 and 2023 were $2,746,492 thousand and $2,525,896 thousand, respectively. Please refer to Note VI(XIV) for more details on loss allowance of accounts receivable for the years ended December 31, 2024 and 2023. Please refer to Note XII for more details on credit risk management.

(V) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$10,565	$18,945
Work in process	17,460	84,560
Finished products	1,237,293	1,286,139
Net	$1,265,318	$1,389,644

In 2024 and 2023, the Company recognized $12,314,892 thousand and $12,509,349 thousand, respectively, in cost of inventories, including the recognition of inventory valuation and obsolescence loss of $30,294 thousand and $171,181 thousand, respectively.

The inventories mentioned above are not pledged.

(Unless otherwise stated, all amounts are in NTD thousand)

(VI) Investments accounted for using equity method

Investee Company	December 31, 2024 Amount	December 31, 2024 Ratio of shareholding	December 31, 2023 Amount	December 31, 2023 Ratio of shareholding
Subsidiaries:				
Asiarock Technology Limited	$5,374,141	100%	$3,802,566	100%
Leader Insight Holdings Ltd.	349,538	100%	191,130	100%
ASRock Rack Incorporation	711,037	53.03%	479,373	57.27%
ASRock Industrial Computer Corporation	581,452	58.23%	567,221	60.10%
Soaring Asia Limited	643	100%	595	100%
ASJade Technology Incorporation	68,855	82.5%	122,430	82.50%
Total	$7,085,666		$5,163,315	

The Company's recognized investment gain in the above-mentioned long-term equity investment using the equity method in 2024 and 2023 were $547,854 thousand and $168,219 thousand respectively, which are recognized based on the financial statements of the investee company that have been reviewed by accountants during the same period.

Investments in subsidiaries

Investments in subsidiaries are expressed in parent company only financial statements as "Investments accounted for using equity method", and necessary evaluation adjustments are made.

ASRock Industrial Computer Corporation issued employee stock options as approved by the resolution of board of directors on May 5, 2023 and July 10, 2023; and after the capital increase, the Company's original shareholding ratio decreased from 64.46% to 60.10% and capital surplus decreased by $4,893 thousand and $3,049 thousand, respectively. Later, the company issued employee stock options as approved by the resolution of board of directors on November 21, 2024; and after the capital increase, the Company's original shareholding ratio decreased from 60.10% to 58.23% and capital surplus decreased by $18,346 thousand.

ASRock Rack Incorporation adopted an employee stock option plan to increase the capital as resolved by the board of directors on July 11, 2023. As the Company did not subscribe in proportion to the shareholding ratio, the Company's original shareholding ratio decreased from 59.73% to 57.27% after the capital increase, and capital surplus increased by $7,839 thousand. Also, the company issued stock dividends to increase capital from earnings on July 22, 2023, and the Company's shareholding ratio remained at 57.27% and capital surplus decreased by $0.73 thousand. Thereafter, the Company adopted an employee stock option plan to increase the capital as resolved by the Board of Directors on November 1, 2024. The Company's original shareholding ratio decreased from 57.27% to 55.43% after the capital increase, and capital surplus decreased by $22,704 thousand.

On November 27, 2024, the Company disposed of 1,501 thousand shares of ASRock Rack Incorporation for $351,229 thousand, resulting in a decrease in the Company's original shareholding ratio from 55.43% to 53.03%, and capital surplus of $321,475 thousand was recognized.

(Unless otherwise stated, all amounts are in NTD thousand)

(VII) Property, plant and equipment

	Machinery and equipment	Office equipment	Leasehold improvements	Other assets	Total
Costs:					
January 1, 2024	$41,739	$2,342	$14,696	$232,605	$291,382
Additions	20,243	491	295	3,918	24,947
Disposals	(3,646)	-	(5,872)	(470)	(9,988)
Reclassifications	-	-	-	-	-
December 31, 2024	$58,336	$2,833	$9,119	$236,053	$306,341
January 1, 2023	$48,035	$2,220	$19,776	$226,299	$296,330
Additions	1,611	122	188	7,387	9,308
Disposals	(7,907)	-	(5,268)	(796)	(13,971)
Reclassifications	-	-	-	(285)	(285)
December 31, 2023	$41,739	$2,342	$14,696	$232,605	$291,382
Depreciation and impairment loss:					
January 1, 2024	$17,354	$1,410	$10,364	$97,107	$126,235
Depreciation	9,801	875	1,976	71,132	83,784
Disposals	(3,646)	-	(5,872)	(470)	(9,988)
Reclassifications	-	-	-	-	-
December 31, 2024	$23,509	$2,285	$6,468	$167,769	$200,031
January 1, 2023	$17,136	$670	$8,062	$25,565	$51,433
Depreciation	8,125	740	3,576	72,338	84,779
Disposals	(7,907)	-	(1,274)	(796)	(9,977)
Reclassifications	-	-	-	-	-
December 31, 2023	$17,354	$1,410	$10,364	$97,107	$126,235
Net carrying amount:					
December 31, 2024	$34,827	$548	$2,651	$68,284	$106,310
December 31, 2023	$24,385	$932	$4,332	$135,498	$165,147

No property, plant and equipment were pledged.

(VIII) Intangible assets

	Others
Costs:	
January 1, 2024	$19,490
Addition-acquired separately	3,790
Disposals	-
December 31, 2024	$23,280

(Unless otherwise stated, all amounts are in NTD thousand)

January 1, 2023	$6,448
Addition-acquired separately	13,042
Disposals	-
December 31, 2023	$19,490
Amortization and impairment:	
January 1, 2024	$7,460
Amortization	5,398
Disposals	-
December 31, 2024	$12,858
January 1, 2023	$4,143
Amortization	3,317
Disposals	-
December 31, 2023	$7,460
Net carrying amount:	
December 31, 2024	$10,422
December 31, 2023	$12,030

Amortization amount of intangible assets is as follows:

	For the years ended December 31	
	2024	2023
Sales and marketing expenses	$1,939	$15
General and administrative expenses	$168	$1,732
R&D expenses	$3,291	$1,570

(Unless otherwise stated, all amounts are in NTD thousand)

As of December 31, 2024 and 2023, the Company held 264.9707 units and 767.5857 units of Ethereum respectively. It is an intangible asset obtained during the process of R&D and performance testing for new products, and there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. It has been evaluated to have an indefinite useful life, and its value is assessed at $0 based on the cost method.

(IX) Other payables

	December 31, 2024	December 31, 2023
Salaries and bonuses payable	$309,669	$264,041
Director and supervisor remuneration and employee bonuses payable	127,327	97,735
Freight payable	55,364	26,998
Advertisement payable	41,054	15,049
Processing fees payable	13,553	11,630
Labor health insurance premiums and pensions payable	9,270	9,005
Service fees payable	4,502	1,320
Others	41,437	30,601
Total	$602,176	$456,379

(X) Post-employment benefits plans

Defined contribution plans

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were $16,838 thousand and $16,200 thousand, respectively.

Defined benefit plans

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor undertakes asset allocations based on the income and expenditure of the employee retirement fund. Investment of the fund is invested in self-operated and entrusted management methods, and adopts active and passive management medium- to long-term investment strategies. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two- year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute $131 thousand to its defined benefit plan as of December 31, 2024.

As of December 31, 2024 and 2023, the Company's definite benefit plans are expected to expire in the year of 2038.

Pension costs recognized in profit or loss for the years ended December 31, 2024 and 2023:

(Unless otherwise stated, all amounts are in NTD thousand)

	For the years ended December 31	
	2024	2023
Current service costs	$647	$605
Net interest of defined benefit liability (asset)	281	298
Total	$928	$903

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Present value of the defined benefit obligation	$48,012	$48,355	$45,087
Plan assets at fair value	(30,659)	(27,749)	(28,040)
Other non-current liabilities - Accrued net defined benefit liabilities recognized on the consolidated balance sheets	$17,353	$20,606	$17,047

(Unless otherwise stated, all amounts are in NTD thousand)

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of the defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
January 1, 2023	$45,087	$(28,040)	$17,047
Current service costs	605	-	605
Interest expense (income)	789	(491)	298
Subtotal	46,481	(28,531)	17,950
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	2,698	-	2,698
Experience adjustments	69	-	69
Remeasurements of the net defined benefit asset:	-	17	17
Subtotal	2,767	17	2,784
Contributions from employer	-	(128)	(128)
Benefits paid	(893)	893	-
December 31, 2023	48,355	(27,749)	20,606
Current service costs	647	-	647
Interest expense (income)	658	(377)	281
Subtotal	49,660	(28,126)	21,534
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	580	-	580
Actuarial gains and losses arising from changes in financial assumptions	(1,407)	-	(1,407)
Experience adjustments	(821)	-	(821)
Remeasurements of the net defined benefit asset:	-	(2,402)	(2,402)
Subtotal	(1,648)	(2,402)	(4,050)
Contributions from employer	-	(131)	(131)
Benefits paid	-	-	-
December 31, 2024	$48,012	(30,659)	$17,353

(Unless otherwise stated, all amounts are in NTD thousand)

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

	Pension plan (%)	
	December 31, 2024	December 31, 2023
Cash	19.17%	18.86%
Equity instruments	51.99%	50.67%
Debt instruments	20.02%	20.54%
Others	8.82%	9.93%
Total	100.00%	100.00%

The following significant actuarial assumptions are used to determine the present value of the Company's defined benefit obligation:

	December 31, 2024	December 31, 2023
Discount rate	1.57%	1.36%
Expected rate of salary increase	3.00%	3.00%

Sensitivity analysis of every material actuarial assumption:

	For the years ended December 31			
	2024		2023	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	$-	$3,201	$-	$3,428
Discount rate decrease by 0.5%	3,468	-	3,726	-
Expected salary level increase by 0.5%	3,401	-	3,646	-
Expected salary level decrease by 0.5%	-	3,173	-	3,392

(Unless otherwise stated, all amounts are in NTD thousand)

The purpose of conducting the aforementioned sensitivity analysis is to analyze the possible impact of determining a defined benefit obligation when a single actuarial assumption (e.g. discount rate or expected salary) undergoes a reasonably likely change, assuming all other assumptions remain unchanged. Since some of the actuarial assumptions are related to each other, there are few separate actuarial assumptions that undergo singular changes in reality, so the analysis has its limitations.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(XI) Equity

1. Ordinary shares

The Company's authorized capital were both $1,500,000 thousand as of December 31, 2024 and 2023 (Both reserve $40,000 thousand of shares for employee stock options). The Company's issued capital were $1,235,870 thousand and $1,216,408 thousand as of December 31, 2024 and 2023, respectively, each at a par value of $10. The Company issued 123,587,029 and 121,640,829 shares as of December 31, 2024 and 2023, respectively. Each share has one voting right and a right to receive dividends.

2. Capital surplus

	December 31, 2024	December 31, 2023
Additional paid-in capital	$3,217,094	$3,173,151
Difference between consideration and carrying amount of subsidiaries acquired or disposed	300,446	335
Changes in ownership interests in subsidiaries	-	12,451
Restricted employee shares	200,715	1,698
Total	$3,718,255	$3,187,635

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them.

3. Treasury stock

The Company's treasury shares, which were retired on January 1, 2024 due to restricted stock awards, totaled $51 thousand and the number of shares was 5,100. Between January 2024 and December 2024, the treasury shares in the amount of $3,490 thousand in 349,000 shares has repurchased due to the retiring of restricted stock awards and the issued 5,100, 1,500 and 340,500 shares were canceled by the resolution of the board of directors on March 6, 2024, July 31, 2024 and October 30, 2024, respectively. The record dates for capital reductions were set on March 18, 2024, August 19, 2024 and November 15, 2024, respectively. The statutory change of registration procedure has been completed. As of December 31, 2024, the remaining 7,000 shares have not yet been approved to be canceled by the resolution of the board of directors.

The Company's treasury shares, which were retired on January 1, 2023 due to restricted stock awards, totaled $12 thousand and the number of shares was 1,200. Between January 2023 and December 2023, the treasury shares in the amount of $3,561 thousand in 356,100 shares has repurchased due to the retiring of restricted stock awards and the issued 3,600, 9,000 and 339,600 shares were canceled by the resolution of the board of directors on March 7, 2023, August 3, 2023 and November 2, 2023, respectively. The record dates for capital reductions were set on March 13, 2023, August 14, 2023 and November 8, 2023, respectively. The statutory change of registration procedure has been completed. As of December 31, 2023, the remaining 5,100 shares have not yet been approved to be canceled by the resolution of the board of directors.

4. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(1) Payment of all taxes and dues.
(2) Deficit compensation.
(3) Set aside 10% as legal reserve;
(4) Set aside or reverse special reserve in accordance with law and regulations or as requested by the authorities.
(5) The distribution of the remaining portion shall be proposed and formulated by the Board of Directors and submitted to the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, dividend appropriateness and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and the Company held a general meeting of shareholders on June 12, 2019 and passed a resolution to amend the company's articles of association, stating that all or part of the dividends and bonuses are distributed in cash 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 share dividends must be submitted to the shareholders' meeting for resolution of distribution. For distribution of shareholder dividends, cash dividends shall not be less than 10% of the total amount of cash and stock dividends.

According to the Company Act, the legal reserve shall be appropriated until the total amount has reached the total capital. The legal reserve may be used to make up for losses. If the company has no loss, it may distribute new shares or cash to shareholders in proportion to their original shares for the portion of the legal reserve that exceeds 25% of the paid-in capital.

(Unless otherwise stated, all amounts are in NTD thousand)

When the Company distributes the distributable earnings, it shall, in accordance with the laws and regulations, make up the difference between the balance of the special reserve and the net deduction of other equity when it first adopts the International Financial Reporting Standards. If there is a reversal of the net amount of other equity deductions thereafter, the earnings may be distributed to the special reserve with respect to the reversal of the net amount of other equity deductions.

In accordance with the provisions of Official Letter Jin-Guan-Zheng-Fa-Zi No.1090150022 issued by the FSC on March 31, 2021, when the Company first adopted IFRS, unrealized revaluation gains and cumulative translation adjustments (gains) are transferred to a special reserve as a result of the election to adopt the “IFRS 1 First-Time Adoption” exemption at the date of conversion. When the Company subsequently uses, disposes of, or reclassifies the relevant assets, the earnings may be redistributed based on the proportion of the special reserve originally set aside.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved by the board of directors’ meeting and shareholders’ meeting on March 4, 2025 and May 29, 2024, respectively, are as follows:

	Appropriation and distribution of earnings		Dividends per share ($)	
	For the years ended December 31		For the years ended December 31	
	2024	2023	2024	2023
Legal reserve	$130,130	$92,422		
Reversal (allocation) of special reserve	(166,285)	940		
Cash dividends of ordinary share - Unappropriated retained earnings (Note)	654,943	839,286	$5.30	$6.90

Note: The Board of Directors of the Company was authorized by the Articles of Incorporation and approved the cash dividends on ordinary shares for the years of 2024 and 2023 by special resolutions on March 4, 2025 and March 6, 2024, respectively.

Please refer to Note VI(XVI) for details on employees' compensation and remuneration to directors and supervisors.

(XII) Share-based payment plans

Certain employees of the Company are entitled to share-based payment as part of their remunerations; services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

1. Restricted stock for employees of the Company

<u>Plan granted on August 20, 2021</u>

The Company issued 2,300 thousand shares of restricted stock awards, which was resolved at the shareholders' meeting held on August 20, 2021. The grantees are limited to full-time employees of the parent Company who meet specific requirements. The Company has already filed the approved 2,300 thousand shares with the Securities and Futures Bureau of the FSC. The total number of new shares issued on October 28, 2021was 2,283 thousand shares. The stock price on the grant date was $145 per share. Employees who have been granted restricted stock awards as mentioned above can subscribe for the granted shares at $10 per share.

<u>Plan granted on May 29, 2024</u>

The Company issued 2,300 thousand shares of restricted stock awards, which was resolved at the shareholders' meeting held on May 29, 2024. The grantees are limited to full-time employees of the parent company who meet specific requirements. The Company has already filed the approved 2,300 thousand shares with the Securities and Futures Bureau of the FSC. The total number of new shares issued on October 16, 2024 was 2,293.3 thousand shares. The shares were issued free of charge.

Type of agreement	Date of grant/issue	Number of shares granted (thousands of shares)	Contract period	Vested conditions
Restricted stock for employees (Note 1)	August 20, 2021	2,300	3 years	Completion of the service period and achievement of performance conditions (Note 2)
Restricted stock for employees (Note 1)	May 29, 2024	2,300	3 years	Completion of the service period and achievement of performance conditions (Note 2)

Note 1: The vested restricted stock for employees shall be entrusted and may not be sold, pledged, transferred, gifted to others, created lien or otherwise disposed of in any other manner before the vested conditions are met. According to the Company’s issuance measures for restricted stock for employees, after the restricted stock for employees are issued, except for the restricted stock for employees that are delivered to a trust and those that do not meet the vested conditions under the Company’s issuance measures, the rights of the other restricted stock are the same as the common shares issued by the Company.

Note 2: The performance conditions include the listing of the Company's shares on the Taiwan Stock Exchange or Taipei Exchange, or other overseas exchanges for trading. The employee maintaining employment for 1 to 3 years from the issuance of restricted stock for employees, the Company's overall EPS ranging from $7.5 to $10, with overall weights of 50% and 100%, respectively, and individual performance evaluations ranging from B- to B+, B+ to A, or A and above, with individual weights of 60%, 80%, and 100%

(Unless otherwise stated, all amounts are in NTD thousand)

respectively. Each year, the individual weights are multiplied by the total subscribed shares, which are then multiplied by 40%, 30%, and 30% respectively, to determine the vested shares.

2. Modification or cancellation of the share-based payment plan for employees

No modification or cancellation of share-based payment plan has occurred in 2024.

3. The expenses of the share-based payment plan for employees recognized by the Company are as follows:

	For the years ended December 31	
	2024	2023
Expense arising from share-based payment transaction (All of arising from equity-settled share-based payment transaction) (Note)	$115,011	($10,853)

(XIII) Operating revenues

Information relating to the Company's revenue from contracts with customers for 2024 and 2023 is as follows:

1. Disaggregation of revenue

	For the years ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$14,258,550	$14,320,433
Revenue from rendering services	55,530	24,089
Total	$14,314,080	$14,344,522

(Unless otherwise stated, all amounts are in NTD thousand)

2. The Company's revenue from contracts with customers is recognized at certain points in time.

(XIV) Expected credit losses

	For the years ended December 31	
	2024	2023
Operating expenses - expected credit impairment losses		
Accounts receivable	$1,495	$3,177

Please refer to Note XII for more details on credit risk.

The credit risk for the Company's financial assets measured at amortized cost are assessed as low as of December 31, 2024 and 2023 (The same as the assessment result of January 1, 2022). Since the transaction counterparties of the Company are all financial institutions such as banks with good credit, all of them are calculated based on the expected credit loss rate of 0% and the allowance loss amount is $0.

The Company measures the loss allowance of its trade receivables (including accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2024 and 2023 are as follows:

The Company considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

December 31, 2024

		Overdue					
	Not yet due	Under 30 days	31-60 days	61-90 days	91-120 days	Over 121 days	Total
Total carrying amount	$2,552,596	$164,507	$27,548	$125	$-	$1,716	$2,746,492
Loss ratio	0.23%	0.73%	1.00%	1.00%	0.88%	99.94%	
Lifetime expected credit losses	5,813	1,196	276	1	-	1,715	9,001
Carrying Amount	$2,546,783	$163,311	$27,272	$124	$-	$1	$2,737,491

(Unless otherwise stated, all amounts are in NTD thousand)

December 31, 2023

		Overdue					
	Not yet due	Under 30 days	31-60 days	61-90 days	91-120 days	Over 121 days	Total
Total carrying amount	$2,435,916	$85,869	$-	$2,236	$203	$1,672	$2,525,896
Loss ratio	0.20%	1.00%	0.00%	1.00%	0.00%	99.94%	
Lifetime expected credit losses	4,954	859	-	22	-	1,671	7,506
Carrying Amount	$2,430,962	$85,010	$-	$2,214	$203	$1	$2,518,390

The movement in the provision for impairment of trade receivables during the years ended December 31, 2024 and 2023.

	Accounts receivable
January 1, 2024	$7,506
Addition/ (reversal) for the current period	1,495
Write-off due to uncollectibility in the current period	-
December 31, 2024	$9,001

	Accounts receivable
January 1, 2023	$4,329
Addition/ (reversal) for the current period	3,177
Write-off due to uncollectibility in the current period	-
December 31, 2023	$7,506

(XV) Leases

The Company as a lessee

The Company leases various properties, including real estate such as land and buildings, and parking space. The lease terms range from 1 to 5 years without renewal right. The Company is not subject to any special restrictions.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

(Unless otherwise stated, all amounts are in NTD thousand)

1. Amounts recognized in the balance sheet

(1) Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Houses and buildings	$29,404	$45,993

The Company added $2,881 thousand and $42,858 thousand to the right-of-use assets in 2024 and 2023, respectively.

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	$29,931	$46,446
Current	$16,606	$18,449
Non-current	$13,325	$27,997

Please refer to Note VI(XVII) 4. for the interest on lease liabilities recognized in 2024 and 2023 and refer to Note XII(V) Liquidity Risk Management for the maturity analysis for lease liabilities during the years ended December 31, 2024 and 2023.

2. Amounts recognized in the statement of profit or loss

Depreciation of right-of-use assets

	For the years ended December 31	
	2024	2023
Houses and buildings	$19,470	$19,742

(Unless otherwise stated, all amounts are in NTD thousand)

3. Lessee's revenue and expenses related to leasing activities

	For the years ended December 31	
	2024	2023
The expenses relating to variable lease payments not included in the measurement of lease liabilities	$14,535	$14,016

4. Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases amounting to $34,582 thousand and $34,273 thousand, respectively.

(XVI) Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

By function / By nature	For the years ended December 31					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salary expenses	$-	$746,014	$746,014	$-	$571,173	$571,173
Labor and health insurance expenses	-	35,052	35,052	-	34,210	34,210
Pension expenses	-	17,766	17,766	-	17,103	17,103
Director remuneration	-	11,575	11,575	-	8,885	8,885
Other employee benefit expenses	-	24,932	24,932	-	24,510	24,510
Depreciation expense	-	103,254	103,254	-	104,521	104,521
Amortization expense	-	5,398	5,398	-	3,317	3,317

1. The average number of employees of the Company as of December 31, 2024 and 2023 was 331 and 322 respectively, of which the number of directors who were not part-time employees was 6.

2. The average employee welfare expenses in 2024 and 2023 were $2,535 thousand and $2,047 thousand respectively; the average employee salary expenses in 2024 and 2023 were $2,295 thousand and $1,808 thousand respectively; the average employee salary adjustment was 26.94%.

3. In accordance with the provisions of the Securities and Exchange Act, the Company has established an Audit Committee composed of independent directors in lieu of a supervisor. Therefore, the supervisor's remuneration in 2024 and 2023 was $0.

4. The Company has established a Remuneration Committee to determine the performance evaluation and salary remuneration of directors, supervisors and managerial officers, and periodically evaluates the remuneration of directors, supervisors and managerial officers based on industry standards, Company’s operation and other principles. The remuneration paid to directors is based on net profit before tax after deducting director’s and employees’ remuneration stipulated in the Company's Articles of Association. It should allocate no more than 1% for director’s and supervisor’s remuneration. The remuneration shall be distributed based on individual participation and contribution to the Company's operations and Company's overall operation performance. The remuneration of managerial officers and employees includes regular monthly salary (including base salary and food allowance, etc.) based on work experience (educational background), professional and technical abilities, and seniority. In addition, year-end bonuses, cash bonuses and performance bonuses will be issued based on the Company's operation performance, seniority, individual performance and other considerations.

According to the Articles of Incorporation, 5% of profit of the current year is distributable as employees’ compensation and no higher than 1% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company’s accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a board meeting attended by two-thirds of the total number of directors, have the profit distributed as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is reported to the shareholders' meeting. The estimated employee remuneration and directors' remuneration are recognized as expenses in the current year. Material differences between estimated amounts and the amounts resolved by the Board of Directors will be recorded as a change in accounting estimate and adjusted in the following year. Information on the board meeting resolution approval of the employees' compensation and remuneration to directors and supervisors can be inquired to the "Market Observation Post System" website of the TWSE.

Based on profit of the year ended December 31, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2024 to be 7.610% of profit of the current year and 0.761% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended December 31, 2024 amounted to $115,752 thousand and $11,575 thousand, respectively and recognized as salaries expense. A resolution was passed at the board meeting held on March 4, 2025 to distribute $115,752 thousand and $11,575 thousand in cash as employees' compensation and remuneration to directors, respectively.

Based on profit of the year ended December 31, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 to be 7.610% of profit of the current year and 0.761% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended December 31, 2023 amounted to $88,850 thousand and $8,885 thousand, respectively and recognized as salaries expense. A resolution was passed at the board meeting held on March 6, 2024 to distribute $88,850 thousand and $8,885 thousand in cash as employees' compensation and remuneration to directors, respectively.

A resolution was passed at the board meeting held on March 6, 2024 to distribute $88,850 thousand and $8,885 thousand in cash as employees' compensation and remuneration to directors of 2023, respectively. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2023.

(Unless otherwise stated, all amounts are in NTD thousand)

A resolution was passed at the board meeting held on March 7, 2023 to distribute $95,787 thousand and $9,579 thousand in cash as employees' compensation and remuneration to directors of 2022, respectively. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for 2022.

(XVII) Non-operating income and expenses

1. Interest income

	For the years ended December 31	
	2024	2023
Interest income		
Interest on cash in banks (Note)	$54,721	$70,339

Note: Including interest income from financial assets measured at amortized cost.

2. Other income

	For the years ended December 31	
	2024	2023
Other income - others	$14,211	$19,267

3. Other gains and losses

	For the years ended December 31	
	2024	2023
Foreign exchange gains (losses)	$18,166	$(61,701)
Loss on disposal of property, plant and equipment	-	(3,994)
Other losses - others	(8)	(139)
Total	$18,158	$(65,834)

(Unless otherwise stated, all amounts are in NTD thousand)

4. Finance costs

	For the years ended December 31	
	2024	2023
Interest on bank loans	$-	$2,675
Interest on lease liabilities	651	790
Total	$651	$3,465

(XVIII) Components of other comprehensive income

The components of other comprehensive income for the year ended December 31, 2024 are as follows:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax benefit (expense)	Amount after tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$4,050	$-	$4,050	$(810)	$3,240
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	324,820	-	324,820	-	324,820
Total	$328,870	$-	$328,870	$(810)	$328,060

(Unless otherwise stated, all amounts are in NTD thousand)

The components of other comprehensive income for the year ended December 31, 2023 are as follows:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax benefit (expense)	Amount after tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$(2,784)	$-	$(2,784)	$557	$(2,227)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(940)	-	(940)	-	(940)
Total	$(3,724)	$-	$(3,724)	$557	$(3,167)

(XIX) Income tax

The major components of income tax expense for the year ended December 31, 2024 and 2023 are as follows:

Total income tax recognized in profit or loss

	For the years ended December 31	
	2024	2023
Current income tax expense (income):		
Current income tax charge	$141,773	$176,387
Current income taxes for the prior years adjusted in this period	(33,783)	(18,870)
Deferred tax expense:		
Deferred tax relating to origination and reversal of temporary differences	(3,045)	(6,752)
Income tax expenses	$104,945	$150,765

(Unless otherwise stated, all amounts are in NTD thousand)

Income tax relating to components of other comprehensive income

	For the years ended December 31	
	2024	2023
Deferred tax expense (income):		
Profit or losses of defined benefits plan	$810	$(557)
Income tax relating to components of other comprehensive income	$810	$(557)

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31	
	2024	2023
Accounting profit before tax from continuing operations	$1,393,720	$1,069,806
Tax at the domestic rates applicable to profits in the country concerned	$278,744	$213,961
Tax effect of revenues exempt from taxation	(109,571)	(33,644)
Tax effect of expenses not deductible for tax purposes	-	5
Income tax impact of research and development deduction	(33,891)	(32,254)
Corporate income surtax on undistributed retained earnings	-	21,038
Basic tax	2,892	-
Current income taxes for the prior years adjusted in this period	(33,783)	(18,870)
Others	554	529
Total income tax expense recognized in profit or loss	$104,945	$150,765

(Unless otherwise stated, all amounts are in NTD thousand)

Deferred tax assets (liabilities) relate to the following:

2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Gains (losses) on foreign exchange	$(4,797)	$9,105	$-	$-	$4,308
Unrealized intragroup profits and losses	59,800	(12,279)	-	-	47,521
Inventory valuation and obsolescence loss	47,111	6,059	-	-	53,170
Net defined benefit liabilities - non-current	4,121	160	(810)	-	3,471
Other payables (non-leave bonus, etc.)	867	-	-	-	867
Deferred tax benefit (expense)		$3,045	$(810)	$-	
Net deferred tax assets	$107,102				$109,337
Reflected in balance sheet as follows:					
Deferred tax assets	$111,899				$109,337
Deferred tax liabilities	$4,797				$-

(Unless otherwise stated, all amounts are in NTD thousand)

2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary differences					
Gains (losses) on foreign exchange	$1,932	$(6,729)	$-	$-	$(4,797)
Unrealized intragroup profits and losses	80,710	(20,910)	-	-	59,800
Inventory valuation and obsolescence loss	12,875	34,236	-	-	47,111
Net defined benefit liabilities - non-current	3,409	155	557	-	4,121
Other payables (non-leave bonus, etc.)	867	-	-	-	867
Deferred tax benefit (expense)		$6,752	$557	$-	
Net deferred tax assets	$99,793				$107,102
Reflected in balance sheet as follows:					
Deferred tax assets	$99,793				$111,899
Deferred tax liabilities	$-				$4,797

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Company's overseas subsidiaries, as the Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2024 and 2023, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liabilities have not been recognized, aggregate to $2,979,587 thousand and $2,969,804 thousand, respectively.

The assessment of income tax returns

As of December 31, 2024, the assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns	Notes
The Company	Assessed and approved up to 2022	None

(XX) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

		For the years ended December 31	
		2024	2023
1.	Basic earnings per share		
	Net profit (in thousands)	$1,288,775	$919,041
	Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	122,313	121,883
	Basic earnings per share ($)	$10.54	$7.54
2.	Diluted earnings per share		
	Net profit (in thousands)	$1,288,775	$919,041
	Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	122,313	121,883
	Effect of dilution:		
	Employee bonus - stock (in thousands)	500	346
	Weighted average number of ordinary shares outstanding after dilution (in thousands)	122,813	122,229
	Diluted earnings per share ($)	10.49	$7.52

(Unless otherwise stated, all amounts are in NTD thousand)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

VII. Related Party Transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
PEGATRON Corporation	The parent company
ASIAROCK TECHNOLOGY LIMITED	The Company's subsidiary
ASRock Europe B.V.	The Company's subsidiary
ASRock America Inc.	The Company's subsidiary
ASRock Rack Incorporation	The Company's subsidiary
ASRock Industrial Computer Corporation	The Company's subsidiary
ASJade Technology Incorporation	The Company's subsidiary
AS FLY Travel Service Ltd.	Substantive related party
PEGATRON JAPAN INC.	Substantive related party

Material transactions with related parties

(I) Sales

	For the years ended December 31	
	2024	2023
Subsidiaries		
ASRock America Inc.	$3,926,794	$4,174,621
ASRock Europe B.V.	3,836,897	4,174,702
Others	49,831	69,610
Total	$7,813,522	$8,418,933

(Unless otherwise stated, all amounts are in NTD thousand)

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for related parties sales was O/A 45 to 90 days. The collection period for non-related parties sales were TT or 1 to 3 months from FOB shipping point. The outstanding balance at the end of the year was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(II) Purchases

	For the years ended December 31	
	2024	2023
Subsidiaries		
ASIAROCK TECHNOLOGY LIMITED	$11,507,322	$12,314,828
Others	1,092	20,209
Total	$11,508,414	$12,335,037

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are TT or 1 to 3 months.

(III) Accounts receivable - related parties

	December 31, 2024	December 31, 2023
Subsidiaries		
ASRock America Inc.	$1,721,843	$1,681,803
ASRock Europe B.V.	291,784	258,626
Others	2,725	133
Total	$2,016,352	$1,940,562

(IV) Prepayments

	December 31, 2024	December 31, 2023
Parent company	$-	$262

(Unless otherwise stated, all amounts are in NTD thousand)

(V) Other current assets

	December 31, 2024	December 31, 2023
Subsidiaries		
ASIAROCK TECHNOLOGY LIMITED	$158,008	$6,452
Others	3,582	2,170
Total	$161,590	$8,622

(VI) Accounts payable - related parties

	December 31, 2024	December 31, 2023
Subsidiaries		
ASIAROCK TECHNOLOGY LIMITED	$3,258,700	$2,912,737
Others	351	13,070
Total	$3,259,051	$2,925,807

(VII) Other payables

	December 31, 2024	December 31, 2023
Parent company	$-	$1,616
Subsidiaries		
ASRock America Inc.	5,527	3,203
ASIAROCK TECHNOLOGY LIMITED	599	1,480
Others	9	-
Total	$6,135	$6,299

(Unless otherwise stated, all amounts are in NTD thousand)

(VIII) Other current liabilities

	December 31, 2024	December 31, 2023
Subsidiaries		
ASRock America Inc.	$204,600	$133,572
Others	84	-
Total	$204,684	$133,572

(IX) Operating expenses

	For the years ended December 31	
	2024	2023
Parent company	$4,209	$4,695
Subsidiaries		
ASRock Europe B.V.	14,766	285
Other related parties	26	51
Total	$19,001	$5,031

(X) Other income

	For the years ended December 31	
	2024	2023
Parent company	$1,000	$1,003
Subsidiaries		
ASIAROCK TECHNOLOGY LIMITED	7,777	7,486
ASRock Rack Incorporation	2,756	5,166
Others	481	-
Total	$12,014	$13,655

(Unless otherwise stated, all amounts are in NTD thousand)

(XI) Property transaction

Acquisition of intangible assets:

		For the years ended December 31	
	Assets	2024	2023
Parent company	Computer software	$-	$673

The price for the purchase of computer software by the Company from the parent company was negotiated by both parties with reference to market conditions.

(XII) Key management personnel compensation

	For the years ended December 31	
	2024	2023
Short-term employee benefits	$78,436	$71,067
Post-employment benefits	966	962
Share-based payment	15,796	(1,212)
Total	$95,198	$70,817

VIII. Pledged Assets

None.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2024, the Company recorded customs duties of $5,000 thousand.

X. Major Disaster Losses

None.

(Unless otherwise stated, all amounts are in NTD thousand)

XI. Material Subsequent Events

None.

XII. Others

(I) Category of financial instruments

Financial assets

	December 31, 2024	December 31, 2023
Financial asset measured at fair value through other comprehensive income	$20,000	$20,000
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,699,887	1,677,485
Financial assets measured at amortized cost	545,000	970,000
Trade receivables	2,737,491	2,518,390
Other receivables	169,794	25,206
Guarantee deposits paid	17,115	17,155
Subtotal	5,169,287	5,208,236
Total	$5,189,287	$5,228,236

Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities measured at amortized cost:		
Accounts payable	$3,429,437	$2,990,451
Lease liabilities	29,931	46,446
Other payables	602,176	456,379
Total	$4,061,544	$3,493,276

(II) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. During the execution of the financial management activities, the Company is required to ensure compliance with the relevant requirements of financial risk management as prescribed.

(III) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise mainly currency, interest rate risk and other price risks (such as equity instrument).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2024 and 2023 is decreased/increased by $7,368 thousand and $10,668 thousand, respectively, the equity is decreased/increased by $59,406 thousand and $43,146 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash in banks and time deposit at variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period. At the reporting date, a change of 25 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to increase and decrease by $711 thousand and $2,969 thousand, respectively.

(IV) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss.

The Company is exposed to credit risk from operating activities (primarily for accounts receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2024 and 2023, amounts receivables from top ten customers represent 89.34% and 90.69% of the total trade receivables of the Company, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and without contract performance concern. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. The Company measures the loss allowance of its trade receivables at an amount equal to lifetime expected credit losses, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(Unless otherwise stated, all amounts are in NTD thousand)

(V) Liquidity risk management

The Company's objective is to maintain financial flexibility through the use of cash and cash equivalents, highly liquid equity investments, and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
December 31, 2024					
Accounts payable	$3,429,437	$-	$-	$-	$3,429,437
Lease liabilities	16,973	13,410			30,383
Other payables	602,176	-	-	-	602,176
December 31, 2023					
Accounts payable	$2,990,451	$-	$-	$-	$2,990,451
Lease liabilities	19,069	28,426	-	-	47,495
Other payables	456,379	-	-	-	456,379

(VI) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Lease liabilities	Liabilities from financing gross
January 1, 2024	$46,446	$46,446
Cash flow	(20,047)	(20,047)
Non-cash change	3,532	3,532
December 31, 2024	$29,931	$29,931

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Lease liabilities	Liabilities from financing gross
January 1, 2023	$625,000	$23,055	$648,055
Cash flow	(625,000)	(20,257)	(645,257)
Non-cash change	-	43,648	43,648
December 31, 2023	$-	$46,446	$46,446

(VII) Fair value of financial instruments

1. The methods and assumptions applied in determining the fair value of financial instruments:

   Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

   (1) The carrying amount of cash and cash equivalents, trade receivables, payables and other payables approximate their fair value mainly due to their short maturities.
   (2) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
   (3) The fair values of bank borrowings without quoted prices in the active market are determined based on counterparties' quotes or valuation techniques through a cash flow discount analysis, and the assumptions about interest rates and discount rates are mainly based on information on similar instruments (such as the reference yield curve announced by TPEx, the average quote of interest rates on commercial promissory notes announced by Reuters, and credit risks).

2. Fair value of financial instruments measured at amortized cost

   The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

3. Information on the financial instrument fair value hierarchy

   See Note XII, (VIII) for the information on the Company's financial instrument fair value hierarchy.

(VIII) Fair value hierarchy

1. Definitions of fair value levels

All assets and liabilities measured or disclosed at fair value are the lowest level inputs, which are important to the overall fair value measurement, classified to the fair value levels to which they belong. The input at each level is as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.

Level 2: Inputs, other than quoted market prices within Level 1 that are observable, either directly or indirectly, for assets or liabilities.

Level 3: The unobservable input value of an asset or liability.

For assets and liabilities that are recognized in the financial statements on a repetitive basis, the classification is reevaluated at the end of each reporting period to determine whether there is a transfer between the fair value levels.

2. Information on the hierarchy of fair value measurement

The Company does not have assets measured at fair value on a non-recurring basis. The information on the fair value levels of assets and liabilities on a recurring basis is shown below:

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value through other comprehensive income				
Stocks	$-	$-	$20,000	$20,000

(Unless otherwise stated, all amounts are in NTD thousand)

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value through other comprehensive income				
Stocks	$-	$-	$20,000	$20,000

Transfer between Level 1 and Level 2 fair values

The Company's assets and liabilities measured at fair value on a recurring basis during the years ended December 31, 2024 and 2023 were not transferred between Level 1 and Level 2.

Details of movements at Level 3 fair value on a recurring basis

If the Company's assets and liabilities measured at fair value on a recurring basis that belong to Level 3 fair value, the reconciliation of the opening and ending balances is listed as follows:

	Assets
	Measured at fair value through other comprehensive income
	Stocks
January 1, 2024	$20,000
Acquired in 2024	-
December 31, 2024	$20,000

	Assets
	Measured at fair value through other comprehensive income
	Stocks
January 1, 2023	$-
Acquired in 2023	20,000
December 31, 2023	$20,000

Significant unobservable Level 3 fair value inputs

Regarding the Company's assets at Level 3 fair value on a recurring basis, the significant unobservable inputs at fair value are as follows:

The fair values of unlisted stocks are estimated using a market approach or an asset-based approach. Regarding a market approach, the fair value of a stock is calculated by referring to the market transaction prices of comparable companies with business and industry attributes similar to the stock invested, with their liquidity discount parameters considered. As for an asset-based approach, the total value of individual assets and individual liabilities of a company with its stock to be invested is valuated to reflect the total worth of the company or business, and the company's equity value is measured at the fair value of its net assets.

Valuation process for Level 3 fair value

The Company's management is responsible for fair value verification, using data from independent sources to bring the valuation results closer to the market, confirming that the sources of the data are independent, reliable, consistent with other resources and represent executable prices, while analyzing the changes in the value of assets and liabilities that must be remeasured or re-valuated in accordance with the Company's accounting policies at each balance date, to ensure that the valuation results are reasonable.

(IX) Information on foreign currency financial assets and liabilities with significant impact

The Company's information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Unit: thousands of NTD

	December 31, 2024		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	$129,243	32.79	$4,237,865
Financial liabilities			
Monetary items:			
USD	106,773	32.79	3,501,086

	December 31, 2023		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items:			
USD	$133,190	30.725	$4,092,269
Financial liabilities			
Monetary items:			
USD	98,470	30.725	3,025,477

Since there were various functional currencies used within the subsidiaries of the Company, the Company was unable to disclose foreign exchange (losses) gains towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains (losses) was $18,166 thousand and $(61,701) thousand for the years ended December 31, 2024 and 2023, respectively.

(X) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

XIII. Others/Additional

(I) Relevant information on significant transactions

1. Loaning to others: Please refer to Attachment 1.

2. Endorsement/Guarantee for others: Please refer to Attachment 2.

3. Marketable securities held at the end of the period: Please refer to Attachment 3.

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20 percent of the capital stock: Please refer to Attachment 4.

5. Acquisition of individual real estate with amount exceeding the lower of $300 million or 20 percent of the capital stock: Please refer to Attachment 5.

6. Disposal of individual real estate with amount exceeding the lower of $300 million or 20 percent of the capital stock: None.

7. Related party transactions for purchases and sales amounts exceeding the lower of $100 million or 20 percent of the capital stock: Please refer to Attachment 6.

8. Receivables from related parties with amounts exceeding the lower of $100 million or 20 percent of capital stock: Please refer to Attachment 7.

9. Financial instruments and derivative transactions: None.

10. Other: Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between term: Please refer to Attachment 8.

(II) Information on investees

Of the investee company directly or indirectly has significant influence or control over, their investee companies' information: Please refer to Attachment 9.

(III) Investment in Mainland China

None.

(IV) Information on major shareholders

Shareholding / Name of major shareholders	Number of shareholding (share)	Ratio of shareholding (%)
Asus Investment Co., Ltd.	57,217,754	46.29%
Asustek Investment Co., Ltd.	7,453,405	6.03%

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 1, Loaning to Others

Unit: thousands of NTD

No.	Financing Company	Borrower	General Ledger Account	Whether it is a Related Party	Maximum Amount for this Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 3)	Transaction Amount	Reasons for Short-Term Financing	Allowance for Losses	Collateral		Financing Limit for Each Borrowing Company (Note 4)	Financing Company's Financing Amount Limits (Note 4)
													Item	Value		
1	ASIAROCK TECHNOLOGY LIMITED	CALROCK HOLDINGS, LLC	Internal dealings	Yes	$262,320	$262,320	$262,320	4.00%	2	$-	Funding needs	$-	-	-	$655,800	$655,800

Note 1: No. column should be entered in a way as follows:
(1) The Company is coded “0”.
(2) The subsidiaries are coded starting from “1”in the order, and the code of the same company should be the same.
Note 2: The maximum balance of financing to others during the year.
Note 3: Instructions for completing type of financing:
(1) Fill in 1 for a company with which it does business
(2) Fill in 2 for a company with a need for short-term financing
Note 4: The calculation method and amount of financing amount limit are as follows:
Maximum amount allowed for individual enterprises
According to the Company (ASIAROCK TECHNOLOGY LIMITED)’s Financing Operational Procedures, the amount lent to an individual counterparty shall not exceed 15% of the Company's net worth. The limitation does not apply to financing activities between foreign companies that are wholly owned, either directly or indirectly, by the Company.
Total maximum amount:
According to the Company (ASIAROCK TECHNOLOGY LIMITED)’s Financing Operational Procedures, the total amount lent to a counterparty shall not exceed 40% of the Company's net worth. The limitation does not apply to financing activities between foreign companies that are wholly owned, either directly or indirectly, by the Company.
Note 5: If the original currency amount in the above table is foreign currency, it shall be converted into NTD at the exchange rate as stated in the 2024Q4 financial report (December 31, 2024), and the spot exchange rate of December 31, 2024 is USD/NTD 32.79.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 2, Endorsement/ Guarantee for Others

Unit: thousands of NTD

No.	Name of the Endorser/ Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Endorsement/ Guarantee Balance for the Period	Endorsement/ Guarantee Balance in this Period	Amount Actually Drawn	Amount of Endorsement/ Guarantee by Properties	Ratio of Accumulated Endorsement/ Guarantee Amount to the Net Equity in the Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed (Note 4)	Endorsement Provided by Parent Company to Subsidiaries	Endorsement Provided by Subsidiaries to Parent Company	Endorsement Provided to Entities in Mainland
		Company Name	Nature of Relationship (Note 2)										
0	ASRock Incorporation	ASIARock Technology Limited. (Note 1)	(2)	$6,509,997	$2,627,440	$2,623,200	$2,006,748	-	28.21%	$6,509,997	Y	N	N
0	ASRock Incorporation	ASRock Rack Incorporation	(2)	$2,789,999	$1,970,580	$1,967,400	$1,967,400	-	21.15%	$2,789,999	Y	N	N

Note 1: The numbers filled in for the endorsements/guarantees provided by the group or subsidiaries are as follows:

(1) The Company is coded “0”.

(2) The subsidiaries are coded starting from “1”in the order, and the code of the same company should be the same.

Note 2: The relationship between the endorser and the endorsee can be divided into the following seven categories, which can be indicated as follows:

(1) A company with which it does business.

(2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the voting shares in the public company.

(4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The amount of endorsements/guarantees for any single entity 100% holding company of shall not exceed 70% of net worth of endorsor/guarantor.

Note 4: The amount of endorsements/guarantees for any single entity not 100% holding company shall not exceed 30% of net worth of endorsor/guarantor.

Note 5: The amount of endorsements/guarantees collateralized by properties shall not exceed 70% of net worth of endorsor/guarantor.

Note 6: If the original currency amount in the above table is foreign currency, it shall be converted into NTD at the exchange rate as stated in the 2024Q4 financial report (December 31, 2024), and the spot exchange rate of December 31, 2024 is USD/NTD 32.79.

ATTACHMENT 3, Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

Unit: thousands of NTD

Company	Types and Names of Securities	Relations with Issuer of Securities	Account	End of the Period				Notes
				Number of Shares	Carrying Amount	Ratio of Shareholding	Fair Value	
ASRock Incorporation	Stock of Zhuhe Investment Co., Ltd.	Other related parties	Financial asset measured at fair value through other comprehensive income - non-current	2,000,000	$20,000	10.00%	$20,000	-

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 4,Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20 percent of the capital stock Unit: thousands of NTD

Company Name	Types and Names of Securities (Note 1)	Account	Trading Counterparty (Note 2)	Relationship (Note 2)	Beginning of the Period		Buy (Note 3)		Sell (Note 3)				End of the Period	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling Price	Carrying Costs	Disposal Gain or Loss (Note 5)	Number of Shares	Amount (Notes 6-8)
ASRock Incorporation	Stocks	Investments accounted for using equity method	ASRock Rack Incorporation	Parent company and subsidiaries	34,595,984	$479,373	-	$-	1,501,000	$351,229	$29,754	$-	33,094,984	$711,037
ASRock Incorporation	Stocks	Investments accounted for using equity method	ASIARock Technology Limited.	Parent company and subsidiaries	40,000,000	$3,802,566	36,000,000	$1,149,120	-	$-	$-	$-	76,000,000	$5,374,141
ASIARock Technology Limited.	Stocks	Investments accounted for using equity method	CALROCK HOLDINGS, LLC	Parent company and subsidiaries	2,000,000	$64,140	28,000,000	$893,760	-	$-	$-	$-	30,000,000	$984,574

Note 1: The term securities in this table refers to stocks, bonds, beneficiary certificates, and derivative securities derived from the aforementioned items.

Note 2: Investors accounted for using equity method must complete these two columns, while others may leave them blank.

Note 3: The cumulative buy and sell amounts should be separately calculated based on market value to determine whether they reach $300 million or 20% of the paid-in capital.

Note 4: The paid-in capital shall refer to the paid-in capital of the parent company. If the issuer's stock has no par value or the par value per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated on the basis of 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 5: ASRock Rack Incorporation the Company's subsidiary. According to IFRS, the difference between the disposal price and the carrying amount shall be recognized as capital surplus and not included in disposal gains or losses.

Note 6: The ending amount includes a reduction of $4,065 due to cash dividends paid out, a decrease of $22,704 in capital surplus due to non-proportional subscription of new shares, an increase of $1,780 in capital surplus recognized under the equity method, and an investment gain of $286,407 recognized under the equity method.

Note 7: The ending amount includes unrealized gross profit of $61,394, an investment gain of $52,393 recognized under the equity method, and a cumulative translation adjustment of $308,668.

Note 8: The ending amount includes an investment loss of $1,953 recognized under the equity method and a accumulated translation adjustment of $28,627.

ATTACHMENT 5, Acquisition of individual real estate with amount exceeding the lower of $300 million or 20 percent of the capital stock

Unit: USD

Company Name	Type of property	Transaction Date (Note)	Transaction Amount	Payment Status	Trading Counterparty	Relationship	If the Counterparty is a Related Party, Disclose the Previous Transfer Information				References for Determining Price	Purpose of Acquisition and Use	Other Agreed Matters
							All Entities	Relationship	Date of Transfer	Amount			
CALROCK HOLDINGS, LLC	Factory building	November 1, 2024	USD 36,000,000	According to the contract terms	RIII CC CHINO OWNER, LLC	Non-related parties	-	-	-	-	Valuation report and negotiation results	For operational use	-

Note: Date of occurrence: Refers to whichever earlier the contract date, payment date, consignment transaction date, transfer date, Board resolution date or other dates that can confirm the trading counterparty and transaction amount.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 6, Related Party Transactions for Purchases and Sales Amounts to $100 million or more than 20% of the Paid-in Capital

Unit: thousands of NTD

Purchaser/seller Company Name	Name of Counterparty	Relationship (Note 4)	Transaction Details				Details of Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		Remarks (Note 2)
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes (Accounts) Receivable and Accounts Payable	
ASRock Incorporation	ASRock Europe B.V.	1	(Sales)	$(3,836,897)	(26.81%)	45 days	Same as other clients	Same as other clients	$291,784	10.62%	
〃	ASRock America Inc.	1	(Sales)	(3,926,794)	(27.43%)	90 days	Same as other clients	Same as other clients	1,721,843	62.69%	
ASIAROCK TECHNOLOGY LIMITED	ASRock Incorporation	2	(Sales)	(11,551,289)	(76.29%)	90 days	Same as other clients	Same as other clients	3,315,390	84.54%	
〃	ASRock Rack Incorporation	3	(Sales)	(1,963,543)	(12.97%)	60 days	Same as other clients	Same as other clients	457,808	11.67%	
〃	ASRock Industrial Computer Corporation	3	(Sales)	(445,921)	(2.95%)	60 days	Same as other clients	Same as other clients	147,828	3.77%	
ASRock Rack Incorporation	ASRock America Inc.	3	(Sales)	(408,871)	(4.64%)	90 days	Same as other clients	Same as other clients	134,989	19.74%	
〃	ASRock Europe B.V.	3	(Sales)	(191,466)	(2.17%)	60 days	Same as other clients	Same as other clients	-	0.00%	
〃	PEGATRON Corporation	2	(Sales)	(172,462)	(1.96%)	60 days	Same as other clients	Same as other clients	5,390	0.79%	
ASRock Industrial Computer Corporation	ASRock Europe B.V.	3	(Sales)	(225,601)	(15.38%)	60 days	Same as other clients	Same as other clients	-	0.00%	
〃	ASRock America Inc.	3	(Sales)	(196,957)	(13.43%)	60 days	Same as other clients	Same as other clients	-	0.00%	

Note 1: If the related party's transaction terms are different from the general transaction terms, the unit price and credit period column should state the difference and the reason.

Note 2: If there is any receipt (payment) in advance, the reason, contractual terms, amount, and differences from the general transaction type should be stated in the remarks column.

Note 3: The paid-in capital shall refer to the paid-in capital of the parent company. If the issuer's stock has no par value or the par value per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated on the basis of 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 4: The following lists the three types of intercompany transactions (any transaction between parent company and subsidiary or between subsidiaries is disclosed as one transaction by either transaction counterparty.) For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

1. Transactions from parent company to subsidiary is “1”.
2. Transactions from subsidiary to parent company is “2”.
3. Transactions between subsidiaries is “3”.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 7, Receivables from Related Parties with amounts exceeding the lower of $100 million or 20% of Capital Stock

Unit: thousands of NTD

Company Under the Accounts Receivable	Name of Counterparty	Relationship (Note 3)	Ending Balance of Receivables from Related Parties (Note 1)	Turnover	Overdue Receivable		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Handling Method		
ASRock Incorporation	ASRock Europe B.V.	1	$291,784	13.94	$-	-	$-	$-
〃	ASRock America Inc.	1	1,721,843	2.31	-	-	250,319	-
ASIAROCK TECHNOLOGY	ASRock Incorporation	2	3,315,390	3.68	-	-	265,746	-
〃	ASRock Rack Incorporation	3	457,808	5.69	-	-	158,693	-
〃	ASRock Industrial Computer Corporation	3	147,828	3.16	-	-	62,842	-
ASRock Rack Incorporation	ASRock America Inc.	3	134,989	3.34	-	-	-	-

Note 1: Please fill in separately according to accounts receivable, bills, other receivables... etc.

Note 2: The paid-in capital shall refer to the paid-in capital of the parent company. If the issuer's stock has no par value or the par value per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated on the basis of 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 3: The following lists the three types of intercompany transactions (any transaction between parent company and subsidiary or between subsidiaries is disclosed as one transaction by either transaction counterparty.) For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.)

1. Transactions from parent company to subsidiary is “1”.
2. Transactions from subsidiary to parent company is “2”.
3. Transactions between subsidiaries is “3”.

Notes to the Parent Company Only Financial Statements of ASRock Incorporation (continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 8, Business Relationship, and significant transactions and amounts between the Parent and its Subsidiaries and between each Subsidiary Unit: thousands of NTD

No. (Note 1)	Name of Trader	Counterparty	Relationship (Note 2)	Transaction Details			
				Ledger Account	Amount (Note 4)	Terms	Percentage of Consolidated Total Operating Revenues or Total Assets (Note 3)
0	ASRock Incorporation	ASRock Europe B.V.	1	Sales Accounts receivable	$3,836,897 291,784	Same as other clients 45 days	14.96% 1.49%
	〃	ASRock America Inc.	1	Sales Accounts receivable	3,926,794 1,721,843	Same as other clients 90 days	15.31% 8.77%
1	ASIAROCK TECHNOLOGY LIMITED	ASRock Incorporation	2	Sales Accounts receivable	11,551,289 3,315,390	Same as other clients 90 days	45.03% 16.88%
	〃	ASRock Rack Incorporation	3	Sales Accounts receivable	1,963,543 457,808	Same as other clients 60 days	7.65% 2.33%
	〃	ASRock Industrial Computer Corporation	3	Sales Accounts receivable	445,921 147,828	Same as other clients 60 days	1.74% 0.75%
2	ASRock Rack Incorporation	ASRock America Inc.	3	Sales Accounts receivable	408,871 134,989	Same as other clients 90 days	1.59% 0.69%
	〃	ASRock Europe B.V.	3	Sales Accounts receivable	191,466 -	Same as other clients 60 days	0.75% 0.00%
	〃	PEGATRON Corporation	2	Sales Accounts receivable	172,462 5,390	Same as other clients 60 days	0.67% 0.03%
3	ASRock Industrial Computer Corporation	ASRock Europe B.V.	3	Sales Accounts receivable	225,601 -	Same as other clients 60 days	0.88% 0.00%
	〃	ASRock America Inc.	3	Sales Accounts receivable	196,957 -	Same as other clients 60 days	0.77% 0.00%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered according to the following:
1. For the parent company, fill in 0.
2. The subsidiaries are coded starting from “1” in the order.

Note 2: The following lists the three types of intercompany transactions (any transaction between parent company and subsidiary or between subsidiaries is disclosed as one transaction by either transaction counterparty.)
For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed
1. Transactions from parent company to subsidiary is “1”.
2. Transactions from subsidiary to parent company is “2”.
3. Transactions between subsidiaries is “3”.

Note 3: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets; items on the income statement are calculated by their midterm cumulative balance to the total consolidated income.

Note 4: The disclosure of significant intercompany transactions in this attachment is determined by the company based on the materiality.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 9, Information on Investees

Unit: thousands of NTD

Investor Company	Investee Company (Note 1, Note 2(1))	Location	Main Business Items	Initial Investment Amount		Investment Held at the End of the Period			Investee Company Net Income (Loss) of Investee Company (Note 2 (2))	Investment Income Recognized for the Current Period (Note 2(3))	Notes
				At the End of the Period	End of Last Year	Number of Shares	Proportion	Carrying Amount			
ASRock Incorporation	ASRock Rack Incorporation	Taiwan	Manufacture and sales of computers and peripheral equipment.	$375,230	$390,240	33,094,984	53.03%	$711,037	$507,694	$286,408	
〃	ASIAROCK TECHNOLOGY LIMITED	British Virgin Islands	Investment holding on other business.	2,470,006	1,320,886	76,000,000	100.00%	5,374,141 (Note 3)	9,783	52,393	
〃	LEADER INSIGHT HOLDINGS LTD.	British Virgin Islands	Investment holding on other business.	71,559	71,559	2,100,000	100.00%	349,537	142,420	142,420	
〃	ASRock Industrial Computer Corporation	Taiwan	Manufacture and sales of computers and peripheral equipment.	239,683	239,683	37,281,196 (Note 5)	58.23%	581,452	206,698	123,885	
〃	ASJade Technology Incorporation	Taiwan	Service of computer software.	216,563	216,563	17,325,000	82.50%	68,855	(69,400)	(57,255)	
〃	Soaring Asia Limited	Hong Kong	International trade.	592	592	150,000	100.00%	643	4	4	
	Total									$547,855	
ASRock Industrial Computer Corporation	ASROCK INDUSTRIAL COMPUTER SEA SDN. BHD.	Malaysia	Asia Pacific Sales and Service Center.	6,838	-	1,000,000	100.00%	2,878	(4,275)	(4,275)	Note 4
〃	ASROCK Industrial Computer Europe GmbH	Germany	European Sales and Service Center.	3,512	-	100,000	100.00%	1,514	(1,932)	(1,932)	Note 5
ASRock Rack Incorporation	ASROCK RACK AMERICA INC.	U.S.A.	American Sales and Service Center.	97	-	-	100.00%	98	-	-	Note 6
ASIAROCK TECHNOLOGY LIMITED	ASRock Europe B.V.	The Netherlands	Data storage and electronic material sales, international trade, etc.	5,820	5,820	200,000	100.00%	827,230	11,481	11,481	
〃	CALROCK HOLDINGS, LLC	U.S.A.	Renting office building.	953,760	60,000	30,000,000	100.00%	984,574	(1,953)	(1,953)	
〃	Orbweb Inc. (BVI)	British Virgin Islands	Computer equipment installation and peripheral	29,900	29,900	4,000,000	27.59%	-	(3,078)	-	
LEADER INSIGHT HOLDINGS LTD.	FIRSTPLACE INTERNATIONAL LTD.	British Virgin Islands	Investment holding on other business.	61,500	61,500	2,050,000	100.00%	349,485	142,419	142,419	
FIRSTPLACE INTERNATIONAL LTD.	ASRock America Inc.	U.S.A.	Data storage and electronic material sales, international trade, etc.	60,000	60,000	2,000,000	100.00%	348,351	142,404	142,404	
ASJade Technology Incorporation	ASJade Technology Japan Corp.	Japan	Service of computer software.	1,087	1,087	500	100.00%	1,032	(16)	(16)	

Note 1: If a public offering company has a foreign holding company and uses consolidation as the main financial statement in accordance with local laws and regulations, the disclosure of information about the foreign invested company may only disclose relevant information to the holding company.

Note 2: If it is not in the case described in Note 1, fill in according to the following regulations:

(1) The “name of the investee company”, “location”, “main business item”, “original investment amount” and “end-of-term shareholding situation” should be based on the company’s reinvestment status and fill in the reinvestment situation of each invested company directly or indirectly controlled in order, and indicate the relationship between each invested company and the (public offering) company (if it is a subsidiary or a grandson company) in the remarks column.

(2) In column B of “Invested Company Current Profit and Loss”, the amount of current profit and loss of each invested company should be filled in.

(3) In column B of “Investment Profits and Losses Recognized in the Current Period”, only the amount of profit and loss of the subsidiaries recognized by the (public offering) company for direct reinvestment and each invested company evaluated by the equity method is required. When filling in the “recognition of the current profit and loss amount of each subsidiary for direct reinvestment”, it should be confirmed that the current profit and loss amount of each subsidiary has included the investment profit and loss that should be recognized for its reinvestment in accordance with the regulations.

Note 3: Book value = net equity NT$5,605,812 thousand + deferred credit NT$(237,604) thousand.

Note 4: The subsidiary in Malaysia, an investee of ASRock Industrial Computer Corporation, obtained the business registration certificate on February 27, 2024, and ASRock Industrial Computer Corporation further invested in the subsidiary in the amount of 1,000 thousand MYR on April 8, 2024.

Note 5: The subsidiary in Germany, an investee of ASRock Industrial Computer Corporation, obtained the business registration certificate on July 11, 2024, and ASRock Industrial Computer Corporation further invested in the subsidiary in the amount of 100 thousand EUR on June 13, 2024.

Note 6: The subsidiary in U.S.A., an investee of ASRock Rack Incorporation, obtained the business registration certificate on September 13, 2024, and ASRock Rack Incorporation further invested in the subsidiary in the amount of 3 thousand USD on December 5, 2024.

ASROCK INCORPORATION

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For the year ended December 31, 2024

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ASRock Incorporation

1. Statement of Cash and Cash Equivalents

December 31, 2024

Unit: thousands of NTD

(In dollars of Foreign Currency)

Item	Description	Amount	Notes
Cash on hand	Petty Cash	$355	
Cash in banks			
Demand Deposits		90,277	
Foreign Currency Deposits	USD 5,455,105	178,873	Exchange rate: 32.79
	CNY 38,529	176	Exchange rate: 4.5615
	HKD 430	2	Exchange rate: 4.2235
	EUR 12	-	Exchange rate: 34.141
Checking Accounts		514	
Subtotal		269,842	
Time deposits			
Taipei Fubon Bank			
USD 10,000,000	(2024.12.12-2025.02.06, Interest Rate at 4.96%, Fixed Interest Rate)	327,900	Exchange rate: 32.79
NTD 140,000,000	(2024.12.05-2025.02.06, Interest Rate at 1.65%, Fixed Interest Rate)	140,000	
NTD 110,000,000	(2024.12.05-2025.01.09, Interest Rate at 1.63%, Fixed Interest Rate)	110,000	
Subtotal		577,900	
Cash equivalents			
International Bills Finance Corporation			
USD 9,000,000	(2024.12.19-2025.01.03, Interest Rate at 4.74%, Fixed Interest Rate)	295,110	Exchange rate: 32.79
USD 6,000,000	(2024.12.05-2025.01.03, Interest Rate at 4.75%, Fixed Interest Rate)	196,740	
USD 6,000,000	(2024.12.12-2025.01.09, Interest Rate at 4.75%, Fixed Interest Rate)	196,740	
USD 2,500,000	(2024.11.28-2025.01.03, Interest Rate at 4.75%, Fixed Interest Rate)	81,975	
USD 2,000,000	(2024.12.26-2025.01.09, Interest Rate at 4.60%, Fixed Interest Rate)	65,580	
NTD 16,000,000	(2024.12.19-2025.03.06, Interest Rate at 1.26%, Fixed Interest Rate)	16,000	
Subtotal		852,145	
Total		$1,700,242	

ASRock Incorporation

2. Statement of Financial Assets Measured at Amortized Cost - current

December 31, 2024

Unit: thousands of NTD

(In dollars of Foreign Currency)

Name	Description	Quantity	Par value	Total	Interest rate	Accumulated impairment loss	Notes
Time deposit - Current							
Land Bank of Taiwan	2024.07.22-2025.07.18			$15,000	Interest Rate at 1.575%, Variable Interest Rate	$-	
Taipei Fubon Bank	2024.07.18-2025.01.23			170,000	Interest Rate at 1.56%, Fixed Interest Rate		
	2024.07.18-2025.07.18			150,000	Interest Rate at 1.60%, Fixed Interest Rate		
	2024.09.05-2025.07.18			110,000	Interest Rate at 1.63%, Fixed Interest Rate		
	2024.09.12-2025.07.18			100,000	Interest Rate at 1.64%, Fixed Interest Rate		
Total				$545,000			

ASRock Incorporation

3. Statement of Accounts Receivable, net

December 31, 2024

Unit: thousands of NTD

Client	Description	Amount	Notes
Non-related parties			
Client A	Payments for Sellings Goods	$118,956	
Client B	〃	70,423	
Client C	〃	51,625	
Client D	〃	42,131	
Client E	〃	40,566	
Client F	〃	40,316	
Client G	〃	39,310	
Client H	〃	36,717	
Others	The amount of individual item does not exceed 5% of the account balance.	290,096	
Subtotal		730,140	
Less: loss allowances		(9,001)	
Net		721,139	
Related parties			
ASRock America Inc.	Payments for Sellings Goods	1,721,843	
ASRock Europe B.V.	〃	291,784	
Others	The amount of individual item does not exceed 5% of the account balance.	2,725	
Subtotal		2,016,352	
Less: loss allowances		-	
Net		2,016,352	
Total		$2,737,491	

ASRock Incorporation

4. Statement of Inventories

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount		Notes
		Costs	Net realizable value	
Finished products		$1,271,382	$1,462,857	1. There is no guarantee provided in the inventory listed on the left.
Work in process		244,635	246,222	
Raw materials		15,149	18,036	2. The comparison between inventory cost and net realizable value is based item by item basis.
Total		1,531,166	$1,727,115	
Less: allowance for inventory obsolescence valuation losses		(265,848)		
Net		$1,265,318		

ASRock Incorporation

5. Statement of Prepayment

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Overpaid sales tax		$24,501	
Other prepaid expenses	Prepaid insurance	6,443	
Office supplies		1,006	
Total		$31,950	

ASRock Incorporation

6. Statement of Other Current Assets

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Other receivables	Receivables from interest and other income	$169,794	
Temporary payments	Temporary payment of taxes, building management fees and meal expenses, etc.	11,126	
Payment on behalf of others	Payments made on behalf of salaries, travel expenses, insurance expense, etc.	243	
Total		$181,163	

ASRock Incorporation

7. Statement of Financial Asset Measured at Fair Value Through Other Comprehensive Income - non-current

For the years ended December 31, 2024

Unit: thousands of NTD

Name	Beginning balance		Increase for the current period		Decrease for the current period		Ending balance		Endorsements/ guarantees provided	Notes
	Number of shares/unit (thousand shares/unit)	Carrying amount	Number of shares/unit (thousand shares/unit)	Amount	Number of shares/unit (thousand shares/unit)	Amount	Number of shares/unit (thousand shares/unit)	Carrying amount		
Zhuhe Investment Co., Ltd.	2,000	$20,000	-	$-	-	$-	2,000	$20,000	None	
Total		$20,000		$-		$-		$20,000		

ASRock Incorporation

8. Statement of Changes in Investments Accounted for Using Equity Method

For the years ended December 31, 2024

Unit: thousands of NTD

Investee company	Beginning balance		Increase for the current period		Decrease for the current period		Ending balance			Market value or net assets value		Endorsements/ guarantees provided	Notes
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Ratio of shareholding	Amount	Unit Price	Total		
Investments accounted for using equity method													
ASRock Rack Incorporation	34,595,984	$479,373	-	$288,187 (Note 1)	1,501,000	$(56,523) (Note 2)	33,094,984	53.03%	$711,037	$21.48	$711,037	None	
ASIAROCK TECHNOLOGY LIMITED	40,000,000	3,802,566	36,000,000	1,571,575 (Note 3)	-	-	76,000,000	100.00%	5,374,141	70.71	5,374,141	None	
LEADER INSIGHT HOLDINGS LIMITED	2,100,000	191,130	-	158,408 (Note 4)	-	-	2,100,000	100.00%	349,538	166.45	349,538	None	
ASRock Industrial Computer Corporation	37,281,196	567,221	-	125,780 (Note 5)	-	(111,549) (Note 6)	37,281,196	58.23%	581,452	15.60	581,452	None	
ASJade Technology Incorporation	17,325,000	122,430	-	3,711 (Note 7)	-	(57,286) (Note 8)	17,325,000	82.50%	68,855	3.97	68,855	None	
Soaring Asia Limited	150,000	595	-	48 (Note 9)	-	-	150,000	100.00%	643	4.29	643	None	
Total		$5,163,315		$2,147,709		$(225,358)			$7,085,666				

Note 1: resulted by gain on investment accounted for using equity method of $286,407 and capital surplus accounted for using equity method of $1,780.

Note 2: This is due to the reduction of $4,065 in cash dividends, the decrease of $22,704 in capital surplus due to non-proportional subscription of shares, and the disposal of investments amounting to $29,754.

Note 3: This includes the investment in subsidiary of $1,149,120, unrealized gross profit of $61,394, equity method recognized investment gain of $52,393, and cumulative translation adjustment of $308,668.

Note 4: resulted by gain on investment accounted for using equity method of $142,420 and acc

Note 5: resulted by gain on investment accounted for using equity method of $123,885, capital surplus accounted for using equity method of $1,745, and accumulated translation adjustment of $150

Note 6: This is due to the payment of cash dividends of $93,203 and the reduction in capital surplus of $18,346 due to non-proportional subscription of shares.

Note 7: resulted by capital surplus accounted for using equity method of $3,711.

Note 8: This is due to the recognition of an investment loss of $57,255 under the equity method and a decrease of $31 in the cumulative translation adjustment.

Note 9: resulted by gain on investment accounted for using equity method of $4 and accumulated translation adjustment of $44.

ASRock Incorporation

9. Statement of Changes in Right-of-Use Assets

For the years ended December 31, 2024

Unit: thousands of NTD

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance	Notes
Item A	$9,383	$-	$9,383	$-	
Item B	-	2,881	-	2,881	
Item C	21,191	-	-	21,191	
Item D	42,858	-	-	42,858	
Total	$73,432	$2,881	$9,383	$66,930	

ASRock Incorporation

10. Statement of Changes in Accumulated Depreciation of Right-of-Use Assets

For the years ended December 31, 2024

Unit: thousands of NTD

Item	Beginning balance	Increase for the current period	Decrease for the current period	Ending balance	Notes
Item A	$5,865	$3,518	$9,383	$-	The increases in this period are all depreciation expenses recognized using the straight-line method.
Item B	-	960	-	960	
Item C	11,833	3,303	-	15,136	
Item D	9,741	11,689	-	21,430	
Total	$27,439	$19,470	$9,383	$37,526	

ASRock Incorporation

11. Statement of Guarantee Deposit

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Guarantee deposits paid			
Item A	Vehicle rental deposit	$5,770	
Item B	Office rental deposit	4,700	
Item C	Vehicle rental deposit	2,150	
Item D	Lease deposit	1,188	
Item E	Vehicle rental deposit	1,110	
Item F	Vehicle rental deposit	1,090	
Others	The amount of individual item does not exceed 5% of	1,107	
Total		$17,115	

ASRock Incorporation

12. Statement of Accounts Payables

December 31, 2024

Unit: thousands of NTD

Client	Description	Amount	Notes
Non-related parties			
A supplier	Payments for buying goods	$37,935	
B supplier	〃	34,268	
C supplier	〃	29,113	
D supplier	〃	27,239	
E supplier	〃	22,216	
F supplier	〃	8,933	
Others	The amount of individual item does not exceed 5% of the account balance.	10,682	
Subtotal		170,386	
Related parties			
ASIAROCK TECHNOLOGY LIMITED	Payments for buying goods	3,258,700	
Others	The amount of individual item does not exceed 5% of the account balance.	351	
Subtotal		3,259,051	
Total		$3,429,437	

ASRock Incorporation

13. Statement of Other Payables

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Salaries and bonuses payable		$309,669	
Remuneration payable to employees, and directors and supervisors		127,327	
Freight payable		55,364	
Advertisement payable		41,054	
Others	The amount of individual item does not exceed 5% of the account balance.	68,762	
Total		$602,176	

ASRock Incorporation

14. Statement of Lease Liabilities

December 31, 2024

Unit: thousands of NTD

Item	Description	Lease period	Discount rate	Ending balance	Notes
Lease liabilities - current					
Item C	Houses and buildings	2020.06.01-2026.10.31	0.90%	$3,358	
Item D	Houses and buildings	2023.03.01-2026.10.31	1.98%	11,803	
Item B	Houses and buildings	2024.05.01-2026.04.30	1.99%	1,445	
Subtotal				16,606	
Lease liabilities - non-current					
Item C	Houses and buildings	2020.06.01-2026.10.31	0.90%	2,822	
Item D	Houses and buildings	2023.03.01-2026.10.31	1.98%	10,015	
Item B	Houses and buildings	2024.05.01-2026.04.30	1.99%	488	
Subtotal				13,325	
Total				$29,931	

ASRock Incorporation

15. Statement of Other Current Liabilities

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Refund liabilities		$252,565	
Contract liabilities		129,913	
Others	The amount of individual item does not exceed 5% of the account balance.	1,959	
Total		$384,437	

ASRock Incorporation

16. Statement of Other Non-Current Liabilities

December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Net defined benefit liabilities	According to IAS19 provision for net defined benefit liability.	$17,353	
Deposits received		16,127	
Total		$33,480	

ASRock Incorporation

17. Statement of Operating Revenues

For the year ended December 31, 2024

Unit: thousands of NTD

Item	Quantity(PCS)	Domestic sales	Export sales	Total	Notes
Merchandise of computer peripheral	4,985,881	$29,555	$14,030,494	$14,060,049	
Others	6,271,711	8,450	245,581	254,031	
Net operating revenues		$38,005	$14,276,075	$14,314,080	

ASRock Incorporation

18. Statement of Operating Cost

For the year ended December 31, 2024

Unit: thousands of NTD

Item	Amount	Notes
Merchandise		
Add: Merchandise inventory, beginning of year	$1,350,625	
Net purchase for the year	11,980,509	
Less: Merchandise inventory, end of year	(1,267,620)	
Reclassified as office supplies	(117)	
Reclassified as expenses	(21,778)	
Cost of goods sold	12,041,619	
Cost of raw materials		
Add: Raw materials, beginning of year	26,997	
Raw material purchased	165,333	
Less: Raw materials, end of year	(15,149)	
Reclassified as office supplies	(34)	
Reclassified as expenses	(467)	
Raw materials used	176,680	
Manufacturing expenses	64,986	
Cost of manufacturing	241,666	
Add: Work in process, beginning of year	242,415	
Less: Work in process, end of year	(244,635)	
Reclassified as office supplies	(31)	
Reclassified as expenses	(19)	
Cost of finished goods	239,396	
Add: Finished goods, beginning of year	5,162	
Less: Finished goods, end of year	(3,762)	
Cost of production and sales	240,796	
Other operating costs		
Loss from inventory obsolescence valuation loss	30,294	
Others	2,183	
Operating costs	$12,314,892	

ASRock Incorporation

19. Statement of Selling Expenses

For the year ended December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Payroll expense		$169,996	The balance of each expense account has not exceeded 5% of total account balance.
Advertisement expense		166,283	
Depreciation		73,763	
Others		97,343	
Total		$507,385	

ASRock Incorporation

20. Statement of Management Expenses

For the year ended December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Payroll expense		$194,313	The balance of each expense account has not exceeded 5% of total account balance.
Others		69,120	
Total		$263,433	

ASRock Incorporation

21. Statement of R&D Expenses

For the year ended December 31, 2024

Unit: thousands of NTD

Item	Description	Amount	Notes
Payroll expense		$381,705	The balance of each expense account has not exceeded 5% of total account balance.
Raw material used		32,503	
Others		114,634	
Total		$528,842	