Stock Code: 3312

GMI Technology Inc.

2024

Annual Report

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Compiled by GMI Technology Inc.
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I. Name, title, contact telephone number and e-mail address of the spokesperson and acting spokesperson:

1. Spokesperson: Kevin Ko Title: Senior Assistant Vice President
   Tel: (02)2659-9838#1007 Email: kevinko@gmitec.com
2. Acting Spokesperson: Kenneth Hsieh Title: Assistant Vice President of Finance
   Tel: (02)2659-9838#1901 Email: kennethhsieh@gmitec.com

II. Company Address

Head Office Address: 2F, No. 57, Xingzhong Road, Neihu District, Taipei
Tel: (02)2659-9838
Hong Kong Branch Address: 9/F., Shatin Industrial Building, Nos.22-28 Wo Shui Street, Fo Tan, Shatin, Hong Kong.
Tel: 852-2343-2868

III. Name, address, website and telephone number of the stock transfer agent:

Name: Registrar Agency Department, Capital Securities Co.,Ltd.
Address: B2, No.97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 10601, Taiwan, R.O.C.
Website: http://www.capital.com.tw
Tel: (02)2702-3999

IV. Name, firm name, address, website and telephone number of the attesting CPA of the most recent annual financial report:

Name of CPAs: CPA Shu-Zhi Yang, CPA Heng-Sheng Lin
Accounting Firm: KPMG Taiwan
Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan (Taipei 101 Building)
Website: http://www.kpmg.com.tw
Tel: (02)8101-6666

V. Exchange Houses where Overseas Securities are Listed: none.

VI. Company Website: http://www.gmitec.com

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I. Letter to Shareholders

1. Business Report of 2024

(1) Results of Operations

For FY2024, the parent company only revenue of the Company totaled NTD 17,742,569 thousand and net income before tax was NTD 495,850 thousand, representing an increase of 15.94% and 23.38%, respectively, compared to revenue of NTD 15,303,570 thousand and net income before tax of NTD 401,886 thousand for FY2023. For FY2024, consolidated revenue was NTD 17,709,439 thousand and consolidated net income before tax was NTD 467,607 thousand, an increase by 15.92% and 19.19%, respectively compared to the consolidated revenue of NTD 15,276,756 thousand and consolidated net income before tax of NTD 392,308 thousand for FY2023. Based on the weighted-average outstanding shares in 2023, the net income after tax per share was NTD 2.38.

As the global technology industry continues to develop, the semiconductor market continues to grow, and drives the business expansion of electronic channel operators. In 2024, under the promotion of AI, high-performance computing (HPC), electric vehicles (EV), Internet of Things (IoT) and 5G technology, the market's demand for semiconductor components grew steadily. In the face of geopolitical uncertainties and supply chain challenges, the Company has strengthened supply chain management, expanded product lines, strengthened market deployment and digital transformation, successfully maintained market competitiveness, and continued to improve revenue and profitability performance.

In 2024, the Company continued to carry out the depth and breadth of operational management actions:

1. Strengthening market expansions at home and abroad: In addition to focusing on solidifying existing markets, we continuously strengthened our reach into new markets, products, and applications, expanding our potential opportunities in all directions. This expansion strategy aimed to increase the Company’s market presence and revenue on a broader scale.

2. Continuing to strengthen supplier relations: To ensure stable supply and improve market competitiveness, First, we established long-term partnership relations with suppliers, signed agency and procurement agreements with suppliers to ensure stable supply. In addition, the Company improved the market demand forecast ability, coordinated production plans with suppliers, to reduce inventory risks and shortage issues. Also, the Company promoted the cooperation of both parties in technology, and participated in the research and development (R&D) of new products and market promotion, to improve the competitiveness of products. At the same time, the Company has introduced ESG green supply chain management, and prioritized cooperation with suppliers that meet environmental protection standards to strengthen sustainable development capabilities. Finally, we regularly evaluated the performance of suppliers to ensure quality, delivery time and cost advantages, improved the overall supply chain efficiency, ensured market responsiveness, and achieved long-term and stable development.

3. Healthy inventory management: Market demand was analyzed and forecast through internal supply and demand meetings to optimize inventory levels and avoid issues of overstocking or shortages. We also strengthened our regional warehousing network to improve logistics efficiency and ensure timely supply. Furthermore, we entered into procurement agreements with suppliers and customers to reduce inventory risks and enhance capital utilization efficiency, thereby maintaining supply chain stability and

improving competitiveness. We constantly strengthened internal management and control, aiming to improve the efficiency and quality of procurement and shipments, and thereby enhance customer satisfaction and market competitiveness, while improving and leveraging the overall operational efficiency.

Looking ahead to 2025, with continued stable growth in related wireless communication fields, the Company has consistently achieved good results in emerging technology areas, such as VDSL, XPON, EV, and the IoT in recent years. With the popularization of 5G networks, the increase in IoT devices, and the expansion of artificial intelligence (AI) applications, the demand for high-performance semiconductors will continue to rise. Furthermore, we will strive to secure the cooperation and support of component suppliers and product manufacturers to provide customers with multi-faceted overall solutions in AI-related application scenarios. This will lead the Company to outperform its peers in operations and enter the next generation of development and business opportunities early, thereby achieving the goal of sustainable operation and development.

In addition, the rise of EVs and new energy technologies will also have a significant impact on the semiconductor market. These emerging application demands will drive semiconductor manufacturers to increase investment to enhance production capacity and technological capabilities. However, market competition will also intensify, and companies need to continuously innovate and seek products that better meet market demands to cope with the ever-changing environment and challenges.

Unit: NT$ ‘000

Profit and loss items	FY2024	FY2023	Growth rate (%)
Net Operating Revenue	17,709,439	15,276,756	15.92%
Operating Costs	16,763,564	14,411,104	16.32%
Gross Profit	945,875	865,652	9.27%
Operating Expenses	596,562	456,807	30.59%
Operating Income	349,313	408,845	(14.56)%
Non-operating Income and Expenses	118,294	(16,537)	815.33%
Net Income before Tax	467,607	392,308	19.19%

(2) Budgetary Performance

The Company does not disclose its financial forecasts, therefore this is not applicable.

(3) Analysis of Revenue, Expenses and Profitability

	Item	FY2024	FY2023
Financial Structure	Debt Ratio (%)	69.37	59.89
	Ratio of Long-Term Capital to Property, Plant and Equipment (%)	233.91	877.81
Debt Service	Current Ratio (%)	124.83	157.06

Coverage Ratio (DSCR)	Quick Ratio (%)	105.28	130.28
Profitability	Return on Assets (%)	4.91	4.96
	Return on Equity (%)	12.15	11.65
	Net Profit Margin (%)	2.02	2.05
	Earnings Per Share (NT$)	2.38	1.98

(4) Research and Development

The Company is an electronics components distributor & applications solutions provider. In view of the fact that the basis of sustainable management is to keenly grasp market trends, meet the needs of customers and possess key application technologies, the Company not only has technical support functions (FAE) to provide customers with various product application consultation and development technology support services. At the same time, the Company also has R&D personnel to engage in product development for market applications and provide customers with special functions or commissioned module designs to help customers realize their product development and Time-To-Market commitments. As the Company provide customers with professional technology and total product solutions, we can help customers shorten the time to market and save R&D costs, enhance service quality, and strengthen the partnership with customers and suppliers. In response to the rapidly evolving technology and product cycle of electronics and ICT technology, the Company is actively developing in the following directions:

1. Information Technology (IT) industry application:
   Wireless LAN, SOHO Gateway, Multi-Media LCD Monitor, PoE Switch, 10GPoN, Network Storage, etc.
2. Consumer Electronic industry application:
   Notebook, Bluetooth Headset (TWS), Tablet (MID), Wireless Audio and Video Player (WiDi), IoT, IOI, Dashcam, Universal PD Transformer, etc.
3. Networking and Telecommunication industry application:
   Gigabit switch, ADSL, Automotive Ethernet, etc.

2. The Company's Major Business Plans for 2025:

(1) Business management

The semiconductor electronic component distribution market in 2025 still faces challenges from geopolitical influences and supply chain restructuring, along with uncertain market demand; thus, electronic distributors need to employ flexible operational strategies to ensure supply chain stability and enhance market competitiveness. The Company's management team will continue to strengthen management in several operational areas:

1. Continuously maintain healthy inventory levels: Inventory management is crucial for electronic distributors, requiring a balance between supply chain stability and inventory

costs. Market demand was analyzed and forecast through internal supply and demand meetings to optimize inventory levels and avoid issues of overstocking or shortages. We also strengthened our regional warehousing network to improve logistics efficiency and ensure timely supply. Furthermore, we entered into procurement agreements with suppliers and customers to reduce inventory risks and enhance capital utilization efficiency, thereby maintaining supply chain stability and improving competitiveness.

2. Strengthen company risk management: Electronic distributors need to enhance risk management to cope with market fluctuations, supply chain disruptions, and geopolitical risks. This involves adopting a multi-vendor strategy to reduce reliance on single sources and optimizing inventory management to ensure stable supply. Data analysis is used to monitor market trends and proactively address price fluctuations and demand changes. Simultaneously, cybersecurity and financial risk control mechanisms are implemented to ensure transaction security and stable cash flow, thereby enhancing operational resilience and maintaining competitive advantages.
3. Ensure product quality and delivery processes: Strict supply chain management and quality control mechanisms need to be established. Long-term partnerships with original manufacturers and suppliers ensure reliable product sources, and rigorous quality inspection processes are implemented to reduce defect rates. Meanwhile, logistics and warehouse management are optimized to improve inventory turnover and ensure timely delivery. Data analysis is utilized to forecast demand and avoid stockout or delay risks, ensuring customers receive high-quality products on time, thereby enhancing market competitiveness and customer satisfaction.
4. Improve the flexibility of stocking and shipping: Data analysis is needed to forecast market demand and optimize inventory allocation, ensuring sufficient key components. Regional warehousing and flexible logistics networks accelerate order processing and shorten delivery times. Simultaneously, an intelligent warehouse management system (WMS) improves picking and distribution efficiency. In addition, regarding the Company's operations and governance, we continue to optimize and manage in the following areas:
5. Strengthen supply chain management: The primary task for semiconductor electronic distributors is to enhance supply chain management capabilities and ensure stable supply. In 2025, for the ongoing geopolitical influences and changes in international trade relations, a multi-vendor strategy needs to be established to reduce single-source risk, and cooperation with original manufacturers and contract manufacturers needs to be strengthened to ensure reliable sources of goods.
6. Customer relationship maintenance: Providing high-quality service and technical support enhances customer satisfaction. Professional sales and engineering teams offer product selection advice and solutions, strengthening the stickiness of cooperation. Regular technical seminars and customer training promote in-depth communication. Data analysis is used to understand customer needs and provide flexible supply solutions. At the same time, a rapid response mechanism is established to ensure after-sales support and timely problem resolution, thereby maintaining long-term stable partnerships and enhancing market competitiveness.
7. ESG sustainable development: Green supply chain management needs to be strengthened, prioritizing cooperation with environmentally certified suppliers to reduce carbon footprint. Meanwhile, logistics and warehouse management are optimized to improve energy

efficiency and reduce waste. In terms of social responsibility, fair trade, employee well-being, and community engagement are ensured. Furthermore, the adoption of digital systems improves operational efficiency, reduces paper and resource waste, and active participation in ESG ratings and reporting enhances corporate transparency and sustainable competitiveness.

8. Talent development: Talent development is crucial for electronic distributors. Internal training and external learning programs enhance employees' professional skills and market adaptability. Technical and business training mechanisms are established to strengthen product knowledge, supply chain management, and customer service capabilities. Simultaneously, a talent pipeline program is implemented to cultivate middle and senior management talent, ensuring the Company's long-term development. Performance incentives and good career planning enhance employee loyalty and competitiveness, thus building a highly efficient and professional team.
9. Sales forecasting: Semiconductor electronic distributors needs to rely on data analysis and market trend judgment for sales forecasting. Historical sales data, customer demand, and industry trends improve forecast accuracy. Supply chain information is integrated to assess inventory levels and delivery times, ensuring stable supply. Close cooperation with original manufacturers and customers helps us keep abreast of market changes and adjust ordering strategies. Regular review of forecasting models and optimization of decisions based on actual sales data improve operational efficiency, reduce inventory risks, and ensure timely satisfaction of market demand.
10. Expense management: Expense management needs to balance cost control and operational efficiency. Data analysis optimizes procurement, inventory, and logistics costs. Regular review of various expenses, such as warehousing, transportation, and business expenses, ensures effective resource allocation. Negotiation of the best procurement terms with suppliers reduces procurement costs. Simultaneously, performance management improves business efficiency, ensuring profitability and corporate competitiveness.

The Company enhances operational efficiency and market competitiveness through precise supply chain management, digital transformation, and ESG strategies. Strengthening risk control and talent development ensures sustainable development, and a flexible response capability addresses market changes, achieving steady growth and long-term value enhancement.

(II) Market operation development direction and goals

The Company's management team will continue to focus on the following new market applications and desired goals in the semiconductor electronic market in 2025:

1. Expand product mix and enter high-growth AI, HPC, and automotive markets:

The focus is on AI, HPC, and automotive semiconductors. The surge in AI server demand drives the sales growth of HPC chips. The rapid development of EVs and autonomous driving technology drives the demand for automotive semiconductors. The Company must strengthen cooperation with suppliers and actively promote applications in the AI, HPC, and automotive markets.

Business target: The Company aims to increase new projects in the AI, HPC, and automotive markets by 15% in 2025.

2. NB/PC/Server related computer peripheral application market:

With the development of AI, cloud computing, 5G, and HPC technologies, the demand for computer peripheral applications in the NB (notebook), PC (personal computer), and server markets continues to increase. To seize market opportunities, future business development will focus on high performance, low power consumption, multi-functional integration, and strengthening product and service differentiation. As the cost of cloud computing decreases and security and performance continuously improve, more and more businesses and consumers will adopt cloud computing. This will drive the development of related industries, such as servers, making data centers increasingly important. With the increasing demand for gaming, content creation, and AI computing, the market demand for high-performance peripheral products, such as high-speed SSDs, DDR5 memory, Wi-Fi 7 network cards, and high-resolution displays is increasing. 5G networks will continue to develop, enabling related industries, such as NB, to process large amounts of data faster and connect various devices more efficiently.

Business target: Increase the number of new projects in the NBs/PCs/servers related computer peripheral application market by 10% in 2025.

3. Wireless and broadband communication market:

With the rapid development of 5G, Wi-Fi 7, fiber broadband, and the IoT, the wireless and broadband communication market is experiencing continuous growth. Future business development will focus on high speed, low latency, wide coverage, and green energy saving, promoting innovative technologies and market presence to meet the application needs of individuals, businesses, and smart cities. With the popularization of 5G technology, the mobile communication market will continue to develop, representing LPWAN (Low Power Wide Area Network), NB-IoT, smart industrial Wi-Fi, Wi-Fi 7, 10G PON solutions and bringing more opportunities for various emerging applications.

Business target: The Company will increase new projects in WiFi 7/VDSL/10G XPON by 20% in 2025.

4. Expand and develop overseas markets:

In the past, we have focused on the development of the Greater China market. In 2025, we will also allocate some human resources to operate in overseas markets. With the competitive dynamics between China and the United States, major electronics contract manufacturers are intensifying their efforts to penetrate electronic markets outside of China. For example, India, Vietnam, and others are significant global electronic markets, making operating electronic product businesses in these markets very promising.

Business target: The Company aims to add new customers outside the Greater China market by 10 to 20 effective customers in 2025.

3. Future Development Strategy

With the continuous growth of the global semiconductor industry, market demand is driven by the development of technologies, such as AI, 5G, EVs, the IoT, and HPC. Semiconductor electronic component distributors play a crucial role in the supply chain. In the future, they will actively explore markets in Taiwan, Southeast Asia, India, and especially mainland China through supply chain optimization, digital transformation, product line expansion, and global market presence. They will provide design support and engineering technical consulting services to help customers accelerate product development timelines, thereby strengthening competitiveness and achieving long-term growth. Therefore, strengthening supplier relationships, optimizing inventory management, enhancing technical support and engineering services, expanding high-growth application markets, increasing overseas market penetration, and strengthening ESG strategies will enhance revenue and profitability, reduce operating costs, and improve efficiency.

In the future, the Company needs to continuously undergo digital transformation and market expansion to respond to industry changes and market demands. Through strategic layout and technological innovation, competitiveness will be enhanced, ensuring a leading position in the semiconductor electronic component distribution market and achieving sustainable development and long-term steady growth.

On behalf of all of everyone at GMI, we would like to express our sincere gratitude to our shareholders for your steadfast support. We look forward to your continued guidance and advice in the future. GMI will continue to maintain its excellent management philosophy and achieve fruitful business results to share with our shareholders. Finally, I wish all our cherished shareholders

Good health and all the best

GMI Technology Inc.
Chia-Wen Yeh,   Chairman of the Board

II. Corporate Governance Report

1. Information on the Company's directors, supervisors, president, vice president(s), assistant vice presidents, and the supervisors of all the Company's divisions and branch units

1. Profile of Directors

April 27, 2025

Title	Nationality or place of incorporation	Name	Gender/Age	Date elected (appointed)	Term of Office	Date of initial election	Shares held at the time of election		Current shareholdings		Shares held by spouse and minor children		Shares held in the name of others		Major Experience (Education)	Concurrent position(s) in the Company and other companies	Other officers, directors, or supervisors who are spouses or relatives within two degrees of kinship.			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Corporate Shareholder	Taiwan (R.O.C.)	De-Jet Investment Co., Ltd.		2022/06	3 years	2019/06	37,619,698	27.33%	52,782,278	32.46%	0	0	0	0	Not applicable	Not applicable	None	None	None	None
Chairman and Chief Executive Officer	Taiwan (R.O.C.)	Corporate Representative of Dejie Investment Co., Ltd.: Chia-Wen Yeh	Male 71-80	2022/06	3 years	1995/09	-	-	0	0	77,181	0.05%	0	0	Graduated from the Department of Mineral and Petroleum Engineering, National Cheng Kung University 12th EMBA Class, National Chengchi University MBA, Tulane University	Chairman of Shiteh Organic Pharmaceutical Co., Ltd. Chairman of Hi-Jet Incorporation Chairman of Biofity Pharmaceuticals Inc. Chairman of De-Jet Investment Co., Ltd. Chairman of Heng Hsuan Co., Ltd. Director of SmartBee Intelligence Company Ltd. Chairman of Global Mobile Internet Co., Ltd. Chairman of Rehear Audiology Co., Ltd. Chairman of Unitech Computer Co.,Ltd. Chairman of Unitech Electronics Co., Ltd. Chairman of Jingyong Computer.co., Ltd. Chairman of Jingho Computer Co. Ltd. Director, GW Electronics Company Limited Director UAV, UEV, UJH, UCV, UAH, UEH, and UIH (legal representative of the aforementioned companies) Director of UTA, UTI, and UTJ	Director Director	Corporate Representative: Po-Chun Yeh De-Jet Investment Co., Ltd. Representative: Li-Li Hsu De-Jet Investment Co., Ltd.	Father and Daughter Spouse	Note 1

																Chairman of Xiamen Jingrui Computer Co. Ltd.				
Director	Taiwan (R.O.C.)	Corporate Representative of Dejie Investment Co., Ltd.: Ivan Liu	Male 61-70	2022/06	3 years	2017/06	-	-	155,077	0.10%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Executive Vice President, GMI Technology Inc.	President of GMI Technology Inc. Responsible person of GM USA Corporation	None	None	None	None
Director	Taiwan (R.O.C.)	Corporate Representative of Dejie Investment Co., Ltd.: Li-Li Hsu (Note 2)	Female 61-70	114/01	3 years	114/01	-	-	77,181	0.05%	0	0	0	0	Bachelor's degree from Ming Chuan University	Supervisor, De-Jet Investment Co., Ltd. Supervisor, Hi-Jet Incorporation Supervisor, Heng Hsuan Co., Ltd.	Chairman of the Board	Corporate Representative: Chia-Wen Yeh De-Jet Investment Co., Ltd.	Spouse	None
Director	Taiwan (R.O.C.)	Corporate Representative of Dejie Investment Co., Ltd.: Po-Chun Yeh (Note 2)	Female 31-40	2022/06	3 years	2019/06	-	-	77,181	0.05%	0	0	0	0	Logistics and Telecommunications Group, Department of Transportation and Communication Management Science, National Cheng Kung University M.S. in Civil Engineering, Columbia University Project Coordinator, Shanghai Headquarters, Strategic Management Department, C.H. Robinson (NASDAQ:CHRW) Accounting Specialist, Unitech Computer Co.,Ltd. Associate Manager, Research Department, KGI Investment Consulting	Director, Unitech Computer Co.,Ltd. Director, Unitech Electronics Co.,Ltd.	Chairman of the Board	Corporate Representative: Chia-Wen Yeh De-Jet Investment Co., Ltd.	Father and Daughter	None
Director	Taiwan (R.O.C.)	Corporate Representative of Dejie Investment Co., Ltd.: Wang, Kuo-Chang	Male 61-70	2022/06	3 years	2005/06	-	-	0	0	0	0	0	0	M.S., Graduate School of Management Sciences, Tamkang University Manager, Industrial Bank of Taiwan	Director, Unitech Computer Co.,Ltd. Director, Unitech Electronics Co.,Ltd.	None	None	None	None

Director	Taiwan (R.O.C.)	Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen	Male 51-60	2023/06	2 years	2023/06	-	-	0	0	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Assistant Vice President, Investment Department, Globaltec Management Consulting Corp. Project Manager of Dialogue Technology Corp.	Investment Department of Dejie Investment Co., Ltd. Vice President	None	None	None	None
Independent Director	Taiwan (R.O.C.)	Sen Jan	Male 51-60	2022/06	3 years	2011/06	0	0	0	0	0	0	0	0	Department of Electrical Engineering, Tsinghua University MBA Program, National Chengchi University Marketing Manager, Philips Semiconductor Head of Business Department, HEC Group Head of Product Marketing, FSP Group Director, Zhaohan Technology Co., Ltd. Supervisor, JuAn Long-Age Co.,Ltd.	Chairman, Ikano International Co.,Ltd. Brand Instructor, Smile Brand Development Center Adjunct Lecturer, National Chiao Tung University Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None
Independent Director	Taiwan (R.O.C.)	Ming-Chieh Lin (Note 3)	Male 71-80	2022/06	3 years	2017/06	117,390	0.09%	133,383	0.08%	0	0	0	0	PhD, National Chengchi University Director, Taiwan Electric Power Co.,Ltd. Secretary General, Chinese Management Association Supervisor, Taipei Exchange Professor, Department of Business Administration, National Central University Director, Joint Credit Information Center Member of the Remuneration Committee of NEWMAX Co.,Ltd. Independent Director of KINIK Company Member of the Remuneration Committee of KINIK Company. Supervisor of Unitech Electronics Co.,Ltd.	Independent Director of C Sun Industrial Co.,Ltd. Independent Director, Chicony Electronics Co., Ltd. Independent Director, Unitech Computer Co.,Ltd.	None	None	None	None
Independent Director	Taiwan (R.O.C.)	Yen Hui Ko	Male 61-70	2022/06	3 years	2022/06	0	0	0	0	0	0	0	0	Department of Accounting, Soochow University Graduate School of Accounting, Soochow University Department of Business Administration, National Chengchi University Lecturer, Department of Accounting, Soochow	Special Assistant to the Chairman of the Board of Directors of Clinico Inc. Director of CC&C Technologies, Inc. Independent Director of Sanlien Technology Co., Ltd. Member of Remuneration Committee of Sanlien	None	None	None	None

															University Assistant Professor, Institute of Finance, National Chiao Tung University Lecturer, Professional Training Center, Ministry of Economic Affairs Director/Vice President/President of Mainland China, TEKOM Technology Co.,Ltd. Independent Director, Level Biotechnology Inc.	Technology Corp. Member of Audit Committee of Sanlien Technology Corp. Independent Director, Level Biotechnology Inc. Member of Remuneration Committee of LEVEL BIOTECHNOLOGY INC. Member of Audit Committee of LEVEL BIOTECHNOLOGY INC. Member of the Remuneration Committee of GMI Technology Inc. Member of the Audit Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.				
Independent Director	Taiwan (R.O.C.)	Wei-Chang Li	Male 51-60	2023/06	2 years	2023/06	0	0	0	0	0	0	0	0	Master of Geology, National Taiwan University Assistant Manager of Gloridia Corporation General Manager of Diamond Business Unit of KINIK Company	General Manager of Diamond Business Unit of KINIK Company Director of KINIK Company Member of the Audit Committee of GMI Technology Inc. Member of the Remuneration Committee of GMI Technology Inc. Member of the Sustainable Development Committee of GMI Technology Inc.	None	None	None	None
Independent Director	Taiwan (R.O.C.)	Chung-Chi Chou (Note 4)	Male 71-80	2024/06	1 years	2024/06	0	0	0	0	0	0	0	0	Master of Mathematics, University of Colorado, USA Senior Consultant, Chairperson's Office, CHT President of VIBO Telecom Inc.	Member of the Audit Committee of GMI Technology Inc. Independent Director, Yulon Motor Co., Ltd. Independent Director, Yulon Finance Co., Ltd. Independent Director, Standard Foods Corporation	None	None	None	None

Note 1: If the chairman of the board of directors and the president or equivalent (top-ranking manager) are the same person, spouses or relatives of one another, the Company shall provide information on the reasons, reasonableness, necessity, and measures (such as increasing the number of independent directors and having a majority of directors who are not also employees or managers):

The Chairman of the Board of Directors also serves as the Chief Executive Officer in order to enhance operational efficiency and decision making. However, in order to strengthen the independence of the Board of Directors, the Company has been actively training suitable candidates internally. In addition, the chairman of the board of directors has been closely communicating with the directors on the recent operating status and planning direction of the Company to implement corporate governance, and the Company also increased the number of independent directors to enhance the functions of the board of directors and strengthen the supervisory function.

Currently, the Company has undertaken the following specific measures:

1. Each year, we arrange for each director to attend professional director courses offered by outside organizations such as the Securities and Futures Commission to enhance the effectiveness of the Board of Directors' operations.
2. Independent directors are allowed to fully discuss and make recommendations to the Board of Directors in each functional committee to implement corporate governance.

Note 2: On January 10, 2025, Dejie Investment Co., Ltd. reappointed its representative, with Director Li-Li Hsu succeeding Director Po-Chun Yeh.

Note 3: Resigned as an Independent Director of the company in April 2024.
Note 4: Newly appointed as an independent director of the Company in June 2024.

2. Major shareholders of corporate shareholders:

As of April 27, 2025

Name of corporate shareholders (Note 1)	Major shareholders of corporate shareholders (Note 2)
De-Jet Investment Co., Ltd.	Hi-Jet Incorporation (88.14%), Ming-Han Yeh (5.93%), and Po-Chun Yeh (5.93%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: The names of the major shareholders (the top ten shareholders in terms of shareholding ratio) and their shareholding ratios should be filled in. If the major shareholder is a corporation, the following table 2 should be completed.

3. The major shareholders of corporate shareholders are as follows:

As of April 27, 2025

Name of legal entity (Note 1)	Major shareholders (Note 2)
Hi-Jet Incorporation	Dejia Investments Co., Ltd. (73.09%), Ming-Han Yeh (12.45%), Po-Chun Yeh (14.44%), Chia-Wen Yeh (0.02%)

Note 1: If the major shareholder in Table 1 above is a juridical person, the name of the juridical person should be filled in.

Note 2: The names of the major shareholders (the top ten shareholders in terms of shareholding ratio) and their shareholding ratios should be filled in.

4. Disclosure of information on directors' professional qualifications and independence of independent directors

Conditions / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Concurrently serves as an independent director in how many other publicly listed companies:
De-Jet Investment Co., Ltd. Representative: Chia-Wen Yeh	Graduated from Tulane University with a Master's degree in Business Administration, he is currently the Chairman and CEO of the Company and the Chairman of various companies including Unitech Electronics Co.,Ltd. Chia-Wen possesses at least five years of working experience in business, finance and the Company's scope of business, with expertise in professional leadership, marketing, operations management and strategic planning. None of the circumstances as described in Article 30 of the Company Act has occurred.	Not applicable	None
De-Jet Investment Co., Ltd. Representative: Ivan Liu	Graduated from the Institute of Communications Engineering, National Chiao Tung University with a master's degree, and is currently the President of the Company and the responsible person of GM USA Corporation. Ivan has more than five years of experience in business and corporate operations and possesses the ability to manage, lead and make decisions and possesses industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.		None
De-Jet Investment Co., Ltd. Representative: Yeh, Po-Chun (Note 3)	Graduated from Columbia University with a master's degree in civil engineering management. Currently serving as a director at Unitech Computer Co., Ltd., and Unitech Electronics Co., Ltd. None of the circumstances as described in Article 30 of the Company Act has occurred.		None
De-Jet Investment Co., Ltd. Representative: Li-Li Hsu (Note 3)	Holds a Bachelor's degree from Ming Chuan University, currently Supervisor of Dejie Investment Co., Ltd., Hengjie Technology Co., Ltd., and Heng Xuan Co., Ltd.		None
De-Jet Investment Co., Ltd. Representative: Wang, Kuo-Chang	Graduated from Tamkang University with a master's degree in management science. Currently serving as a director of Unitech Electronics Co., Ltd. and Unitech Computer Co., Ltd. Has more than five years of experience in business, finance, and corporate operations, possesses abilities in corporate management, financial planning, and investment analysis. None of the circumstances as described in Article 30 of the Company Act has occurred.		None

De-Jet Investment Co., Ltd. Representative: Che-Sheng Shen	Graduated from the Institute of Communications Engineering of National Chiao Tung University with a master's degree. Currently serving as a Vice President at De-Jet Investment Co., Ltd., with more than five years of experience in business and corporate operations, possesses abilities in management, leadership decision-making, and industry knowledge. None of the circumstances as described in Article 30 of the Company Act has occurred.		
Sen Jan	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in business, finance and related work experience required by the Company, with the ability to perform business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	Complies with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The key points are summarized as follows: 1. Does the person, their spouse, or a relative within 2nd degree of kinship serve as a director, supervisor, or employee of the Company or its affiliated companies: No 2. Number and percentage of shares held by themselves, spouses, relatives within the second degree of kinship (or in the name of others): Within the prescribed range. Please refer to the "Director Information Table" of the annual report (page 8 to 11) 3. Serving as a director, supervisor, or employee of a company specifically related to the Company: No 4. Amount of remuneration for providing the Company or its affiliates with business, legal, finance, and accounting services in the last two years: 0	None
Ming-Chieh Lin (Note 4)	Lin graduated from the MBA Program of National Chengchi University. He is an independent director of C Sun Mfg. Ltd., Chicony Electronics Co., Ltd., and Unitech Computer Co., Ltd.; possesses over five years of professional qualifications as a professor in public or private colleges or universities in departments related to business, finance, and company operations, as well as over five years of work experience required for business, finance, and the Company’s operations, with expertise in business management, financial planning, and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		3
Yen Hui Ko	Ko graduated from the EMBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, and is Special Assistant to the Chairman of Clinico Inc., independent director of Sanlien Technology Corp., independent director, Level Biotechnology Inc., and director of CC&C Technologies, Inc. Ko has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article		2

	30 of the Company Act has occurred.		
Wei-Chang Li	Graduated with a Master of Geology from National Taiwan University, currently serving as a member of the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee within the Company. Also serving as the General Manager of Diamond Business Unit of KINIK Company, possessing more than five years of expertise in corporate management, financial planning, and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		None
Chung-Chi Chou (Note 5)	Holds a Master of Science degree in Mathematics from Colorado State University, USA. Serves as a member of the Company's Audit Committee; independent director of Yulon Motor Co., Ltd., Yulon Finance Co., Ltd., and Standard Foods Corporation; has over five years of expertise in business management and financial planning. None of the circumstances as described in Article 30 of the Company Act has occurred.		3

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have not been subject to the provisions of Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances of independence, including but not limited to whether he or she, his or her spouse or second degree relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him or her, his or her spouse or second degree relatives (or using the names of others); and whether he or she is a director of a company with which the Company has an specific relationship (refer to Article 3, Paragraph 1 Sections 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Please also provide information on the amount of remuneration received for business, legal, financial and accounting services provided by the Company or its affiliates in the last two years.

Note 3: On January 10, 2025, Dejie Investment Co., Ltd. reappointed its representative, with Director Li-Li Hsu succeeding Director Po-Chun Yeh.

Note 4: Resigned as an independent director of the Company in April 2024.

Note 5: Newly appointed as an independent director of the Company in June 2024.

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

In accordance with Article 20 of the Company's "Code of Corporate Governance Practices", the composition of the Board of Directors should consider diversity and formulate appropriate diversity policies with respect to its operation, business model and development needs, including but not limited to the following two major criteria:

1. Basic requirements and values: gender, age, nationality, etc.
2. Professional knowledge and skills

Board members should generally possess the necessary knowledge, skills and education to perform their duties. In order to achieve the desired goals of corporate governance, the Board of Directors as a whole should possess the following competencies.

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership skills.

8. Ability to make decisions.

Current state of diversity policies:

I. Basic Conditions and Values

<table>
<tr><th rowspan="2">Name</th><th rowspan="2">Title</th><th rowspan="2">Gender</th><th colspan="5">Age Distribution</th><th colspan="3">Term of office of independent directors</th></tr>
<tr><th>31 to 40</th><th>41 to 50</th><th>51 to 60</th><th>61 to 70</th><th>71 to 80</th><th>Less than 3 years</th><th>3 to 9 years</th><th>9 years or more</th></tr>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Chia-Wen Yeh</td><td>Chairman of the Board</td><td>Male</td><td></td><td></td><td></td><td></td><td>✓</td><td colspan="3" rowspan="6">Not applicable</td></tr>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Ivan Liu</td><td>Director</td><td>Male</td><td></td><td></td><td></td><td>✓</td><td></td></tr>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Li-Li Hsu (Note 1)</td><td>Director</td><td>Female</td><td></td><td></td><td></td><td>✓</td><td></td></tr>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Yeh, Po-Chun (Note 1)</td><td>Director</td><td>Female</td><td>✓</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Wang, Kuo-Chang</td><td>Director</td><td>Male</td><td></td><td></td><td></td><td>✓</td><td></td></tr>
<tr><td>Corporate Representative of Dejie Investment Co., Ltd.: Che-Sheng Shen</td><td>Director</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td></tr>
<tr><td>Sen Jan</td><td>Independent Director</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td><td></td><td></td><td>✓</td></tr>
<tr><td>Ming-Chieh Lin (Note 2)</td><td>Independent Director</td><td>Male</td><td></td><td></td><td></td><td></td><td>✓</td><td></td><td></td><td>✓</td></tr>
<tr><td>Yen Hui Ko</td><td>Independent Director</td><td>Male</td><td></td><td></td><td></td><td>✓</td><td></td><td>✓</td><td></td><td></td></tr>
<tr><td>Wei-Chang Li</td><td>Independent Director</td><td>Male</td><td></td><td></td><td>✓</td><td></td><td></td><td>✓</td><td></td><td></td></tr>
<tr><td>Chung-Chi Chou (Note 3)</td><td>Independent Director</td><td>Male</td><td></td><td></td><td></td><td></td><td>✓</td><td>✓</td><td></td><td></td></tr>
</table>

Note 1: On January 10, 2025, Dejie Investment Co., Ltd. reappointed its representative, with Director Li-Li Hsu succeeding Director Po-Chun Yeh.
Note 2: Resigned as an Independent Director of the company in April 2024.
Note 3: Newly appointed as an independent director of the Company in June 2024.

II. Professional Background, Expertise and Skills

Name	Title	Professional Background			Professional Knowledge and Skills							
		Accounting	Industry	Finance	Business judgment	Accounting and finance	Management Administration	Crisis Management.	Knowledge of Industry	International market perspective	Leadership skills	Decision-making ability
De-Jet Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Ivan Liu	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Yeh, Po-Chun	Director		✓		✓		✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Li-Li Hsu (Note 1)	Director		✓		✓		✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Wang, Kuo-Chang	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Che-Sheng Shen	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Sen Jan	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Ming-Chieh Lin (Note 2)	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Yen Hui Ko	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wei-Chang Li	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Chung-Chi Chou (Note 3)	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓

Note 1: On January 10, 2025, Dejie Investment Co., Ltd. reappointed its representative, with Director Li-Li Hsu succeeding Director Po-Chun Yeh.
Note 2: Resigned as an Independent Director of the company in April 2024.
Note 3: Newly appointed as an independent director of the Company in June 2024.

(2) Independence of the Board of Directors

The Company's current Board of Directors consists of nine directors, including four independent directors, one female director and two directors with employee status (accounting for 44%, 11% and 22% of all directors, respectively). Among the members of the Board of Directors, the Chairman of the Board, Chia-Wen Yeh, and Director, Li-Li Hsu, are spouses. The other seven directors are not related to each other as spouses or relatives within the second degree of kinship, and therefore comply with the requirements of paragraph 3 of Article 26-3 of the Securities and Exchange Act.

6. Information on the Company's Directors, Supervisors, President, Vice President(s), Assistant Vice Presidents, and the Supervisors of All the Company's Divisions and Branch Units

April 27, 2025

Title	Nationality	Name	Gender	Date elected (appointed)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan (R.O.C.)	Ivan Liu	Male	2017/7	207,077	0.13%	0	0	0	0	Institute of Communications Engineering, National Chiao Tung University Executive Vice President, GMI Technology Inc.	Responsible person of GM USA Corporation	Assistant Vice President	Po-Heng Liu	Siblings	None
Vice President, Finance Division	Taiwan (R.O.C.)	Jason Lin	Male	2008/2	189,609	0.12%	0	0	0	0	EMBA, National Chengchi University Finance Manager, Lite-on Semiconductor Corporation	Director, GW Electronics Company Limited	None	None	None	None
Senior Assistant Vice President	Taiwan (R.O.C.)	Mei-Hui Lin	Female	2015/1	33,400	0.02%	981	0	0	0	Department of Economics, Feng Chia University Administrative Manager, Synnex Technology International	None	None	None	None	None
Senior Assistant Vice President	Taiwan (R.O.C.)	Li, Yun-Hsiang (Note 1)	Male	2003/4	484,830	0.30%	21,298	0.01%	0	0	Taoyuan Agricultural & Industrial Senior High School Mainland China Sales Manager, Segos Electronics(Hong Kong)Limited	None	None	None	None	None
Senior Assistant Vice President	Taiwan (R.O.C.)	Ching-Hsien Chen	Male	2016/7	13	0	0	0	0	0	EMBA, National Chengchi University Senior Manager, Finance Department, JOinsoon Electronics Mfg. Co.,Ltd.	None	None	None	None	None
Senior Assistant Vice President	Taiwan (R.O.C.)	Kevin Ko	Male	2008/4	0	0	0	0	0	0	Lunghwa Junior College of Technology Sales Manager, Li Wei Enterprise Co.,Ltd.	None	None	None	None	None
Assistant Vice President	Taiwan (R.O.C.)	Wan-Yu Cho	Female	2019/3	0	0	0	0	0	0	Department of Journalism, Shih Hsin University Sales Director, Evershine Technology Corporation	None	None	None	None	None
Assistant Vice President	Taiwan (R.O.C.)	Po-Heng Liu	Male	2019/06	0	0	0	0	0	0	Department of Business Administration, Tamkang University CIO, Huaxin Technology (Jiangxi) Co.,Ltd. Director, Materials, Rayson Technology (Shenzhen) Co.,Ltd. Vice President, GMI (Hong	None	President	Ivan Liu	Siblings	None

Title	Nationality	Name	Gender	Date elected (appointed)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		Major Experience and Qualifications	Concurrent position(s) in the Company and other companies	A manager who is related to a spouse or relative within two degrees of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
											Kong) Co.,Ltd.,GW Electronics (Shenzhen) Limited, GW Electronics (Shanghai) Limited Senior Manager, Kingpak Technology Manager, Zero One Technology Assistant Manager, Kingmax Technology Consultant, Data Systems Consulting Co., Ltd.					
Senior Assistant Vice President	Taiwan (R.O.C.)	Ming-Che Yu	Male	2021/02	0	0	0	0	0	0	Lien Ho College of Technology and Commerce	None	None	None	None	None
Assistant Vice President	Taiwan (R.O.C.)	Hui-Chong Lin (Note 2)	Male	2021/03	30,000	0.02%	0	0	0	0	Department of Economics, Feng Chia University CFO of Wolves Valley Entertainment Co.,Ltd.	None	None	None	None	None
Vice President of Business Development	Taiwan (R.O.C.)	Bo-Jen Liao	Male	2023/3	369	0	0	0	0	0	Lunghwa Junior College of Technology	None	None	None	None	None
Assistant Vice President	Taiwan (R.O.C.)	Sheng-Hung Wu	Male	2023/08	0	0	0	0	0	0	Tamkang University	None	None	None	None	None
Assistant Vice President	Taiwan (R.O.C.)	Yu-Lun Lin	Male	2023/08	0	0	0	0	0	0	Department of Electrical Engineering, Kuang Wu Industry Junior College	None	None	None	None	None
Assistant Vice President	Taiwan (R.O.C.)	Kenneth Hsieh (Note 3)	Male	2024/05	0	0	0	0	0	0	In-service Program, Master of Accounting, National Taipei University FBAC Accounting Assistant Manager of China Motor Headquarters	None	None	None	None	None

Note 1: Resigned on March 31, 2024.
Note 2: Resigned on June 30, 2024.
Note 3: Newly appointed in May 2024

2. Remuneration of Directors, General Manager, and Deputy General Manager

(1) Directors' remuneration (including independent directors) (disclosure of individual names and remuneration methods)

As of December 31, 2024
Unit: NT$ '000

Title		Name	Remuneration to Directors								A, B, C and D, as well as the total amount and the proportion to the net profit after tax		Related remuneration for part-time employees								A, B, C, D, E, F and G, as well as the total amount and the proportion to the net profit after tax		Remuneration received from a reinvested business other than the Company's subsidiary or from the parent company
			Remuneration		Retirement Pension (B)		Directors' remuneration (C)		Operating expenses (D)				Salaries, bonuses and special allowances (E)		Retirement Pension (F)		Employee's compensation (G)						
																	The Company		All companies included in the financial report				
			The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies included in the financial report	
Director	Corporate Director	De-Jet Investment Co., Ltd.	-	-	-	-	6,513	6,513	-	-	6,513/1.69	6,513/ 1.69	-	-	-	-	-	-	-	-	6,513/ 1.69	6,513/ 1.69	None
	Chairman of the Board	De-Jet Investment Co., Ltd. Representative: Chia-Wen Yeh	-	-	-	-	-	-	40	40	40/ 0.01	40/ 0.01	10,263	10,263	0	0	0	0	0	0	10,303/ 2.67	10,303/ 2.67	None
	Director	De-Jet Investment Co., Ltd. Representative: Ivan Liu	-	-	-	-	-	-	46	46	46/ 0.01	46/ 0.01	7,638	7,638	108	108	600	0	600	0	8,392/ 2.17	8,392/ 2.17	None
	Director	De-Jet Investment Co., Ltd. Representative: Yeh, Po-Chun	-	-	-	-	-	-	40	40	40/ 0.01	40/ 0.01	591	591	71	71	0	0	0	0	702/ 0.18	702/ 0.18	None
	Director	De-Jet Investment Co., Ltd. Representative: Wang, Kuo-Chang	-	-	-	-	-	-	50	50	50/ 0.01	50/ 0.01	-	-	-	-	-	-	-	-	50/ 0.01	50/ 0.01	None
	Director	De-Jet Investment Co., Ltd. Representative: Che-Sheng Shen	-	-	-	-	-	-	55	55	55/ 0.01	55/ 0.01	-	-	-	-	-	-	-	-	55/ 0.01	55/ 0.01	None
Independent Director	Independent Director	Sen Jan	-	-	-	-	930	930	62	62	992/ 0.26	992/ 0.26	-	-	-	-	-	-	-	-	992/ 0.26	992/ 0.26	None
	Independent Director	Ming-Chieh Lin (Note 1)	-	-	-	-	232	232	17	17	249/ 0.06	249/ 0.06	-	-	-	-	-	-	-	-	249/ 0.06	249/ 0.06	None

	Independent Director	Yen Hui Ko	-	-	-	-	930	930	62	62	992/ 0.26	992/ 0.26	-	-	-	-	-	-	-	-	992/ 0.26	992/ 0.26	None
	Independent Director	Wei-Chang Li	-	-	-	-	930	930	55	55	985/ 0.25	985/ 0.25	-	-	-	-	-	-	-	-	985/ 0.25	985/ 0.25	None
	Independent Director	Chung-Chi Chou (Note 2)					465	465	30	30	495/ 0.13	495/ 0.13	-	-	-	-	-	-	-	-	495/ 0.13	495/ 0.13	

1. Please describe the policy, system, criteria and structure for the remuneration of independent directors, and the relevance to the amount of compensation paid based on the responsibilities, risks and time commitment:

2. Except as disclosed in the above table, the remuneration received by the directors of the Company for services rendered in the most recent fiscal year (such as acting as consultants to non-employees of the parent company/all companies in the financial statements/invested business, etc.):

Note 1: Resigned as an independent director of the Company on April 12, 2024.
Note 2: Newly appointed as an independent director of the Company on June 26, 2024.

(2) Remuneration of the President and Vice President

December 31, 2024

Unit: NT$ ‘000

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special allowances (C)		Employee compensation amount(D)				A, B, C and D and their proportion to net income after tax (%)		Remuneration received from a reinvested business other than the Company’s subsidiary or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Chia-Wen Yeh	6,128	6,128	0	0	4,135	4,135	0	0	0	0	10,263/ 2.66	10,263/ 2.66	None
President	Ivan Liu	3,875	3,875	108	108	3,763	3,763	600	0	600	0	8,346/ 2.16	8,346/ 2.16	None
Vice President	Jason Lin	2,470	2,470	92	92	421	421	0	0	0	0	2,983/ 0.77	2,983/ 0.77	None

(3) Remuneration of the top five highest-paid executives of listed companies

December 31, 2024

Unit: NT$ ‘000

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special allowances (C)		Employee compensation amount(D)				A, B, C and D and their proportion to net income after tax (%)		Remuneration received from a reinvested business other than the Company's subsidiary or from the parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Chia-Wen Yeh	6,128	6,128	0	0	4,135	4,135	0	0	0	0	10,263/ 2.66	10,263/ 2.66	None
President	Ivan Liu	3,875	3,875	108	108	3,763	3,763	600	0	600	0	8,346/ 2.16	8,346/ 2.16	None
Vice President	Jason Lin	2,470	2,470	92	92	421	421	0	0	0	0	2,983/ 0.77	2,983/ 0.77	None
Senior Assistant Vice President	Kevin Ko	1,733	1,733	107	107	367	367	0	0	0	0	2,207/ 0.57	2,207/ 0.57	None
Senior Assistant Vice President	Mei-Hui Lin	1,704	1,704	106	106	382	382	0	0	0	0	2,192/ 0.57	2,192/ 0.57	None

(4) Name of the manager who distributes employee remuneration and the situation of the distribution:

December 31, 2024

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock amount</th><th>Cash amount</th><th>Total</th><th>Total to net income after tax (%)</th></tr>
<tr><td rowspan="12">Managerial Officers</td><td>President</td><td>Ivan Liu</td><td rowspan="12"></td><td rowspan="12">600</td><td rowspan="12">600</td><td rowspan="12">0.16%</td></tr>
<tr><td>Vice President</td><td>Jason Lin</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Mei-Hui Lin</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Kevin Ko</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Ching-Hsien Chen</td></tr>
<tr><td>Senior Assistant Vice President</td><td>Ming-Che Yu</td></tr>
<tr><td>Assistant Vice President</td><td>Wan-Yu Cho</td></tr>
<tr><td>Assistant Vice President</td><td>Po-Heng Liu</td></tr>
<tr><td>Assistant Vice President</td><td>Kenneth Hsieh (Note 1)</td></tr>
<tr><td>Assistant Vice President</td><td>Bo-Jen Liao</td></tr>
<tr><td>Assistant Vice President</td><td>Sheng-Hung Wu</td></tr>
<tr><td>Assistant Vice President</td><td>Yu-Lun Lin</td></tr>
</table>

Note 1: Appointed on May 13, 2024.

(5) Analysis of the total remuneration paid to Directors, General Manager, and Deputy General Manager of the Company and all consolidated subsidiaries in the past two years as a percentage to the parent company only or individual financial report’s net income after tax. This analysis should include an explanation of the remuneration policy, standards, and composition, the procedure for setting remuneration, and the correlation with operational performance and future risks.

Title	2023 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements.	2024 Total compensation paid to the Company's directors, general manager and vice president as a percentage of net income after tax for the Company and all companies in the consolidated financial statements.
Director	9.60%	8.47%
President and Vice President(s)		

The remuneration policy for directors is set forth in the Company's Articles of Incorporation and approved by the shareholders' meeting, while the remuneration for the General Manager and Deputy General Manager is based on performance and the Company's salary system.

3. State of the Company's implementation of corporate governance:

(1) State of operations of the Board of Directors

The 11th Term Board of Directors of the Company was re-elected at the shareholders' meeting on June 23, 2022. The Board of Directors is responsible for setting and monitoring the Company's long-, medium- and short-term operational goals and improving operational performance, providing strategic guidance to the management team and supervising the Company's compliance with various laws and regulations to ensure the rights and interests of shareholders and stakeholders.

The Board of Directors met 11 times in 2024 (A) and the attendance of directors were as follows:

Title	Name	Actual number of attendance (B)	Number of Attendance by proxy	Actual attendance rate (%) [B/A]	Remark
Chairman of the Board	De-Jet Investment Co., Ltd. Representative: Chia-Wen Yeh	8	3	73%	
Director	De-Jet Investment Co., Ltd. Representative: Ivan Liu	11	0	100%	
Director	De-Jet Investment Co., Ltd. Representative: Yeh, Po-Chun	8	3	73%	
Director	De-Jet Investment Co., Ltd. Representative: Wang, Kuo-Chang	10	1	91%	
Director	De-Jet Investment Co., Ltd. Representative: Che-Sheng Shen	11	0	100%	
Independent Director	Sen Jan	10	1	91%	
Independent Director	Ming-Chieh Lin	2	0	100%	Resigned on April 12, 2024. During his tenure, a total of 2 board meetings were held, and he attended 2 times.
Independent Director	Yen Hui Ko	4	0	100%	
Independent Director	Wei-Chang Li	2	0	100%	
Independent Director	Chung-Chi Chou	6	1	86%	Newly appointed on June 26, 2024. 7 board meetings were held during the new term, among which he attended six times.

Attendance status of independent directors at each board meeting in 2024 ◎: Attended in person; ☆: Attended by proxy; *: Did not attend

FY2024	February 23	March 12	April 26	May 9
Sen Jan	◎	◎	◎	☆
Ming-Chieh Lin	◎	◎		
Yen Hui Ko	◎	◎	◎	◎
Wei-Chang Li	◎	◎	◎	◎
Chung-Chi Chou				

FY2024	Jul 9	August 8	September 5	September 24
Sen Jan	◎	◎	◎	◎
Ming-Chieh Lin				
Yen Hui Ko	◎	◎	◎	◎
Wei-Chang Li	◎	◎	◎	◎
Chung-Chi Chou	◎	◎	◎	◎
FY2024	October 22	Nov 12	Nov 20	
Sen Jan	◎	◎	◎	
Ming-Chieh Lin				
Yen Hui Ko	◎	◎	◎	
Wei-Chang Li	◎	◎	◎	
Chung-Chi Chou	◎	☆	◎	

Other matters to be recorded:

1. (1) Matters listed in Article 14-3 of the Securities and Exchange Act:

Date of the Meeting	Contents of the motion	Opinions of independent directors and the Company's handling of the opinions of independent directors
11th Term 9th Meeting 2024/02/23	1. Approved the purchase of GPU servers. 2. Approved to build GPU server.	None
11th Term 10th Meeting 2024/3/12	1. Approved the Company's 2024 Business Plan 2. Approved the Company's financial statements for FY2023. 3. Approved the distribution of remuneration to directors and employees for FY2023. 4. Approved the appointment of members of the Company's Remuneration Committee. 5. Approved the appointment of the Company's Sustainable	None

		Development Committee members. 6. Approved amendments to certain provisions of the Company's "Rules of Procedures of Board of Directors Meetings". 7. Approved the distribution of year-end bonus to managers in FY2023. 8. Approved the annual salary adjustment of the Company's managers in FY2024. 9. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2024. 10. Approved the acceptance of proposals from more than one percent of the shareholders. 11. Approved the Company's "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2023. 12. Approved the purchase of GPU servers. 13. Approved the purchase of GPU servers. 14. Approved the purchase of GPU servers.		
	11th Term 11th Meeting 2024/4/26	1. Approved the issuance of the Company's 1st unsecured convertible bonds. 2. Approved the motion for by-election of one independent director. 3. Approved the nomination for the by-election of one independent director candidate. 4. Approved the acceptance of nominations for directors candidates from shareholders holding more than 1% of the Company shares. 5. Approved the motion to release directors from non-compete agreements and restrictions. 6. Approved the motion for convening the 2024 regular shareholders' meeting.	None	
	11th Term 12th Meeting 2024/5/9	1. Approved the appropriation of the Company's FY2023 earnings. 2. Approved the Company's consolidated financial statements for the first quarter of 2024.	None	
	11th Term 13th Meeting 2024/7/9	1. Approved the purchase of GPU servers. 2. Approved to build GPU server.	None	
	11th Term 14th Meeting 2024/8/8	1. Approved the Company's consolidated financial statements for the second quarter of 2024. 2. Approved the Company's ex-dividend date and related matters for 2024. 3. Approved the establishment of the organizational structure of the Sustainable Development Committee. 4. Approved the review of the Company's 2023 Sustainability Report.	None	
	11th Term 15th Meeting 2024/9/5	1. Approved the amendment of certain provisions of the Company's "Articles of Incorporation". 2. Approved the purchase of GPU servers.	None	

	3. Approved the Company's lease of assets to related parties. 4. Approved the authorization of an independent director representative to sign cloud service contracts for 52 and 127 servers with GMI Computing International Ltd. 5. Approved matters related to the date, time, location, and agenda of the first extraordinary shareholders' meeting of 2024.	
11th Term 16th Meeting 2024/9/24	1. Approved the postponement of the convening date of the first extraordinary shareholders' meeting of 2024.	None
11th Term 17th Meeting 2024/10/22	1. Approved the proposal to change the investment model for the procurement of GPU servers approved by the Board of Directors on March 12, 2024. 2. Approved the supplementary proposal to the Company's lease of assets to related parties, approved by the Board of Directors on September 5, 2024. 3. Approved matters related to the date, time, location, and agenda of the first extraordinary shareholders' meeting of 2024. 4. Approved the extempore motion for GPU server suppliers for procurement.	None
11th Term 18th Meeting 2024/11/12	1. Approved the change of certified public accountants in accordance with the internal duty rotation adjustment of the CPA firm. 2. Approved the Company's consolidated financial statements for the third quarter of 2024. 3. Approved the amendment of certain provisions of the Company's "Audit Committee Charter". 4. Approved the "Sustainable Information Management Regulations" established by the Company. 5. Approved the proposed "Audit Plan" of the Company for FY2025, which has been duly finalized.	None
11th Term 19th Meeting 2024/11/20	1. Approved the amendment to the contract for the Company's lease of 52 servers to the related party GMI Computing International Ltd. 2. Approved the amendment to the contract for the Company's lease of 127 servers to the related party GMI Computing International Ltd. 3. Approved the proposal for the Regulations on the Operation and Management of Newly Leased Equipment. 4. Approved the update of the evaluation proposal for the Company's lease of assets to related parties, approved by the Board of Directors on October 22, 2024.	None

(2) Other matters resolved by the Board of Directors with the objection or reservation of the independent directors and recorded or stated in writing: None

(3) Whether the Company has established an information security risk management framework, formulated an information security policy and specific management plans, and disclosed them on

the Company's website or in the annual report: The information security risk management policy is disclosed on the Company's official website and on page 132 of the annual report

2. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting:

(1) The 7th meeting of the 11th Board of Directors on October 22, 2024

Proposal 1: Proposal to change the invetment model for the procurement of GPU servers approved by the Board of Directors on March 12, 2024.

Resolution: Because Chairman Chia-Wen Yeh and Wei-Yen Yeh, Chairman of Computing International Ltd. are relatives within the first degree of kinship (father and son), Chairman Chia-Wen Yeh abstained from discussion and voting on this proposal due to a conflict of interest. The remaining attending directors approved the proposal as presented.

Proposal 2: Supplementary proposal to the Company's lease of assets to related parties, approved by the Board of Directors on September 5, 2024.

Resolution: Because Chairman Chia-Wen Yeh and Wei-Yen Yeh, Chairman of Computing International Ltd. are relatives within the first degree of kinship (father and son), Chairman Chia-Wen Yeh abstained from discussion and voting on this proposal due to a conflict of interest. The remaining attending directors approved the proposal as presented.

(2) The 19th meeting of the 11th Board of Directors on November 20, 2024

Proposal 1. Amendment to the contract for the Company's lease of 52 servers to the related party GMI Computing International Ltd.

Resolution: Because Chairman Chia-Wen Yeh and Wei-Yen Yeh, Chairman of Computing International Ltd. are relatives within the first degree of kinship (father and son), Chairman Chia-Wen Yeh abstained from discussion and voting on this proposal due to a conflict of interest. The remaining attending directors approved the proposal as presented.

Proposal 2. Amendment to the contract for the Company's lease of 127 servers to the related party GMI Computing International Ltd.

Resolution: Because Chairman Chia-Wen Yeh and Wei-Yen Yeh, Chairman of Computing International Ltd. are relatives within the first degree of kinship (father and son), Chairman Chia-Wen Yeh abstained from discussion and voting on this proposal due to a conflict of interest. The remaining attending directors approved the proposal as presented.

Proposal 4: Update of the evaluation proposal for the Company's lease of assets to related parties, approved by the Board of Directors on October 22, 2024.

Resolution: Because Chairman Chia-Wen Yeh and Wei-Yen Yeh, Chairman of Computing

International Ltd. are relatives within the first degree of kinship (father and son), Chairman Chia-Wen Yeh abstained from discussion and voting on this proposal due to a conflict of interest. The remaining attending directors approved the proposal as presented.

3. Listed companies should disclose information on the periodicity and duration, scope, manner and content of the evaluation of the self- (or peer) evaluation by the board of directors:

Nature	Cycle of evaluation	Period of evaluation	Scope of evaluation	Evaluation method	Content of evaluation
Board of Directors	Once a year	2024.01.01-2024.12.31	Board of Directors and individual directors	Internal self-assessment by the Board and self-assessment by the Board members	The performance of the Company's Board of Directors is evaluated in the following five major aspects: 1. Participation in the operation of the Company 2. Improvement of the quality of board decisions 3. Composition and structure of the board of directors 4. Selection and continuing education of directors 5. Internal Control The self-evaluation of the board members includes the following six major aspects: 1. Mastery of the Company's objectives and tasks 2. Directors' awareness of their responsibilities 3. Participation in the operation of the Company 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal Control
Audit Committee	Once a year	2024.01.01-2024.12.31	Audit Committee	Internal self-evaluation of Remuneration Committee	The internal self-evaluation of the Audit Committee includes the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the Audit Committee's

					responsibilities 3. Improving the quality of the Audit Committee's decision making 4. Composition and selection of audit committee members 5. Internal Control
Remuneration Committee	Once a year	2024.01.01-2024.12.31	Remuneration Committee	Internal self-evaluation of Remuneration Committee	The internal self-evaluation of the Remuneration Committee and the performance evaluation of the members include the following five major aspects: 1. Participation in the operation of the Company 2. Awareness of the responsibilities of the functional committee 3. Improving the quality of functional committee decisions 4. Composition and selection of functional committee members 5. Internal Control

4. Assessment of the current and most recent year's goals for strengthening the Board of Directors' functions (e.g., establishing an Audit Committee, enhancing information transparency, etc.) and the status of their implementation: The Company completed the performance evaluation of the Board of Directors and functional committees (Audit Committee and Remuneration Committee) for 2023 in 2024, and reported the performance evaluation results to the Audit Committee, Remuneration Committee and Board of Directors respectively, in order to implement corporate governance and strengthen the effectiveness of the Board of Directors' operations.

(2) Operations of the Audit Committee:

1. The Audit Committee of the Company is composed entirely of independent directors. The 2nd term consists of 4 members, with Jan Sen serving as convener and chairman. The Audit Committee aims to further establish a good corporate governance system, improve the audit supervision function and strengthen the management function.
2. The main responsibilities of the Audit Committee are to supervise the following matters mainly for the purpose:
   (1) Fair presentation of the Company's financial statements.
   (2) The selection (dismissal) and independence and performance of the certified public accountants.
   (3) The effective implementation of the Company's internal control system.
   (4) The Company's compliance with relevant laws and regulations.
   (5) The control of the Company's existing or potential risks.

The Audit Committee met 10 times (A) in 2024, and attendance records are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Sen Jan	10	0	100%	
Independent Director	Ming-Chieh Lin	2	0	100%	Resigned on April 12, 2024. During his tenure, a total of 2 Audit Committee meetings were held, and he attended 2 times.
Independent Director	Yen Hui Ko	10	0	100%	
Independent Director	Wei-Chang Li	10	0	100%	
Independent Director	Chung-Chi Chou	5	1	83%	Newly appointed on June 26, 2024. 6 Audit Committee meetings were held during the new term, among which he attended five times.

Other matters to be recorded:

1. If the Audit Committee operates under any of the following circumstances, it shall state the date and period of the Board of Directors' meeting, the content of the motion, the results of the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinions.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date of the Audit Committee	Contents of the Motion and Corresponding Resolution
2nd term 7th Meeting 2024/2/23	Proposal: ◎Approved the purchase of GPU servers. ◎Approved to build GPU server.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd term The 8th meeting 2024/3/12	Proposal: ◎ Approved the Company's 2023 annual financial statements. ◎ Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2024. ◎Approved the "Assessment of the Effectiveness of Internal Control System" and "Statement of Internal Control System" for FY2023 ◎Approved the purchase of GPU servers. ◎Approved to build GPU server.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd term 9th Meeting 2024/4/26	Proposal: ◎Approved the issuance of the 1st unsecured convertible bonds. ◎Approved the motion for by-election of one independent director. ◎ Approved the motion to release directors from non-compete agreements and restrictions.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd Term 10th Meeting 2024/5/9	Proposal: ◎ Approved the proposal for the earnings distribution of 2023. ◎Approved the consolidated financial statements for Q1 of 2024.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
2nd Term 11th Meeting 2024/7/9	Proposal: ◎Approved the purchase of GPU servers. ◎Approved to build GPU server.
	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.

	2nd Term 12th Meeting 2024/8/8	Proposal: ◎ Approved the consolidated financial statements for Q2 of 2024.
		Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
	2nd Term 13th Meeting 2024/9/5	Proposal: ◎ Approved the amendment of certain provisions of the Articles of Incorporation. ◎Approved the purchase of GPU servers. ◎ Approved the lease of assets to related parties. ◎ Approved the authorization of an independent director representative to sign cloud service contracts for 52 and 127 servers with GMI Computing International Ltd.
		Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. Resolution: The Company's standing legal counsel was engaged to issue a legal opinion letter on the contracts and Independent Director Sen Jan was nominated to represent the Company in signing the cloud service contracts for 52 and 127 servers.
	2nd Term 14th Meeting 2024/10/22	Proposal: ◎ Approved the proposal to change the investment model for the procurement of GPU servers approved by the Audit Committee on March 12, 2024. ◎ Approved the supplementary proposal to the Company's lease of assets to related parties, approved by the Audit Committee on September 5, 2024. ◎ Approved the extempore motion for GPU server suppliers for procurement.
		Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
	2nd Term 15th Meeting 2024/11/12	Proposal: ◎ Approved the change of certified public accountants in accordance with the internal duty rotation adjustment of the CPA firm. ◎Approved the consolidated financial statements for Q3 of 2024. ◎ Approved the amendment of certain provisions of the "Audit Committee Charter". ◎Approved the "Sustainable Information Management Regulations". ◎ Approved the "Audit Plan" for 2025.
		Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.
	2nd Term 16th Meeting 2024/11/20	Proposal: ◎ Lease of 52 servers to the related party GMI Computing International Ltd. ◎ Approved the amendment to the contract for the Company's lease of 127 servers to the related party GMI Computing International Ltd. ◎Approved the proposal for the Regulations on the Operation and Management of Newly Leased Equipment. ◎Approved the update of the evaluation proposal for the Company's lease of assets to related parties, approved by the Board of Directors on October 22, 2024.

	Audit Committee's opinion: No dissenting opinion or reservation. The Company's handling of the Audit Committee's opinion: Not applicable. The resolution was passed without any objection after the chairman consulted all the members present.

(2) Other than the foregoing, resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

2. The recusal of a director from a motion with potential conflict of interest shall be described with the name of the director, the content of the motion, the reasons for the recusal, and participation in voting: None.

3. Communication between the independent directors and the internal auditors and the attesting CPAs (including the material issues, methods and results of communication regarding the Company's financial and business conditions):

(1) Communication with internal auditors:

Date	Communication items	Opinions of Independent Director	Handling of the opinions of independent directors
2024.11.12 Internal audit project report meeting	1. Explanation of deficiencies in audits in the last three years. 2. The key points and results of the audit from January to October 2024. 3. Explanation of Audit Focus Plan for 2025.	1. After discussion and communication, the independent directors have no opinion. 2. After discussion and communication, the independent directors have no opinion. 3. After discussion and communication, the independent directors have no opinion.	None.

(2) Communication with the CPA:

Date	Communication items	Communication results	Remark
2024.11.12 Meetings between independent directors and CPAs	1. Independence. 2. Responsibilities of reviewers for reviewing the interim financial report. 3. Types of audit conclusions issued. 4. Scope of review. 5. Review findings.	No opinions at this meeting.	None.

(3) Operation of the Company's Sustainable Development Committee:

1. The Company's Sustainable Development Committee is a functional committee under the Board of Directors, and is comprised of three members. On 2022/11/08, the Board of Directors resolved to appoint three independent directors (Yen-Hui Ko, Jan Sen, and Ming-Chieh Lin) to form the first Sustainable Development Committee, with independent director Yen-Hui Ko serving as the convener and chairman. On March 12, 2024, Independent Director Wei-Chang Li was appointed as a member, and on April 12, 2024, Independent Director Lin, Ming-Chieh resigned as a member.

Title	Name	Expertise
Independent Director (Convener)	Yen Hui Ko	Corporate governance, financial accounting
Independent Director	Sen Jan	Industry knowledge, business management
Independent Director	Ming-Chieh Lin (Note 1)	Business management, financial accounting
Independent Director	Wei-Chang Li (Note 2)	Corporate governance, business administration

Note 1: Newly appointed as a member of the Company’s Sustainable Development Committee on March 12, 2024.
Note 2: Resigned as a member of the Company’s Sustainable Development Committee on April 12, 2024.

2. The Company's Sustainable Development Committee is responsible for the following:
   (1) Propose a mission or vision for sustainable development and formulate policies, systems or related management guidelines for sustainable development.
   (2) Incorporate sustainable development into the Company's operational activities and development direction, and approve specific promotion plans for sustainable development.
   (3) Ensure that information related to sustainable development is disclosed in a timely and accurate manner.
   (4) Other matters resolved by the Board of Directors and handled by the Committee.

The term of office for the current term of the Sustainable Development Committee is from November 8, 2022 to June 22, 2025. As of 2024, three meetings have been held. The attendance of members is as follows:

Title	Name	The 3rd meeting of the 1st Term (2024/11/12)	Number of Attendance by proxy	Attendance rate (%)
Independent Director	Yen Hui Ko	1	0	100%

Independent Director	Sen Jan	1	0	100%
Independent Director	Wei-Chang Li	1	0	100%

Other matters to be recorded: The Sustainable Development Committee held its third meeting on November 12, 2024. During the meeting, it was reported to the Sustainability Committee members that the Company had updated the organizational chart of the committee and identified stakeholders and material topics for the 2024 Sustainability Report in response to regulations.

(4) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
1. Has the Company established and disclosed the Code of Corporate Governance Practices in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Code of Corporate Governance Practices was approved by the Board of Directors on March 26, 2020, and is available on the Market Observation Post System and the Company's website http://www.gmitec.com for download.	There is no material difference.
2. Shareholding structure and shareholders' rights (1) Has the Company				

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
established internal procedures to handle shareholders' proposals, questions, disputes and litigation matters, and implemented them in accordance with the procedures?	V		In addition, the Company has set up a spokesperson, a proxy spokesperson and a stockholder affairs unit to handle shareholders' proposals and share-related matters through its agent. In addition, a stakeholder zone and a shareholder contact window have been set up on the Company's website for shareholders/investors to make suggestions or ask questions.	There is no material difference.
(2) Does the Company have a list of the major shareholders and ultimate	V		The Company has a shareholder's register provided by the stock affairs agent and has dedicated staff to compile a list of past shareholders, to keep track of major shareholders and their ultimate controllers, and to monitor changes in shareholdings.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
controllers of the major shareholders who actually control the company?				
(3) Has the Company established and implemented a risk control and firewall mechanism with its affiliates?	V		The Company has established the "Regulations Governing the Supervision of Subsidiaries" and the "Regulations Governing the Intercompany Financial Operations of Affiliated Companies" in its internal control system in accordance with the law, and has clearly delineated the authority and responsibility for the management of each company's personnel and property.	There is no material difference.
(4) Has the Company established internal regulations to prohibit insiders	V		The Company has established regulations such as "Regulations on the Prevention of Insider Trading" and "Procedures for Handling Material Internal Information", and the relevant personnel are not allowed to use the non-public information they know to engage in insider trading or disclose it to others in order to prevent others from using the non-public information to engage in	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
from trading marketable securities using undisclosed information in the market?			insider trading. In addition, on August 9, 2022, the Board of Directors approved an amendment to the "Regulations on the Prevention of Insider Trading" to prohibit directors from trading in the Company's shares during the closed book period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.	
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors formulated diversity policies, specific management objectives and implemented them?	V		The diversity policy and implementation of the Board of Directors are as follows. 1. The Company has formulated a policy on diversity of board structure in the "Code of Corporate Governance Practices", which includes the following two major aspects: (1) Basic criteria and values: gender, age, nationality and culture, etc. (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. 2. The Board of Directors as a whole should possess the following competencies. (1) Operational judgment capability. (2) Accounting and financial analysis capability. (3) Management capability.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
			(4) Crisis management capability. (5) Knowledge of Industry. (6) International market perspective. (7) Leadership capability. (8) Decision-making capability. 3. The Company's Board of Directors were fully re-elected at the General Shareholders' Meeting on June 23, 2022. The Company's current Board of Directors consists of nine directors, including four independent directors, one female director and two directors with employee status (accounting for 44%, 11% and 22% of all directors, respectively). The specific management objectives of the Board's composition diversity policy and their achievement are as follows:	

Diversity management objectives	Status of
Four Independent Director	Achieved
1 female Director	Achieved
Sufficient and diversified professional knowledge,	Achieved

4. Implementation status of the policy on the diversification of Board of Directors are as follows:

(1) Basic Conditions and Values:

Name	Title	Nationality	Gender	Concurrently an employee of the Company	Age Distribution	Term of office of independent directors

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

					31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years	9 years or more
De-Jet Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	Taiwan (R.O.C.)	Male	✓					✓			
De-Jet Investment Co., Ltd. Representative: Ivan Liu	Director	Taiwan (R.O.C.)	Male	✓			✓					
De-Jet Investment Co., Ltd. Representative: Yeh, Po-Chun (Note 1)	Director	Taiwan (R.O.C.)	Female	✓	✓							
De-Jet Investment Co., Ltd. Representative: Li-Li Hsu (Note 2)	Director	Taiwan (R.O.C.)	Female					✓				
De-Jet Investment Co., Ltd.	Director	Taiwan (R.O.C.)	Male					✓				

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

Representative: Wang, Kuo-Chang												
De-Jet Investment Co., Ltd. Representative: Che-Sheng Shen	Director	Taiwan (R.O.C.)	Male				✓					
Sen Jan	Independent Director	Taiwan (R.O.C.)	Male				✓					✓
Lin, Ming-Chieh (Note 3)	Independent Director	Taiwan (R.O.C.)	Male						✓		✓	
Yen Hui Ko	Independent Director	Taiwan (R.O.C.)	Male					✓		✓		
Wei-Chang Li	Independent Director	Taiwan (R.O.C.)	Male				✓			✓		
Chung-Chi Chou (Note 4)	Independent Director	Taiwan (R.O.C.)	Male						✓	✓		

Note 1: Resigned as an independent director of the Company on January 10, 2025.
Note 2: Newly appointed as a director of the Company on January 10, 2025.
Note 3: Note 3: Resigned as an independent director of the Company on April 12, 2024.
Note 4: Newly appointed as an independent director of the Company on June 26, 2024.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

(2) Professional Background, Expertise and Skills

Name	Title	Professional Background			Professional Knowledge and Skills							
		Accounting	Industry	Finance	Business judgment	Accounting and finance	Management Administration	Crisis Management.	Knowledge of Industry	International market perspective	Leadership skills	Decision-making ability
De-Jet Investment Co., Ltd. Representative: Chia-Wen Yeh	Chairman of the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Ivan Liu	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Yeh, Po-Chun (Note 1)	Director		✓		✓		✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Li-Li Hsu (Note 2)	Director		✓		✓		✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd. Representative: Wang, Kuo-Chang	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
De-Jet Investment Co., Ltd.	Director		✓		✓	✓	✓	✓	✓	✓	✓	✓

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	

Representative: Che-Sheng Shen												
Sen Jan	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Lin, Ming-Chieh (Note 3)	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Yen Hui Ko	Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wei-Chang Li	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓
Chung-Chi Chou (Note 4)	Independent Director		✓		✓	✓	✓	✓	✓	✓	✓	✓

Note 1: Resigned as an independent director of the Company on January 10, 2025.
Note 2: Newly appointed as a director of the Company on January 10, 2025.
Note 3: Note 3: Resigned as an independent director of the Company on April 12, 2024.
Note 4: Newly appointed as an independent director of the Company on June 26, 2024.

(2) Has the Company voluntarily established various functional committees other than the	V		The Company has established a Sustainable Development Committee subordinate to the Remuneration Committee in accordance with the law. This decision was made by the Board of Directors on November 8, 2022. The Sustainable Development Committee is composed of three independent directors, with Yen-Hui Ko serving as the convener and chairman.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
Compensation and Audit Committee in accordance with the law?				
(3) Has the Company established a method for evaluating the performance of the Board of Directors and the method of evaluation, and conducts performance evaluation annually and regularly, and	V		The Company has established the "Performance Evaluation Method for the Board of Directors and Functional Committees", which may encompass the overall performance evaluation of the Board of Directors, individual directors, and functional committees. The Company has duly completed the performance evaluation of the Board of Directors, the Audit Committee and the Remuneration Committee for the period from January 1 to December 31, 2024, and will use the results as a reference for the future selection or nomination of directors and the remuneration of individual directors. The Board of Directors amended the Method in November 2022. According to the Method, the Board of Directors appoints external professional independent institutions or external expertise to evaluate the performance of the Board of Directors at least once every three years, in order to exert the self-motivation of the Board of Directors and improve the functioning of the Board of Directors . In 2022, the Company commissioned the Taiwan Corporate Governance Association to conduct an evaluation of the performance of the Board of Directors from November 1, 2021 to October 31, 2022. The said association and its executive experts had no business dealings with the Company. The results of the evaluation were issued on December 28, 2022, and the Company reported the results to the Board of Directors on May 9, 2023 and	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
reports the results of performance evaluation to the Board of Directors and uses them as a reference for individual directors' salary compensation and nomination for reappointment?			sought improvements.	
(4) Does the Company regularly evaluate the independence of	V		The Company's Audit Committee periodically evaluates the independence and suitability of the attesting CPAs to which they belong. In addition to requesting the CPAs to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)", the Company's Audit Committee also evaluates them based on the standards of auditor independence and 13 AQIs. After confirming that the CPAs have no financial interest or business relationship with the Company other than the	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
the attesting CPAs?			fees for financial and tax audit cases, and that the CPAs' family members do not violate the independence requirements, and referring to the AQI indicators, we confirmed that the accountants and the firm are better than the industry average in terms of professional support and engagement quality control review (EQCR), and we have also adopted a digital audit platform and developed audit analysis tools and software to improve audit quality. The results of the latest annual evaluation have been discussed and approved by the Audit Committee on March 11, 2025, and were presented to the Board of Directors on the same day for approval of the evaluation of the independence and appropriateness of the CPAs.	

Item	Evaluation indicators	Yes	No
1	As of the latest audit, no CPAs have been changed in 7 years.	V	
2	No significant property interests with the principal.	V	
3	Avoid any inappropriate relationship with the commissioning party.	V	
4	CPAs should ensure the integrity, impartiality and independence of their associates.	V	
5	No audit can be conduced on organizations where the CPA had previously been employed within the past two years.	V	
6	The name of the attesting CPA shall not be used by others.	V	
7	The attesting CPA does not own shares of the Company or its affiliated companies.	V	
8	The attesting CPA does not have any monetary borrowing with the Company's affiliates.	V	
9	The attesting CPA has no joint investment or benefit-sharing relationship with the Company or its affiliates.	V	
10	The attesting CPA is not engaged in regular work and does not receive a fixed	V	

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td></td><td>salary from the Company or its affiliates.</td><td></td><td></td></tr>
<tr><td>11</td><td>The attesting CPA is not involved in the management function or decision-making function of the Company or its affiliates.</td><td>V</td><td></td></tr>
<tr><td>12</td><td>The attesting CPA does not engage in any other business that may compromise his or her independence.</td><td>V</td><td></td></tr>
<tr><td>13</td><td>The attesting CPA is not related to the Company's management by marriage, blood, or within the second degree of kinship.</td><td>V</td><td></td></tr>
<tr><td>14</td><td>The attesting CPA does not receive any commission in connection with the business.</td><td>V</td><td></td></tr>
<tr><td>15</td><td>Up to now, no disciplinary action has been taken or the principle of independence has been compromised.</td><td>V</td><td></td></tr>
</table>
</td><td></td></tr>
<tr><td>4. Does the Company have a suitable and appropriate number of qualified corporate governance personnel and has the Company designated a corporate governance officer</td><td>V</td><td></td><td>In order to implement corporate governance, safeguard shareholders' rights and interests, and strengthen the functions of the Board of Directors, the Board of Directors resolved on August 9, 2022 to appoint Mr. Jason Lin, Vice President of Finance, as the Chief Corporate Governance Officer. Mr. Jason Lin is also concurrently the spokesperson of the Company and has more than 10 years of experience in the management of finance, stock affairs or business affairs of listed companies.
The terms of reference of the Chief Corporate Governance Officer are as follows:
1. Conduct meetings of the board of directors and shareholders' meetings in accordance with the law.
2. Prepare minutes of board meetings and shareholders' meetings.
3. Assist directors and independent directors in their appointment and continuing education.
4. Provide information necessary for directors and the functional committees to carry out their</td><td>There is no material difference.</td></tr>
</table>

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meetings and shareholders' meetings in			business. 5. Assist directors and functional committees in complying with laws and regulations.	

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>accordance with the law, and preparing minutes of board meetings and shareholders' meetings, etc.)?</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td>6. Report to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and term of office.
7. Handle matters regarding the changes of directors.
8. Other matters in accordance with the Company's articles of incorporation or contracts.

The training situation for corporate governance managers in 2024 are as follows, totaling 12 hours:
<table><tr><th>Date of study</th><th>Organizer</th><th>Course Name</th><th>Study hours</th></tr><tr><td>2024.11.04
2024.11.05</td><td>Accounting Research and Development Foundation</td><td>Continuing Education Course for Issuer Securities Firm Securities Exchange Accounting Manager.</td><td>12 hours</td></tr></table></td><td></td></tr>
<tr><td>5. Has the Company</td><td>V</td><td></td><td>The Company has set up a stakeholder area on its website and provided contact information to</td><td>There is no</td></tr>
</table>

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up a stakeholder area on the Company's website, and appropriately respond to important CSR issues of concern to stakeholders?			respond appropriately to the issues of concern to stakeholders, and the communication channel is smooth. In 2024, communication status with stakeholders were as follows: 1. The "News Center" made 57 monthly announcements on the status of operations, legal meetings, financial reports, important resolutions of the board of directors/shareholders' meetings, and online news reports. 2. The "Market Observation Post System" announced the dividend payment, information of the legal meeting, financial report announcement, important resolutions of the board of directors/shareholders' meeting and other material information 45 times.	material difference.
6. Has the Company	V		The Company has appointed the Registrar Agency Department of Capital Securities Corporation	There is no

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
appointed a professional stock transfer agent ?			to handle stock affairs of shareholders.	material difference.
7. Information Disclosure (1) Has the company set up a website to disclose financial operations and corporate governance information? (2) Has the Company adopted other means of information disclosure (e.g.,	V V		The Company has set up a website (www.gmitec.com) to disclose financial business and corporate governance information and update it from time to time for investors' reference. The Company has set up a trilingual website in traditional Chinese, simplified Chinese and English, and provides a dedicated email address for related businesses. The Company has also established a "Procedures for Handling Material Internal Information" and has established a good mechanism for handling and disclosing material internal information, and has implemented a	There is no material difference. There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
setting up an English website, designating a person responsible for the collection and disclosure of corporate information, implementing a spokesperson system, and placing the proceedings of corporate meetings on the Company's website)? (3) Does the			spokesperson system. In addition to announcing monthly consolidated revenue, the Company holds regular corporate meetings and discloses them on the Company's website to enhance the transparency of the Company's information.	

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
Company announce and report its annual financial statements within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial statements and operations for each month well in advance of the prescribed deadline?		V	The Company announces and reports its annual financial report, first, second and third quarter financial reports, and monthly operations by the prescribed deadline.	The implementation will depend on the actual operation of the Company.
8. Is there any other	V		1. Employee rights and benefits: The Company safeguards the legal rights and benefits of	There is no

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operation</th><th rowspan="2">Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>important information that can help understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, implementation status of risk management</td><td></td><td></td><td>employees in accordance with the Labor Standards Law.
2. Employee care: In addition to the regulations of the law, the Company has established good welfare measures, employee education and training, and a retirement system to establish a good relationship of mutual trust and dependence with employees.
3. Investor relations: The Company regularly announces various financial information.
4. Supplier relationships: The Company maintains good supply and demand relationships with its suppliers.
5. Stakeholders' rights: Stakeholders are encouraged to provide opinions and communicate with the Company in accordance to laws and regulations, and to make reference to the appropriate items in the future development of the Company's work.
6. Directors and Supervisors' Continuing Education Status: The Company's directors are required by law to pursue continuing education as listed below, and to report the circumstances of their continuing education on the Market Observation Post System.
<table>
<tr><th>Title</th><th>Name</th><th>Date of study</th><th>Organizer</th><th>Course Name</th><th>Study hours</th></tr>
<tr><td rowspan="2">Corporate Director Representative</td><td rowspan="2">Chia-Wen Yeh</td><td>2024/12/06</td><td>Taiwan Institute of Directors</td><td>Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development</td><td>3</td></tr>
<tr><td>2024/10/14</td><td>Taiwan Institute of Directors</td><td>Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)</td><td>3</td></tr>
<tr><td rowspan="2">Corporate Director Representative</td><td rowspan="2">Ivan Liu</td><td>2024/12/12</td><td>Securities and Futures Institute</td><td>Shareholders' Meetings, Management Control, and Equity Strategies</td><td>3</td></tr>
<tr><td>2024/08/07</td><td>Securities and Futures Institute</td><td>Carbon Credit Trading Mechanisms and Carbon Management Applications</td><td>3</td></tr>
<tr><td>Corporate Director</td><td>Yeh, Po-</td><td>2024/08/08</td><td>Securities and Futures Institute</td><td>Nvidia's Three Trillion Miracle: New Thinking on the Semiconductor Industry Revolution Behind Artificial Intelligence</td><td>3</td></tr>
</table></td><td>material difference.</td></tr>
</table>

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
policies and risk measurement standards, implementation status of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?			(see table below)	

Representative	Chun	2024/07/11	The Greater Chinese Financial Development Association	AI and New Trends and Practical Applications of Fintech	3
Corporate Director Representative	Wang, Kuo-Chang	2024/12/06	Taiwan Institute of Directors	Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development	3
		2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3
Corporate Director Representative	Che-Sheng Shen	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3
		2024/08/29	Securities and Futures Institute	Board of Directors Performance Evaluation	3
Independent Director	Sen Jan	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3
		2024/08/07	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Carbon Management Applications	3
Independent Director	Chung-Chi Chou	2024/12/06	Taiwan Institute of Directors	Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development	3
		2024/09/12	Taiwan Project Management Association	ESG Project Management for Sustainable Development	3
		2024/09/12	Taiwan Project Management Association	From Digital Transformation to AI Competencies	3
Independent Director	Yen Hui Ko	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3
		2024/08/01	Securities and Futures Institute	Economic Situation and Market Opportunities in New Southbound Countries	3
Independent Director	Wei-Chang Li	2024/10/29	Taiwan Corporate Governance Association	Prevention of Insider Trading and Analysis of Practical Cases	3
		2024/09/06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
			7. Implementation status of risk management policies and risk measurement standards: In order to properly manage the risks and opportunities related to customer satisfaction and continuous operation of the Company, and to promote sound operations and sustainable development, a risk management policy was established and approved by the Board of Directors on August 9, 2022. This policy identifies various risk factors that the Company may face during operations and defines them for effective management. These risks include “human resource risk”, “operational risk”, “market risk”, “information security risk”, “financial risk”, “compliance risk”, and “climate risk”. The dimensions considered in risk assessment include economic (including corporate governance), environmental, social, and others. The Company has established a risk analysis team, responsible for the implementation of matters such as monitoring, measurement and evaluation of the Company's risks, and regularly reports to the Board of Directors every year. On November 12, 2024, the Company reported the status of risk management operations to the Board of Directors. 8. Implementation of customer policies: The Company has established customer credit limit control rules and maintains good relationships with customers to generate company profits and control risks. 9. Purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for its directors and key managerial officers and reported the insurance coverage on the Market Observation Post System.	
9. Please provide information on the results of the corporate governance assessment released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the latest fiscal year, and propose priority areas for strengthening and corresponding measures for those areas where improvements have not yet been made.				

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
Improvements made: 1. In accordance with the amendment to Article 17 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," which requires the establishment of written guidelines for transactions between the Company and its related parties and shareholders, the scope of application of the regulations has been expanded from affiliates to all related parties. The original "Regulations Governing Financial and Business Transactions between Affiliates" has been revised to "Regulations Governing Financial and Business Transactions between Related Parties". 2. The Company voluntarily discloses the individual remuneration of directors, the General Manager, and Deputy General Managers. 3. The Company has implemented the ISO27001 Information Security Management System standard. 4. A sustainability report has been prepared. Priorities for enhancement: 1. Risk management is overseen by the Audit Committee or functional committee at the board level. 2. A unit that promotes ethical corporate management. 3. The prepared sustainability report has been verified by a third party. 4. An English version of the sustainability report has been prepared and uploaded. The Company has room for improvement in corporate governance, and will continue to promote corporate governance in the future by focusing on the improvement of the unscored indicators.				

(5) If the Company has a remuneration committee or nomination committee in place, the composition and operation status of such committee shall be disclosed:

1. Composition of the Remuneration Committee:

On December 7, 2011, the Board of Directors approved the establishment of the Remuneration Committee. On June 23, 2022, the Company re-elected and appointed Independent Director Ming-Chieh Lin, Independent Director Jan, Sen and Independent Director Yen-Hui Ko as members of the 5th Term Remuneration Committee and elected Ming-Chieh Lin as the convener. Independent Director Wei-Chang Li was appointed on March 12, 2024. Independent Director Ming-Chieh Lin resigned on April 12, 2024, and Sen Jan was elected as the convener.

Information on the members of the Remuneration Committee

Capacity	Conditions Name	Professional Qualifications and Experience	Independence	Concurrently a member of Remuneration Committee of other listed companies, and the number of companies served
Independent Director	Jan, Sen	Jan graduated from National Chengchi University with a Master's degree in Business Administration, and is the convener of the Audit Committee and a member of the Remuneration Committee of the Company. Jan is Chairman of Ikano International Co.,Ltd. and has more than five years of experience in business, finance and related work experience required by the Company, with the ability to perform business management, decision-making and market strategies. None of the circumstances as described in Article 30 of the Company Act has occurred.	(1) Not an employee of the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliates. (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others. (4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3). (5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total number of the Company's outstanding shares, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) Whereby a majority of the Company's director seats or voting shares and those of	0
Independent Director	Lin, Ming-Chieh	Graduated with a Ph.D. from the Institute of Business Administration of National Chengchi University, currently serving as the convener of the Remuneration Committee, a member of the Audit Committee, and a member of the Sustainable Development Committee within the Company. Also serving as an independent director, a		3

		member of the Remuneration Committee, a member of the Audit Committee, and a member of the Sustainable Development Committee of C Sun Industrial Co., Ltd., and Chicony Electronics Co., Ltd. Possessing qualifications as a professor in relevant fields from public and private universities and colleges for more than five years, along with over fives years of experience in business, finance, and corporate affairs. Equipped with expertise in corporate management, financial planning, and accounting, as well. None of the circumstances as described in Article 30 of the Company Act has occurred.	any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. (7) Whereby the chairperson, president, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. (10) No spouse or relative within two degrees of kinship with other directors. (11) Not elected by or on behalf of the government or a corporate entity as provided in Article 27 of the Company Act.	
Independent Director	Yen Hui Ko	Ko graduated from the EMBA Program of National Chengchi University. He is the convener of the Remuneration Committee and a member of the Audit Committee of the Company, and is Special Assistant to the Chairman of Clinico Inc., Director of Chanitex Education Foundation, independent director of Sanlien Technology Corp., independent director, Level Biotechnology Inc., and director ofCC&C Technologies, Inc. Ko has more than five years of professional qualifications as a professor at public and private colleges and universities specializing in business, finance and related disciplines necessary for the Company's business, and at least five years of experience in business, finance and corporate operations, with professional competence in business management, financial planning and accounting. None of the circumstances as described in Article 30 of the Company Act has occurred.		2
Independent Director	Wei-Chang Li	Holds a Master's degree from the Graduate Institute of Geology at National Taiwan University. Currently serves as a member of the Remuneration Committee, Sustainable Development Committee, and Audit Committee of the		0

		Company. Holds the position of General Manager of the Diamond Division at Kinik Company Ltd. Possesses over five years of work experience required for business, finance, and the Company's operations, demonstrating capabilities in business management, leadership and decision-making, and market strategy. None of the circumstances as described in Article 30 of the Company Act has occurred.		

2. Duties of the Remuneration Committee:

The Committee shall faithfully perform the following duties and responsibilities upholding stewardship principles, and submit its recommendations to the Board of Directors for deliberation:

(1) To establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers.

(2) To regularly evaluate and set the remuneration of directors and managers.

The Committee shall perform the foregoing duties and responsibilities in accordance with the following principles.

(1) The performance evaluation and salary compensation of directors and managers shall be based on the usual industry standard and shall take into consideration the relationship with personal performance, the Company's operating performance and the remuneration of directors and managers.
The performance evaluation and compensation of directors and managers shall be based on the usual industry standards and shall take into account the reasonableness of the relationship with personal performance, the Company's operating performance and future risks.

(2) Directors and managers shall not be induced to engage in conduct that exceeds the Company's risk tolerance in pursuit of financial compensation.

(3) The percentage of bonuses paid to directors and senior executives for short-term performance and the timing of payment of some variable compensation should be determined by taking into account the characteristics of the industry and the nature of the Company's business.

The remuneration referred to in the preceding two items includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, allowances and other substantial incentives.

3. Information on the operation of the Remuneration Committee:

(1) The Remuneration Committee of the Company consists of 3 members.

(2) The term of office of the current members: June 23, 2022 to June 22, 2025. As of the most recent year (2024), the Remuneration Committee met twice (A), and the qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Number of Attendance by proxy	Attendance rate (%) (B/A)	Remark
Convenor	Lin, Ming-Chieh	2	0	100%	Resigned on April 12, 2024
Committee Member	Jan, Sen	2	0	100%	
Committee Member	Yen Hui Ko	2	0	100%	
Committee Member	Wei-Chang Li				Newly appointed on March 12, 2024

Other matters to be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and period of the Board of Directors' meeting, the content of the resolution, the result of the Board of Directors' resolution and the Company's handling of the recommendations of the Remuneration Committee (if the compensation approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, it shall state the difference and the reasons for the difference): None.
2. If the members of the Remuneration Committee have dissenting opinions or reservations, and if there are records or written statements, the date and period of the Remuneration Committee, the content of the resolution, the opinions of all members, and the treatment of the opinions of the members should be stated: None.

Date of Remuneration Committee meeting	Contents of the Motion and Corresponding Resolution
5th Meeting of 5th Term on January 18, 2024	Motion: ◎ Year-end bonus for managers in 2023. ◎ The manager's annual salary adjustment for 2024.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
	Motion: ◎ Report on the results of the self-evaluation questionnaire for the Remuneration Committee in 2023.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: The average score of the Company's overall Remuneration Committee performance self-evaluation is 99.39% (full score 100%), the positive evaluation result demonstrated that the Company has strengthened the functions and effectiveness of the Remuneration Committee. All members present agreed to

	approve the resolution as presented.
6th Meeting of 5th Term on March 7, 2024	Proposal: ◎Distribution of directors' remuneration and managers' remuneration for 2023.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
7th Meeting of 5th Term on January 18, 2025	Proposals: ◎ Year-end bonus for managers for 2024. ◎ The manager's annual salary adjustment for 2025. ◎ Initial draft of the Company's "Regulations for Special Bonus to Senior Management."
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.
8th Meeting of 5th Term on March 11, 2025	Proposal: ◎Distribution of directors' remuneration and managers' remuneration for 2024.
	Remuneration Committee's opinion: No objection or reservation. The Company's handling of the Remuneration Committee's opinion: Not applicable. Resolution: All members present agreed to approve the resolution as proposed.

(6) The state of the Company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	V		1. Governance framework for the promotion of sustainable development: On November 8, 2022, the Company's Board of Directors passed a resolution to establish the "Sustainable Development Committee", and reported to the Board of Directors. 2. The composition and operation of the members of the promotion unit, and the implementation status of the year: (1) The Sustainable Development Committee is composed of three independent directors for the first term. The current members are independent directors Jan Sen, Wei-Chang Li , and Yen-Hui Ko, with independent director Yen-Hui Ko serving as the convener and chair. (2) Responsibilities of the Sustainable Development Committee: a. Propose a mission or vision for sustainable development and formulate policies, systems or related management	There is no material difference.

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			guidelines for sustainability. b. Incorporate sustainable development into the Company's operational activities and development direction, and approve specific promotion plans for sustainability. c. Ensure that information related to sustainable development is disclosed in a timely and accurate manner. d. Other matters resolved by the Board of Directors and handled by the Committee. (3) Implementation status of 2023: Reported to the Sustainable Development Committee and the Board of Directors on November 12, 2024.	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality, and has it formulated relevant risk management policies or strategies?	V		The Company has established a risk management policy, which was approved by the Board of Directors on August 9, 2022. This policy identifies various risk factors that the Company may face during operations and defines them for effective management. These risks include “human resource risk”, “operational risk”, “market risk”, “information security risk”, “financial risk”, “compliance risk”, and “climate risk”. The dimensions considered in risk	There is no material difference.

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			assessment include economic (including corporate governance), environmental, social, and others.	
3. Environmental issues (1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		Our office lighting are completely replaced with LED energy-saving lamps in order to contribute to environmental protection.	There is no material difference.
(2) Is the company committed to improving energy use efficiency and using recycled materials with low environmental impact?	V		The Company is committed to promoting the effective use of resources and implementing measures for waste separation, recycling and reduction to realize the environmental awareness of a green earth.	There is no material difference.
(3) Does the Company assess the potential risks and opportunities of climate change on the enterprise now and in the future, and take relevant measures in response?	V		The Company continues to promote paperless forms to reduce paper consumption, controls the temperature of air conditioners to save power during the summer, and actively replaces old and high-energy-consuming equipment to achieve energy saving and carbon reduction goals.	There is no material difference.

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?		V	The Company has not yet compiled statistics on GHG emissions, water consumption and total weight of waste for the past two years. However, the Company shall develop relevant plans to collect, compile and calculate data, examine direct or indirect GHG emissions from its own operations, identify hot spots of emissions through the results of the inventory, further analyze and explore the segments with potential for emissions reduction, and then promote relevant reduction actions accordingly.	The preparation of such reports will depend on the Company's operation and scale.
4. Social Issues (1) Has the Company established relevant management policies and procedures in accordance with relevant laws and regulations and international human rights treaties?	V		The Company's employment policies are in accordance with relevant labor laws and regulations to protect the legal rights of each employee. The Company also adheres to the spirit and fundamental principles of human rights protection enshrined in international human rights conventions, such as the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.	There is no material difference.

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			It fully embodies the responsibility to respect and protect human rights, treating and respecting all salaried employees, including contract workers and interns, with dignity. In order to effectively implement the employment policy and comply with labor laws and regulations, we have established employee work rules and other related management practices to ensure that the work rights of each employee are protected.	

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
(2) Has the Company established and implemented reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflected operational performance or results in employee compensation?	V		The Company follows the Labor Standards Act and relevant laws and regulations to set up various salary and benefit measures for its employees, and provides market competitive benefits to motivate employees. The Company continues to promote workplace diversity and equal promotion opportunities, without discrimination based on gender, race, age, skin color, nationality, religion, marital status, sexual orientation, physical or mental disability, or any other reason. This fosters equal pay and promotion opportunities for all genders and ethnic groups. Through internal training and career planning, female employees currently account for 49.32% of the total workforce, and the proportion of women in senior management positions reaches 20.00%, fostering female empowerment in a friendly workplace.	There is no material difference.

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
(3) Does the Company provide a safe and healthy working environment for employees and implement safety and health education for employees on a regular basis?	V		To improve the safety and health of employees in the workplace, the following measures are taken: 1. Conducting regular employee health checks. 2. The Company promotes a smoke-free working environment, so that employees can work in a comfortable and healthy environment. Furthermore, the Company holds fire and earthquake drills from time to time so that employees can become familiarized with the emergency response plan to minimize the impact on them. 3. Provide employees with clean, safe and secure drinking water, and regularly commission an EPA-approved organization to test the water quality of drinking water for total bacterial colony count and E. coli count in the quantities required by law, and regularly maintain and disinfect the water supply equipment. 4. In case of emergencies caused by natural disasters or human negligence, fire and earthquake drills are held from time to time to enable employees to follow	There is no material difference.

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
			emergency response plans and minimize the impact on employees. 5. Employee outdoor activities are held from time to time, and the Welfare Committee budgets employee incentive trips, so that employees can take proper care of their health and develop healthy exercise habits in their free time. 6. No employee accident occurred in 2024. 7. In 2024, there were no fires nor casualties. Daily fire prevention measures include conducting fire safety training for employees every six months and annual inspections and maintenance of fire equipment. Additionally, inspections and reporting to the fire department are conducted in collaboration with the designated inspection authority for record-keeping purposes.	

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
(4) Has the Company established an effective career development training program for employees?	V		In order to enhance the technical and managerial skills required for employees to perform various duties, and to stimulate their potential, the Company closely coordinates corporate growth and employee talent development programs to improve work efficiency, and the supervisors of each unit arrange training programs related to the duties of their employees. Additionally, the Company plans comprehensive competency training for supervisors and employees at all levels, including new employee training, regular internal training, and supervisor training.	There is no material difference.
(5) Does the Company follow relevant laws and regulations and international standards, and establish policies and complaint procedures to protect the rights of consumers or customers with regard to issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	V		The Company values the opinions of our customers. In addition to individual visits, the Company also provides a product contact window and email address on the Company's website, as well as a stakeholder area to provide a channel for customer inquiries, complaints and suggestions.	There is no material difference.
(6) Does the Company have a supplier management policy that requires suppliers to comply with		V	The Company has not established relevant policies and regulations.	The preparation of such reports will

Promotion Items	Implementation			Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.
	Yes	No	Summary Description	
relevant regulations on environmental protection, occupational safety and health or labor human rights, and how is it implemented?				depend on the Company's operation and scale.
5. Has the Company made reference to international standards or guidelines for the preparation of sustainability reports, such as ESG reports, to disclose non-financial information about the Company? Has the Company obtained any assurance or guarantee from a third-party verifier for the aforementioned reports?		V	The Company's Sustainability Report is primarily structured with reference to the Global Reporting Initiative (GRI) Standards, following the Core option for disclosure. The Company's has not yet obtained assurance or verification opinions from a third-party verifier for the report.	The preparation of such reports will depend on the Company's operation and scale.
VI. If the Company has its own "Code of Practice for Sustainable Development" in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between actual operation and the Principles: No such matter.				

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation</th><th rowspan="2">Differences with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons for such variances.</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="5">Other important information to help understand the implementation of sustainable development.
1. On April 23, 2024, the Company obtained the ISO9001 International Quality Management System certification.
2. Social Charity
1. In order to give back to the society and take care of the disadvantaged, the Company purchases mooncakes from charitable organizations for the mentally disabled to help the mentally disabled expand and continue their lifelong care and employment support, as well as to promote social stability.</td></tr>
</table>

(7) TWSE/TPEx-listed companies' climate-related information

Item	Implementation
1. Climate related information implementation status (1) Describe the Board of Directors' and management's oversight and governance of climate related risks and opportunities.	The Board of Directors of GMI resolved on November 8, 2022, to establish the Sustainable Development Committee, which reports to the Board of Directors annually. The Board of Directors authorizes a promotion unit composed of three independent directors and senior management, such as the General Manager to lead the formulation of strategies and objectives for the Company's overall corporate social responsibility and sustainability direction. It also coordinates the heads of various departments to assist in promoting sustainability and managing the implementation effectiveness of climate issue governance projects, integrating them into operational strategies and various operational activities. The committee holds at least one meeting annually and convenes ad-hoc meetings as needed. It is responsible for formulating, promoting, and strengthening the action plans and capital expenditures for significant sustainability policies (including climate-related issues) within the Group's companies, reviewing, tracking, and improving the implementation status and effectiveness of sustainability efforts, and reporting to the Board of Directors. The committee also has a task force composed of first-level supervisors, including the Sustainable Environment Team, responsible for environmental management systems, compliance with environmental laws and international standards, assessing sustainable transformation, improving resource utilization, and climate change response mechanisms. This team holds cross-departmental meetings as needed for discussion and coordination to achieve environmental sustainability goals. Additionally, there is

Item	Implementation
	a Risk Analysis Team responsible for the risk management policies and procedures of the Group's companies, including climate-related risk issues, the latest legal regulations on industry climate risks, and updating the identification results of climate risks and opportunities. The Company's Board of Directors approved the "Risk Management Regulations" on August 9, 2022, incorporating climate change risk management into the overall risk management process of the consolidated company. In response to the impact of climate change and the greenhouse effect on the Earth, the Company, in accordance with the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" issued by the Financial Supervisory Commission, established in December 2024 a dedicated (or concurrent) unit and personnel for greenhouse gas inventory and defined their responsibilities. A greenhouse gas inventory team was established and integrated into the Sustainable Development Committee, responsible for the Company's greenhouse gas emission-related management.
(2) Describe how the identified climate risks and opportunities affect the business, strategy, and finances (short-term, medium-term, long-term) of the enterprise.	Through internal discussions and evaluations of climate-related issues, the Company identified 4 climate risks and 2 climate opportunities. The impact period was categorized into short-term (1-3 years), medium-term (3-10 years), and long-term (over 10 years). The potential financial impacts are detailed in the table below:

Item	Implementation
	(table below)
(3) Describe the financial impact of extreme climate events and transition initiatives.	Same as item (2) as the table above:

Risk category	Risk aspect	Risk content (i.e., risk factor)	Impact time	Impact of risks on the Company's strategy, operations, and finances	Response strategies	Financial impact of the response plan
Physical risk	Immediate	Increased severity of typhoon events	Short-term	Typhoons will cause operational disruptions, affect employee lives, and disrupt component supply from suppliers. Related recovery costs and delays in product delivery will increase management costs and reduce sales. An estimated revenue reduction of NT$40,000,000 per day of operational disruption due to a typhoon.	Activate the emergency response team mechanism during typhoon impacts, inspect and ensure the normal operation of critical equipment, and ensure mitigation of impacts during disasters.	The financial impact is approximately NT$1,648,250 for emergency response team expenses and insurance costs.
Physical risk	Long-term	Increased air conditioning load and employee heatstroke due to warming	Long-term	Global warming causes summer temperatures to rise year by year. To prevent employee heatstroke and maintain office temperatures, the air conditioning load will increase, leading to higher electricity bills in the summer.	Replace equipment that meets government energy-saving label standards and adjust indoor temperature to a reasonable level.	The financial impact for equipment replacement was NT$250,000 in 2022.
Transition risk	Policy and legal	Domestic government carbon fee levy	Medium-term	The EU's carbon tax levy and the Taiwanese government's carbon fee levy will increase operating costs, such as the expense of preparing relevant regulatory documents, and will also result in increased related costs due to the pass-through of logistics and distribution costs.	Develop comprehensive assessment and formulate relevant response measures and strategies for carbon tax and carbon fees in advance.	The financial impact is the anticipated cost of research required to get ready to adapt to relevant regulations.
Transition risk	Market	Increased related costs due to energy transition	Medium-term	Increased related costs due to energy transition will increase operating costs.	Gradually increase the proportion of energy-efficient equipment procurement and actively promote energy conservation to employees in the office.	The financial impact for equipment replacement was NT$550,000 in 2021.

Item	Implementation
(4) Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The Board of Directors is the highest decision-making unit for the Company's risk control. In response to the risks of climate change to the industry, the Company's sustainable development execution team under the jurisdiction of the Sustainable Development Committee is responsible for convening relevant units, with reference to the structure of the "Task Force on Climate-related Financial Disclosures" (TCFD), to identify potential climate change risks and opportunities, including physical and transition risk, that may be brought about by climate change, thus keeping abreast of the impact and influence on operations, to formulate relevant response strategies and measures, to reduce the losses caused by climate change, and to promote and implement the Company's overall risk management as the goal. The company has established a risk analysis team as the responsible unit for implementing risk management. The General Manager serves as the convener, and the risk analysis team is mainly responsible for executing the Company's risk monitoring, measurement, and assessment, assisting in the formulation of the Company's risk management policies, ensuring the implementation of risk management decisions approved by the Board of Directors, controlling the risks that may arise from various business activities within an acceptable range, and establishing solid risk management operating principles. The risk analysis team conducts risk identification and analysis in eight major aspects—strategy, operations, finance, market, compliance, information security, human resources, and climate—based on the business scope of each department. Based

Item	Implementation
	on the risk identification results, each department plans response strategies, integrates and manages risks that may affect operations and profits. The General Manager submits a management execution status and risk control report to the Board of Directors annually, while supervising and tracking the management team's risk management implementation, with the aim of strengthening the Company's foundation.
(5) If situational analysis is adopted to assess the resilience to climate change risks, describe the context, parameters, assumptions, analysis factors, and key financial impacts used.	The Company has not yet adopted scenario analysis to assess resilience against climate change risks and will develop and consider this in the future in accordance with government regulations and the degree of environmental change.
(6) If there is a transition plan for managing climate-related risks, describe the contents of the plan, and the indicators and targets used to identify and manage physical and transitional risks.	The Company has invested in relevant transition plans for transition risks but has not yet set indicators and targets for the identified physical and transition risks.
(7) If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.	The Company currently does not adopt an internal carbon pricing system and will evaluate its implementation in the future based on actual needs as one of the strategic tools to achieve the Company's net-zero emissions goal, aligning with international carbon reduction trends.
(8) If climate related targets are set, the activities covered,	

Item	Implementation
the scope of greenhouse gas emissions, the planning period, the annual progress of achievement, etc.; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be disclosed.	To achieve the 2050 net-zero goal, the Company will prioritize energy conservation as the primary reduction method, analyze the electricity consumption of major operating sites, and strengthen electricity management at each site. The Company has not yet set climate-related targets or used carbon offsets or RECs.
(9) Greenhouse gas inventory and verification status, reduction targets, strategies, and specific action plans	In accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Company plans to disclose the 2025 inventory information in 2026 and, no later than 2026 as the baseline year, disclose the 2027 reduction targets, strategies, and specific action plans. Currently, inventory and assurance have not been conducted.

(8) The state of the Company’s performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
1. Establishment of policies and programs for ethical management				
(1) Has the Company established an ethical management policy approved by the Board of Directors, and has the policy and practices of honest management been clearly stated in the Articles of Incorporation and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the ethical management policy?	V		The Company has established the "Code of Conduct for Ethical Management", which was approved by the Board of Directors and reported in the shareholders' meeting. The Code is also posted on the Company's internal/external website and the Market Observation Post System for members of the Board of Directors and the management to implement and supervise the implementation of the Code based on the concept of integrity in order to create a sustainable business environment.	There is no material difference.
(2) Has the Company established a mechanism to assess the risk of unethical conduct, regularly analyzed and evaluated the business activities within the scope of business that have a higher risk of unethical conduct, and formulated	V		The Company has established a "Code of Ethics for Employees", which prohibits unethical conduct such as bribery, accepting bribes, offering or accepting improper benefits, engaging in unfair competition, leaking trade secrets, and harming the rights of stakeholders, etc. Preventive measures and education have been taken to implement the principle of ethical management.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
a plan to prevent unethical conduct based on the plan, which at least covers the preventive measures for the conducts mentioned in Article 7(2) of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?				
(3) Does the Company specify the operating procedures, guidelines for conduct, disciplinary and reporting systems for non-compliance in the unethical conduct prevention plan, and implement them, and regularly review and revise the previously disclosed plan?	V		The Company has established the "Code of Conduct for Employees", which specifies the penalties for non-compliance, and has reinforced the guidance for new employees and implemented them in its operations.	There is no material difference.
2. Implementation of Ethical Management (1) Does the company evaluate the integrity records of its counterparties and specify the integrity terms in the contracts it signs with them?	V		The Company evaluates the integrity records of its business partners before conducting business transactions with them. Business activities are conducted in accordance with the terms of the contract with the counterparty, and the terms of the business contract specify the ethical conduct of the business.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policies and plans to prevent unethical conduct and monitor their implementation?		V	The Company does not have a dedicated unit to promote the ethical corporate management, but each unit is responsible for its own implementation, and the Audit Office, which is directly under the Board of Directors, is responsible for supervising and auditing whether there is any violation of ethical management within the Company.	The preparation of such reports will depend on the Company's operation and scale.
(3) Has the Company established a policy for the prevention of conflict of interest, provided appropriate presentation channels, and implemented them?	V		The Company has established the "Code of Conduct for Ethical Management", which provides policies to prevent conflict of interest and requires each unit to implement them.	There is no material difference.
(4) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit prepared an audit plan based on the assessment results of the risk of unethical conduct and checked	V		The Company has established an accounting system and internal control system in accordance with relevant laws and regulations. The internal audit unit performs all audits in accordance with the audit plan, and will arrange for additional audits when special circumstances arise.	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
the compliance of the unethical conduct prevention plan, or has the company appointed a CPA to perform the audit? (5) Does the Company regularly conduct internal and external education and training on integrity management?	V		The Company has established a "Code of Conduct for Ethical Management" which is disclosed on the Company's internal and external website, as well as the MOPS, and hold regular education and training activities.	There is no material difference.
3. Operation of the Company's whistleblower system (1) Has the Company established a specific whistleblowing and reward system, established a convenient whistleblowing channel, and assigned appropriate personnel to receive whistleblowing reports?		V	The Company has established the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company", which defines the reporting process and reporting channels, but has not yet established the related reward system.	The procedures will be determined according to the company's operating conditions and size.
(2) Has the Company established standard operating procedures for the investigation of whistleblowing cases, follow-up tracking measures to be undertaken after the completion of the	V		The Company maintains the confidentiality of all complaints, and the procedures and mechanisms for reporting illegal, unethical and unethical conduct by internal and external personnel are specified in the "Rules for Internal and External Reporting of Illegal and Unethical Conduct of the Company".	There is no material difference.

Evaluation Items	Operation			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons thereof
	Yes	No	Summary Description	
investigation and the relevant confidentiality mechanism? (3) Does the Company take measures to protect the whistleblower from improper reprisals?	V		The Company will maintain confidentiality and will not subject the whistleblower to improper or unfair treatment as a result of reporting unethical conduct.	There is no material difference.
4. Enhancement of information disclosure Does the Company disclose the contents and effectiveness of its Code of Conduct on Ethical Management on its website and MOPS?	V		The Company has disclosed the Code of Conduct for Ethical Management on the Company's official website and the MOPS.	There is no material difference.
5. If the Company has its own code of ethical management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the Principles. The Company has established the "Code of Conduct for Ethical Management" to establish and develop a corporate culture of integrity management, and there is no difference between the actual operation and the Principles.				
6. Other important information for understanding the Company's ethical management operations: (e.g., the Company reviews and amends its Code of Conduct for Ethical Management) The Company will keep an eye on the development of domestic and international regulations related to honest management and encourage directors, managers and employees to make suggestions for improvement. The Company's "Code of Conduct for Ethical Management" has been revised in the 2019 Annual General Meeting of Shareholders in response to the amendment of the law to enhance the effectiveness of the Company's ethical management.				

(9) Other important information that may be disclosed to enhance understanding of corporate governance operations should also be disclosed: Market Observation Post System http://mops.twse.com.tw.

Continuing education for the Company's directors and supervisors in 2024:

Title	Name	Date of study		Organizer	Course Name	Study hours	Total hours of study for the year
		Start	End				
Corporate Representative Director	Chia-Wen Yeh	2024/12/06	2024/12/06	Taiwan Institute of Directors	Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development	3	57
		2024/10/14	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3	
Corporate Representative Director	Yeh, Po-Chun	2024/08/08	2024/08/08	Securities and Futures Institute	Nvidia's Three Trillion Miracle: New Thinking on the Semiconductor Industry Revolution Behind Artificial Intelligence	3	
		2024/07/11	2024/07/11	The Greater Chinese Financial Development Association	AI and New Trends and Practical Applications of Fintech	3	
Corporate Representative Director	Ivan Liu	2024/12/12	2024/12/12	Securities and Futures Institute	Shareholders' Meetings, Management Control, and Equity Strategies	3	
		2024/08/07	2024/08/07	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Carbon Management Applications	3	
Corporate Representative Director	Wang, Kuo-Chang	2024/12/06	2024/12/06	Taiwan Institute of Directors	Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development	3	
		2024/10/14	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3	
Corporate Representative Director	Che-Sheng Shen	2024/10/14	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3	
		2024/08/29	2024/08/29	Securities and Futures Institute	Board of Directors Performance Evaluation	3	
Independent Director	Sen Jan	2024/10/14	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3	
		2024/08/07	2024/08/07	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Carbon Management Applications	3	
Independent Director	Yen Hui Ko	2024/12/06	2024/12/06	Taiwan Institute of Directors	Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development	3	
		2024/10/14	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3	
Independent Director	Wei-Chang Li	2024/10/14	2024/10/14	Taiwan Institute of Directors	Long-Term and Short-Term Economic Trends for Business Managers (Analysis of Taiwan's Industrial Outlook)	3	

		2024/08/29	2024/08/29	Securities and Futures Institute	Board of Directors Performance Evaluation	3	
Independent Director	Chung-Chi Chou	2024/12/06	2024/12/06	Taiwan Institute of Directors	Transcending Organizational Boundaries - Organizational Strategy and Key Talent Development	3	
		2024/09/12	2024/09/12	Taiwan Project Management Association	ESG Project Management for Sustainable Development	3	
		2024/09/12	2024/09/12	Taiwan Project Management Association	From Digital Transformation to AI Competencies	3	

(10) Implementation of the Internal Control System

1. Statement of Internal Control System

GMI Technology Inc.
Statement of Internal Control System

Date: March 11, 2025

Based on the results of our self-evaluation, the Company hereby declares that its internal control system for 2024 is as follows:

1. The Company recognizes that the establishment, implementation and maintenance of the internal control system is the responsibility of the Company's Board of Directors and management, and hereby declares that the Company has established such a system. The purpose of the system is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and safety of assets), reliability of reporting, timeliness, transparency and compliance with relevant regulations and compliance with relevant laws and regulations.
2. No matter how well designed, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; moreover, the effectiveness of the internal control system may change due to changes in circumstances and conditions. However, the Company's internal control system has a self-monitoring mechanism, and once deficiencies are identified, the Company will take corrective action.
3. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the criteria for determining the effectiveness of the internal control system set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (the "Guidelines"). The judgment items of the internal control system adopted in the Guidelines are divided into five components based on the management control process: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision. Each component includes a number of items. Please refer to the "Guidelines" for the aforementioned items.
4. The Company has adopted the above internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the aforementioned evaluation, the Company believes that the design and implementation of the Company's internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the extent to which operational effectiveness and efficiency objectives have been achieved, and the reporting of such internal control system is reliable, timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective and can reasonably ensure The design and implementation of the internal control system in compliance with the relevant regulations and relevant laws and regulations are effective and can reasonably ensure the achievement of the above objectives.
6. This statement will be the main content of the Company's annual report and public statement, and shall be made public. If any of the aforementioned contents are disclosed in a false or

concealed manner, the Company will be subject to legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

7. This Statement was approved by the Board of Directors at its meeting held on March 11, 2025, and of the nine directors present, none held an dissenting opinion, with all directors agreeing to the contents of this statement.

GMI Technology Inc.

Chairman: Yeh, Chia-Wen (Signature)

Director: Ivan Liu (Signature)

2. If a CPA is engaged to review internal control, the accountant's review report should be disclosed: Not applicable.

(11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

<table>
<tr><th>Shareholders' Meeting</th><th>Date</th><th>Material resolutions and status of implementation</th></tr>
<tr><td>Annual Shareholders’ Meeting</td><td>June 26, 2024</td><td>
1. Recognition of the 2023 financial statements.
Implementation: The motion was approved by vote.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>70,752,361</td><td>64,991,238</td><td>36,445</td><td>0</td><td>5,724,678</td></tr>
</table>
2. Approved the appropriation of earnings for 2023.
Implementation status:
In 2023, the Company recorded net profit after tax amounting to NT$322,384,746. After taking into account the remeasurement of the defined benefit plan and the legal reserve and special reserve, the remaining amount of NT$391,453,333 will not be distributed and will be distributed in accordance with the Articles of Incorporation. The proposal was passed as proposed.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>70,752,361</td><td>65,030,875</td><td>38,678</td><td>0</td><td>5,682,808</td></tr>
</table>
(1) Cash dividends were distributed in the amount of NT$1.2 per share.
(2) Ex-dividend date: 2024/9/05
(3) Cash dividend distribution date: 2024/10/03

3. By-election of one additional independent director of the Company.
Implementation status:
Chung-Chi Chou was elected as the independent director in this by-election. The new directors and independent directors shall assume office upon being elected at the annual general meeting, and the term of office shall be from June 26, 2024 to June 22, 2025.
The results of the election are as follows:
<table>
<tr><th>Capacity</th><th>Account name/Name</th><th>Number of votes elected</th></tr>
<tr><td>Independent Director</td><td>Chung-Chi Chou</td><td>63,338,280 votes</td></tr>
</table>
4. Discussion of the removal of restrictions on the
</td></tr>
</table>

<table>
<tr><th>Shareholders' Meeting</th><th>Date</th><th>Material resolutions and status of implementation</th></tr>
<tr><td></td><td></td><td>competitive behavior of the Company's directors.
Implementation: The motion was approved by vote.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>70,752,361</td><td>64,945,820</td><td>103,182</td><td>0</td><td>5,703,359</td></tr>
</table>
Note: The above number of voting rights includes the number of voting rights exercised by electronic voting</td></tr>
<tr><td>Extraordinary shareholders' meeting</td><td>December 10, 2024</td><td>1. Amendment to certain provisions of the Company's Articles of Incorporation
Implementation status:
Based on operational needs, the Company intends to amend certain articles of the Company's Articles of Incorporation. This proposal was approved by vote as presented.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>68,557,176</td><td>67,706,300</td><td>49,915</td><td>0</td><td>800,961</td></tr>
</table>
Note: The above number of voting rights includes the number of voting rights exercised by electronic voting
2. The Company's lease of assets to related parties.
Implementation status:
The cloud computing contracts for 52 and 127 servers signed between the Company and GMI Computing International Ltd. are identified as finance leases in accordance with IFRS 16, requiring the derecognition of the assets. This proposal was approved by vote as presented.
The results of the voting were as follows:
<table>
<tr><th>Number of voting rights present</th><th>For</th><th>Against</th><th>Invalid</th><th>Abstention/No vote</th></tr>
<tr><td>29,269,746</td><td>28,406,956</td><td>59,440</td><td>0</td><td>803,350</td></tr>
</table>
Note 1: The above number of voting rights includes the number of voting rights exercised by electronic voting
Note 2: The number of voting rights of attending shareholders has the voting rights of the Chairman and his related parties who abstained from voting deducted, totaling 39,287,430 votes.</td></tr>
</table>

Board of Directors	Date	Important Resolutions
Board of Directors	9th meeting of the 11th Term February 23, 2024	1. Approved the purchase of GPU servers. 2. Approved to build GPU server.

Board of Directors	Date	Important Resolutions
Board of Directors	10th meeting of the 11th Term March 12, 2024	1. Approved the 2024 business plan. 2. Approved the 2023 financial statements. 3. Approved the 2023 distribution of remuneration to directors and employees. 4. Approved the appointment of members of the Company's Remuneration Committee. 5. Approved the appointment of the Company's Sustainable Development Committee members. 6. Approved amendments to certain provisions of the "Regulations Governing the Conduct of Board Meetings". 7. Approved the payment of year-end bonus to the Company's managerial officers for 2023. 8. Approved annual salary adjustments for managers for 2024. 9. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2024. 10. Approved the acceptance of proposals from shareholders holding more than 1% of the Company's shares. 11. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2023. 12. Approved the purchase of GPU servers. 13. Approved to build GPU server. 14. Approved the proposed date, time, venue, and agenda of the 2024 Annual General Shareholders' Meeting.
Board of Directors	11th meeting of the 11th Term April 26, 2024	1. Approved the issuance of the 1st unsecured convertible bonds. 2. Approved the motion for by-election of one independent director. 3. Approved the nomination for the by-election of one independent director candidate. 4. Approved the acceptance of nominations for directors candidates from shareholders holding more than 1% of the Company shares. 5. Approved the motion to release directors from non-compete agreements and restrictions. 6. Approved the motion for convening the 2024 regular shareholders' meeting.
Board of Directors	12th meeting of the 11th Term May 9, 2024	1. Approved the consolidated financial statements for Q1 of 2024. 2. Approved the proposal for the distribution of FY2023 earnings.
Board of Directors	13th Meeting of the 11th Term July 9, 2024	1. Approved the purchase of GPU servers. 2. Approved to build GPU server.
Board of Directors	14th Meeting of the 11th Term August 8, 2024	1. Approved the Company's consolidated financial statements for the second quarter of 2024. 2. Approved the Company's ex-dividend date and related matters for 2024.

Board of Directors	Date	Important Resolutions
		3. Approved the establishment of the organizational structure of the Sustainable Development Committee. 4. Approved the review of the Company's 2023 Sustainability Report.
Board of Directors	15th Meeting of the 11th Term September 5, 2024	1. Approved the amendment of certain provisions of the Company's "Articles of Incorporation". 2. Approved the purchase of GPU servers. 3. Approved the Company's lease of assets to related parties. 4. Approved the authorization of an independent director representative to sign cloud service contracts for 52 and 127 servers with GMI Computing International Ltd. 5. Approved matters related to the date, time, location, and agenda of the first extraordinary shareholders' meeting of 2024.
Board of Directors	16th Meeting of the 11th Term September 24, 2024	1. Approved the postponement of the convening date of the first extraordinary shareholders' meeting of 2024.
Board of Directors	17th Meeting of the 11th Term October 22, 2024	1. Approved the proposal to change the investment model for the procurement of GPU servers approved by the Board of Directors on March 12, 2024. 2. Approved the supplementary proposal to the Company's lease of assets to related parties, approved by the Board of Directors on September 5, 2024. 3. Approved matters related to the date, time, location, and agenda of the first extraordinary shareholders' meeting of 2024. 4. Approved the extempore motion for GPU server suppliers for procurement.
Board of Directors	18th Meeting of the 11th Term November 12, 2024	1. Approved the change of certified public accountants in accordance with the internal duty rotation adjustment of the CPA firm. 2. Approved the Company's consolidated financial statements for the third quarter of 2024. 3. Approved the amendment of certain provisions of the Company's "Audit Committee Charter". 4. Approved the "Sustainable Information Management Regulations" established by the Company. 5. Approved the proposed "Audit Plan" of the Company for FY2025, which has been duly finalized.
Board of Directors	19th Meeting of the 11th Term November 20, 2024	1. Approved the amendment to the contract for the Company's lease of 52 servers to the related party GMI Computing International Ltd. 2. Approved the amendment to the contract for the Company's lease of 127 servers to the related party GMI Computing International Ltd. Approved the proposal for the Regulations on the Operation and Management of Newly Leased Equipment. 4. Approved the update of the evaluation proposal for the Company's lease of assets to related parties, approved by the Board of Directors on October 22, 2024.
Board of Directors	20th Meeting of the 11th Term	1. Approved the payment of year-end bonus to the Company's managerial officers for 2024. 2. Approved annual salary adjustments for managers for 2025.

Board of Directors	Date	Important Resolutions
	January 21, 2025	3. Approved the "Regulations for Bonus to Senior Management" of the Company. 4. Approved the Company's "Statement on the Effective Design and Execution of the Internal Control System for the Procedures for the Acquisition or Disposal of Assets" of the Company for 2024. 5. Approved the Internal Control System Special Audit Report on the Company's "Acquisition or Disposal of Assets" for 2024. 6. Approved the addition of "Regulations Governing Financial and Business Transactions between Related Parties".
Board of Directors	21st Meeting of the 11th Term March 11, 2025	1. Approved the Company's 2025 Business Plan 2. Approved the 2024 financial statements. 3. Approved the distribution of directors' and employees' remuneration for FY2024. 4. Approved the proposal for the total annual purchase amount from related parties expected to exceed 20% of the Company's most recent consolidated total assets or the most recent annual consolidated net operating revenue. 5. Approved the amendment to certain provisions of the "Articles of Incorporation". 6. Approved the proposal to establish a U.S. subsidiary. 7. Approved the change of certified public accountants in accordance with the internal duty rotation adjustment of the CPA firm. 8. Approved the appointment of CPAs and the evaluation of the independence and suitability of the CPAs for 2025. 9. Approved transactions of equipment with related parties. 10. Approved the re-election of directors. 11. Approved the acceptance of proposals from shareholders holding more than 1% of the Company's shares. 12. Approved the acceptance of proposals from shareholders holding 1% or more of the shares (including independent directors). 13. Approved the release of directors from non-compete agreements and restrictions. 14. Approved the "Evaluation of the Effectiveness of the Internal Control System" and the "Statement of Internal Control System" for 2024. 15. Approved the proposed date, time, venue, and agenda of the 2025 Annual General Shareholders' Meeting.
Board of Directors	22th Meeting of the 11th Term April 17, 2025	1. Approved the amendment to certain provisions of the "Articles of Incorporation". 2. Approved the proposal to change the spokesperson and appoint a new acting spokesperson. 3. Approved transactions of equipment with related parties.
Board of Directors	22th Meeting of the 11th Term May 09, 2025	1. Approved the proposal for the distribution of FY2024 earnings. 2. Approved the consolidated financial statements for Q1 of 2025. 3. Proposal for investment in the newly established GMI India. 4. Approved the proposal to sell 127 H200 servers to GMI USA Corporation. 5. Approved the revised budget proposal for the leasing project of 127 H200 servers.

Board of Directors	Date	Important Resolutions
		6. Approved the proposal to amend the transaction terms for the leasing of 127 H200 servers. 7. Approved the nomination of candidates for election as directors (including independent directors) in FY2025. 8. Approved the motion to release directors from non-compete agreements and restrictions.

(12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

4. Information on the professional fees of the attesting CPAs:

(1) CPA fees information

Unit: NT$ ‘000

Name of Accounting Firm	Name of CPA	Period of audit	Audit fees	Non-audit fees	Total	Remark
KPMG Taiwan	Shu-Zhi Yang Jason Lin	2024/01/01-2024/12/31	3,280	510	3,790	Note

Note: The non-audit fee service content includes the second and third installments of the 2023 Sustainability Report consulting fee of NT$400 thousand, the 2024 convertible bond review fee of NT$100 thousand, and the 2023 BVI financial statement fee of NT$10 thousand.

(2) If the audit fee paid in the year of change of accounting firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the change and the reasons for the change should be disclosed: None.

(3) If the audit fee is reduced by 10% or more from the previous year, the amount, percentage and reasons for the reduction shall be disclosed: None.

5. Change of CPAs:

(1) About the former attesting CPA

<table>
<tr><td>Date of Replacement</td><td colspan="3">Approved by the Board of Directors on November 12, 2024</td></tr>
<tr><td>Reasons and explanations for the replacement</td><td colspan="3">The former attesting CPAs of the Company were Heng-Sheng Lin and Winston Yu of KPMG Taiwan. In line with the internal job rotations of KPMG Taiwan, the attesting CPAs of the Company were changed to Shu-Zhi Yang and Heng-Sheng Lin with effect from the third quarter of 2024.</td></tr>
<tr><td rowspan="3">Indicate whether the appointment is terminated or not accepted</td><td>Party
Situation</td><td>CPA</td><td>Appointer</td></tr>
<tr><td>Voluntary termination of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>No longer accept (renew) the appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Opinions on audit reports issued within the last two years other than unqualified opinions and reasons thereof.</td><td colspan="3">None</td></tr>
</table>

<table>
<tr><td rowspan="7">Any disagreement with the Company</td><td rowspan="5">Yes</td><td></td><td>Accounting Principles and Practices</td></tr>
<tr><td></td><td>Disclosure of Financial Reports</td></tr>
<tr><td></td><td>Scope of Audit or Procedures</td></tr>
<tr><td></td><td>Other</td></tr>
<tr><td></td><td></td></tr>
<tr><td>None</td><td colspan="2">ˇ</td></tr>
<tr><td colspan="3">Description</td></tr>
<tr><td>Other disclosures
(Items 1(d) to 1(g) of Article 10(6) of this Standard should be disclosed)</td><td colspan="3">Not applicable</td></tr>
</table>

(2) Successor CPA

Name of the Firm	KPMG Taiwan
Name of CPA	CPAs Shu-Zhi Yang, Heng-Sheng Lin
Date of Appointment	2024.11.12
Consultation on the accounting treatment or accounting principles for certain transactions and possible issuance of financial statements prior to the appointment and the results of such consultation	Not applicable
Written opinion of the successor accountants on matters on which the predecessor accountants disagreed	Not applicable

(3) A letter of reply from the predecessor accountant on the matters set forth in paragraphs 6(1) and 2(3) of Article 10 of this Standard.

6. Where the Company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

7. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Changes in shareholdings of directors, managers and major shareholders:

Unit: Shares

Title	Name	FY2024		2025 up to April 27, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Corporate Representative Director	Chia-Wen Yeh (De-Jet Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director (President)	Ivan Liu (De-Jet Investment Co., Ltd.)	(52,000)	-	-	-
Corporate Representative Director	Po-Chun Yeh (De-Jet Investment Co., Ltd.) (Note 1)	-	-	-	-
Corporate Representative Director	(De-Jet Investment Co., Ltd.) (Note 2)	-	-	-	-
Corporate Representative Director	Wang, Kuo-Chang (De-Jet Investment Co., Ltd.)	-	-	-	-
Corporate Representative Director	Che-Sheng Shen (De-Jet Investment Co., Ltd.)	-	-	-	-
Independent Director	Sen Jan	-	-	-	-
Independent Director	Ming-Chieh Lin (Note 3)	-	-	-	-
Independent Director	Yen Hui Ko	-	-	-	-
Independent Director	Wei-Chang Li	-	-	-	-
Independent Director	Chung-Chi Chou (Note 4)	-	-	-	-
Finance, Vice President	Jason Lin	(8,609)	-	-	-
Senior Assistant Vice President	Yun-Hsiang Li (Note 5)	(190,000)	-	-	-
Senior Assistant Vice President	Mei-Hui Lin	(23,000)	-	-	-
Senior Assistant Vice President	Ching-Hsien Chen	-	-	-	-
Senior Assistant Vice President	Kevin Ko	-	-	-	-
Senior Assistant Vice	Ming-Che Yu	-	-	-	-

Title	Name	FY2024		2025 up to April 27, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
President					
Assistant Vice President	Wan-Yu Cho	-	-	-	-
Assistant Vice President	Po-Heng Liu	-	-	-	-
Assistant Vice President	Lin, Hui-Chong (Note 6)	-	-	-	-
Assistant Vice President	Bo-Jen Liao	-	-	-	-
Assistant Vice President	Sheng-Hung Wu	-	-	-	-
Assistant Vice President	Yu-Lun Lin	-	-	-	-
Assistant Vice President	Kenneth Hsieh (Note 7)	-	-	-	-
Major Shareholder	De-Jet Investment Co., Ltd.	-	(3,880,338)	-	-

Note 1: Resigned as an independent director of the Company on January 10, 2025. Note 2: Newly appointed as a director of the Company on January 10, 2025.
Note 3: Resigned as an independent director of the Company on April 12, 2024.
Note 4: Newly appointed as an independent director of the Company on June 26, 2024.
Note 5: Resigned on March 31, 2024.
Note 6: Resigned on June 30, 2024.
Note 7: Newly appointed in May 2024

(2) Information on related parties for the transfer of shares or pledge of shares: None.

8. Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship:

Information on the relationship between the ten largest shareholders of the Company

Date: April 27, 2025

Name (Note 1)	Shares held		Shares held by spouse and minor children		Shares held in the name of others		The names and relationships of the ten largest shareholders who are related to each other under SFAS No. 6 (Related Party Disclosures) or who are related to each other as spouses or second degree relatives. (Note 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
De-Jet Investment Co., Ltd.	52,782,278	32.46	0	0%	0	0%	Chia-Wen Yeh	The Chairman of the company is also the Chairman of GMI Technology Inc.	
Dejie Investment Co., Ltd.	5,433,303	3.34	0	0%	0	0%	Ming-Han Yeh	The Chairman of the company is the son of the Chairman of	

Lin, He-Yue	1,468,000	0.90	0	0%	0	0%	None	None	
Dejie Investment Co., Ltd.	1,237,000	0.76	0	0%	0	0%	None	None	
Wu, Wen-Shan	770,000	0.47	0	0%	0	0%	None	None	
UBS Europe SE Investment Account Custodied by Citibank (Taiwan) Limited	633,017	0.39	0	0%	0	0%	None	None	
HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for investment account of Morgan Stanley International Limited	423,886	0.26	0	0%	0	0%	None	None	
Standard Chartered International Commercial Bank, Business Department, in custody for investment account of J.P. Morgan Securities Ltd.	414,518	0.26	0	0%	0	0%	None	None	
Citi Bank was entrusted with the custody of the Berkeley Capital SBL/PB Investment Account	397,000	0.24	0	0%	0	0%	None	None	
Chen Mao-Hsiung	392,284	0.24	0	0%	0	0%	None	None	

Note 1: All of the top ten shareholders should be listed, and the names of corporate shareholders and their representatives should be listed separately.
Note 2: Calculation of shareholdings refers to the percentage of shareholding in the name of oneself, one's spouse, one's minor children, or in the name of others, respectively.
Note 3: The shareholders listed in the preceding paragraph include both juristic persons and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

December 31, 2024

Unit: ‘000 Shares

Reinvested Business Entities	The Company		Investment by directors, managers who directly or indirectly control the business		Consolidated Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
GMI Technology (BVI) Co., Ltd	18,277	100.00%	-	-	18,277	100.00%
Global Mobile Internet Co.,Ltd.	1,548	34.21%	-	-	1,548	34.21%
HARKEN INVESTMENTS	13,169	100.00%	-	-	13,169	100.00%
Vector Electronic Company	34,149	100.00%	-	-	34,149	100.00%
G.M.I International Trading	Note 1	100.00%	-	-	Note 1	100.00%
Shenzhen Hongda Futong	Note 1	100.00%	-	-	Note 1	100.00%
GW Electronics Company Limited	102,000	51.00%	-	-	102,000	51.00%
Unitech Electronics Co.,Ltd.	9,559	12.73%	-	-	9,559	12.73%
Rehear Audiology Co., Ltd.	5,410	25.76%	1,226	5.84%	6,636	31.60%

Note 1: Not applicable, non joint stock company, and no shares issued.

III. Raising of Funds

1. Capital and share capital of the Company

(1) Source of share capital

April 27, 2025

Unit: Shares, NT$

Year and Month	Issue Price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of property other than cash to offset stock acquisition payments	Others
1995.10	10	2,500,000	25,000,000	1,000,000	10,000,000	Establishment of share capital Capital increase in cash 10,000,000	None	Note 1
1996.11	10	2,500,000	25,000,000	2,000,000	20,0000000	Capital increase in cash 10,000,000	None	Note 2
1997.09	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 10,000,000	None	Note 3
1998.06	10	7,000,000	70,000,000	5,000,000	50,000,000	Capital increase in cash 20,000,000	None	Note 4
1998.12	10	1,500,000	15,000,000	1,500,000	15,000,000	Capital reduction 35,000,000	None	Note 5
1999.08	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash 15,000,000	None	Note 6
2000.07	10	10,000,000	100,000,000	5,000,000	50,000,000	Capital increase in cash 20,000,000	None	Note 7
2002.04	10	21,000,000	210,000,000	21,000,000	210,000,000	Capital increase in cash by NT$ 160,000,000	None	Note 8
2003.06	12	60,000,000	600,000,000	34,065,000	340,650,000	Capital increase in cash by NT$ 100,000,000 capital increase transferred from surplus earnings amounting to NT$ 29,400,000 Employee bonus transferred to capital increase amounting to NT$1,250,000	None	Note 9
2003.11	10	60,000,000	600,000,000	34,098,250	340,982,500	Employee Stock Options 332,500	None	Note 10
2004.04	10	60,000,000	600,000,000	34,250,750	342,507,500	Employee Stock Options NT$1,525,000	None	Note 11
2004.09	10	60,000,000	600,000,000	38,620,750	386,207,500	Capital increase transferred from surplus earnings by NT$41,100,000 Employee bonus transferred to capital increase amounting to NT$2,600,000	None	Note 12
2004.10	10	60,000,000	600,000,000	38,646,340	386,463,400	Employee Stock Options 255,900	None	Note 13
2005.04	10	60,000,000	600,000,000	38,921,590	389,215,900	Employee Stock Options 2,752,500	None	Note 14
2005.08	10	60,000,000	600,000,000	43,524,533	435,245,330	Capital increase transferred from surplus earnings by NT$35,029,430 Employee bonus transferred to capital increase amounting to NT$11,000,000	None	Note 15
2005.10	10	60,000,000	600,000,000	43,696,533	436,965,330	Employee Stock Options 1,720,000	None	Note 16
2005.11	16	60,000,000	600,000,000	48,779,533	487,795,330	Capital increase in cash by NT$ 50,830,000	None	Note 17

2006.04	10	60,000,000	600,000,000	48,884,783	488,847,830	Employee Stock Options 1,052,500	None	Note 18
2006.08	10	150,000,000	1,500,000,000	53,806,718	538,067,180	Capital increase transferred from surplus earnings by NT$34,219,350 Employee bonus transferred to capital increase amounting to NT$15,000,000	None	Note 19
2006.10	10	150,000,000	1,500,000,000	53,863,218	538,632,180	Employee Stock Options 565,000	None	Note 20
2007.04	10	150,000,000	1,500,000,000	53,959,968	539,599,680	Employee Stock Options 967,500	None	Note 21
2007.08	10	150,000,000	1,500,000,000	57,007,967	570,079,670	Capital increase transferred from surplus earnings by NT$26,979,990 Employee bonus transferred to capital increase amounting to NT$3,500,000	None	Note 22
2007.10	10	150,000,000	1,500,000,000	57,082,717	570,827,170	Employee Stock Options 747,500	None	Note 23
2008.04	10	150,000,000	1,500,000,000	57,155,217	571,552,170	Employee Stock Options 725,000	None	Note 24
2007.09	10	150,000,000	1,500,000,000	62,157,635	621,576,350	Capital increase transferred from surplus earnings by NT$45,724,180 Employee bonus transferred to capital increase amounting to NT$4,300,000	None	Note 25
2007.11	5.36	150,000,000	1,500,000,000	72,157,635	721,576,350	Private Placement 100,000,000	None	Note 26
2010.09	22	150,000,000	1,500,000,000	87,157,635	871,576,350	Capital increase in cash by NT$ 150,000,000	None	Note 27
2013.09	10	150,000,000	1,500,000,000	90,643,941	906,439,410	Capital increase transferred from surplus earnings by NT$34,863,060	None	Note 28
2014.10	10	150,000,000	1,500,000,000	95,176,139	951,761,390	Capital increase transferred from surplus earnings by NT$ 45,321,980	None	Note 29
2015.09	10	150,000,000	1,500,000,000	108,500,799	1,085,007,990	Capital increase transferred from surplus earnings by NT$ 133,246,600	None	Note 30
2016.05	6	150,000,000	1,500,000,000	128,500,799	1,285,007,990	Capital increase in cash by NT$ 200,000,000	None	Note 31
2018.03	7	150,000,000	1,500,000,000	109,002,365	1,090,023,650	Capital reduction to cover losses 294,984,340 Capital increase in cash 100,000,000	None	Note 32
2018.11	10	150,000,000	1,500,000,000	110,310,394	1,103,103,940	Capital increase transferred from surplus earnings by NT$ 13,080,290	None	Note 33
2019.9	10	200,000,000	2,000,000,000	118,032,122	1,180,321,220	Capital increase transferred from surplus earnings amounting 77,217,280	None	Note 34
2020.9	10	200,000,000	2,000,000,000	125,114,050	1,251,140,500	Capital increase transferred from surplus earnings amounting 70,819,280	None	Note 35
2021.9	10	200,000,000	2,000,000,000	137,625,455	1,376,254,550	Capital increase transferred from surplus earnings amounting 125,114,050	None	Note 36

2022.8	10	200,000,000	2,000,000,000	162,625,455	1,626,254,550	Capital increase in cash 250,000,000	None	Note 37

Note 1: October 6, 1995 Jian-Yi No. 01020108.
Note 2: November 20, 1996 Jian-Yi-Zi No. 85360314.
Note 3: September 13, 1997 Jian-Yi-Zi No. 86331123.
Note 4: June 10, 1998 Jian-Yi-Zi No. 87296832
Note 5: December 17, 1998, Jian-Yi-Zi No. 87357242.
Note 6: August 23, 1999, Jian 88 Zi No. 668450.
Note 7: July 7, 2000, Jing-Zi-No. 89456457.
Note 8: April 29, 2002, Jing-Shou-Shang-Zi No. 09101142830.
Note 9: July 22, 2003, Fu-Jian-Shang-Zi No. 09212843110.
Note 10: Nov. 24, 2003 Fu-Jian-Shang-Zi No. 09222872710.
Note 11: April 14, 2004, Fu-Jian-Shang-Zi No. 09308425600.
Note 12: September 15, 2004 Fu-Jian-Shang-Zi No. 09319633220.
Note 13: October 21, 2004, Fu-Jian-Shang-Zi No. 09321168010.
Note 14: April 22, 2005, Fu-Jian-Shang-Zi No. 09408044800.
Note 15: August 31, 2005, Fu-Jian-Shang-Zi No. 09417385410.
Note 16: October 20, 2005, Fu-Jian-Shang-Zi No. 09423433400.
Note 17: November 23, 2005, Fu-Jian-Shang-Zi No. 09424714900.
Note 18: April 20, 2006, Fu-Jian-Shang-Zi No. 09575614010.
Note 19: August 28, 2006, Jing-Shou-Shang-Zi 09501191550.
Note 20: October 18, 2006, Jing-Shou-Shang-Zi No. 09501234010.
Note 21: April 14, 2005 Jing-Shou-Shang-Zi No. 09601077170.
Note 22: August 30, 2007 Jing-Shou-Shang-Zi No.09601212940.
Note 23: October 18, 2007 Jing-Shou-Shang-Zi No.09601250240.
Note 24: April 17, 2008 Jing-Shou-Shang-Zi No.09701091940.
Note 25: September 8, 2008 Jing-Shou-Shang-Zi No.09701230320.
Note 26: November 12, 2008 Jing-Shou-Shang-Zi No.09701290140.
Note 27: September 13, 2010 Jing-Shou-Shang-Zi No.09901206530.
Note 28: September 23, 2013 Jing-Shou-Shang-Zi No.10201192590.
Note 29: September 23, 2014 Jing-Shou-Shang-Zi No.1031218920.
Note 30: September 17, 2015 Jing-Shou-Shang-Zi No.10401195590.
Note 31: May 19, 2016 Jing-Shou-Shang-Zi No.10501102960.
Note 32: May 16, 2018 Jing-Shou-Shang-Zi No.10701026700.
Note 33: November 15, 2018 Jing-Shou-Shang-Zi No.10701142500.
Note 34: September 11, 2019 Jing-Shou-Shang-Zi No.10801124150.
Note 35: September 7, 2020 Jing-Shou-Shang-Zi No.10901171010.
Note 36: September 11, 2021 Jing-Shou-Shang-Zi No.11001162620.
Note 37: August 30, 2022 Jing-Shou-Shang-Zi No.11101162940.

April 27, 2025; unit: shares

Shareholding Type	Authorized Share Capital				Remark
	Shares outstanding		Unissued shares	Total	
	Listed	Unlisted			
Registered Common Stock	162,625,455	-	37,374,545	200,000,000	None

Information about the issuer's approved offering of securities under the omnibus reporting system: Not applicable

(2) List of Major Shareholders

April 27, 2025; unit: shares

Name of major shareholders	Shares held	Shareholding ratio (%)
De-Jet Investment Co., Ltd.	52,782,278	32.46
Dejie Investment Co., Ltd.	5,433,303	3.34
Lin, He-Yue	1,468,000	0.90
Dejie Investment Co., Ltd.	1,237,000	0.76
Wu, Wen-Shan	770,000	0.47
UBS Europe SE Investment Account Custodied by Citibank (Taiwan) Limited	633,017	0.39
HSBC (Taiwan) Commercial Bank Co., Ltd. in custody for investment account of Morgan Stanley International Limited	423,886	0.26
Standard Chartered International Commercial Bank, Business Department, in custody for investment account of J.P. Morgan Securities Ltd.	414,518	0.26

Citi Bank was entrusted with the custody of the Berkeley Capital SBL/PB Investment Account	397,000	0.24
Chen Mao-Hsiung	392,284	0.24

(3) Dividend policy and implementation status:

1. Dividend policy as stated in the Company's Articles of Incorporation.

The dividend policy set forth in the Company's Articles of Incorporation is as follows (approved at the Annual General Meeting on June 21, 2016): According to the Company's Articles of Incorporation, if there is any surplus in the annual accounts, 10% shall be set aside as legal reserve after paying taxes and covering accumulated losses in accordance with the law, but the legal reserve may not be set aside if it has reached the Company's paid-in capital, and the rest shall be set aside or reversed to special reserve in accordance with the law. If there is any unappropriated earnings, the Board of Directors shall prepare a proposal for the appropriation of the earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the current year's distributable earnings and paying cash dividends on at least 10% of the current year's dividends. If the dividends are not sufficient, the Company may distribute stock dividends in full.

2. Proposed Dividend Distribution for 2024

In 2024, the Company recorded net profit after tax amounting to NT$322,384,746. After taking into account the remeasurement of the defined benefit plan and the legal reserve, the remaining amount of NT$391,453,333 will not be distributed and will be appropriated in accordance with the Articles of Incorporation. On May 9, 2024, the Board of Directors resolved to distribute shareholders' cash dividends of NTD 195,150,546 based on the number of 162,625,455 shares outstanding, or NTD 1.2 per share, to the nearest NTD. The total of all other receivables is recognized in the Company's other income. However, if the number of outstanding shares of the Company changes due to the buyback or transfer of the Company's treasury shares, or the creditors of the convertible corporate bonds before the ex-dividend date, the Board is proposed to adjust the dividend payout ratio and determine an ex-dividend value, base date, payment date and other related matters; to be ratified in the 2024 annual general meeting.

2024 Earnings Distribution Table

	Unit: NT$
Undistributed earnings at the beginning of the period	$391,453,333
Add: Net income after tax for the period	386,377,652
Add: Defined benefit plan remeasurement	1,765,960
Less: Provision for legal reserve	(38,814,361)
Available-for-distribution earnings	740,782,584
Distribution items:	
Less: Dividend - cash dividend (NTD 1.4)	(227,675,637)
Undistributed earnings at the end of the period	$513,106,947

3. Significant changes in expected dividend policy: None

(4) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Unit: NT$'000 (except Earnings Per Share, which is in NT$)

Year / Item			FY2025 (Estimated)
Paid-in capital at the beginning of period			1,626,254
Dividend distribution for the year	Cash dividends per share		1.4
	Number of allotted shares per share		-
	Number of shares per share from capital reserve		-
Changes in operating results	Operating Income		Not applicable
	Increase (decrease) in operating income over the same period last year		
	Net income after tax		
	Increase (decrease) in net income after tax compared to the same period last year		
	Earnings per share		
	Increase (decrease) in earnings per share from the same period last year		
	Average return on investment (inverse of average annual cost/benefit ratio)		
Proposed mandatory earnings per share and cost/benefit ratio	If all of the capital surplus is transferred to cash dividends	Proposed earnings per share	
		Proposed average annual rate of return on investment	
	If capital surplus is not transferred to capital	Proposed earnings per share	
		Proposed average annual rate of return on investment	
	If capital surplus is not	Proposed earnings per share	

	provided and capitalization of earnings is converted to cash dividends	Proposed average annual rate of return on investment	

Note: The Company has not announced the financial forecast for 2025, therefore, there is no need to disclose the projected information for 2025.

(5) Compensation to employees and directors:

1. The percentage or scope of remuneration to employees and directors as stated in the Company's Articles of Incorporation:

   Article 21, Chapter 5 of the Company's Articles of Incorporation.

   The Company shall set aside not less than 0.1% of the Company's annual profit. The Board of Directors shall resolve to distribute the remuneration to employees in the form of stock or cash to employees who meet certain criteria; the Company may set aside not more than 2% of the above-mentioned profits as remuneration to directors. The distribution of remuneration to employees and directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall reserve the amount to cover losses in advance, and the remuneration to employees and directors shall be provided in proportion to the aforementioned amount.

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares for employee remuneration distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount:

   The Company does not issue stock-based compensation to employees.

3. Information on the proposed employee bonus distribution approved by the Board of Directors: The calculation of directors' and employees' remuneration for 2024 was based on the Company's 2024 pre-tax net income of NTD 506,450 thousand (excluding directors' and employees' remuneration) multiplied by the distribution percentage stipulated in the Company's Articles of Incorporation. The distribution was approved by all directors and independent directors present as follows:

	Distribution amount (NT$)
Cash compensation to employees	600,000
Employee stock bonus	0
The Board of Directors, supervisors, directors and supervisors resolved to allocate not more than 2% of the remuneration to the directors in advance.	10,000,000

4. The actual distribution (including number of shares distributed, the amount and the price

of the shares) after the remuneration to employees and directors (including independent directors) in the previous year, and the differences between them and the remuneration of employees and directors (including independent directors) should be stated, the reasons for the differences and the handling of the situation:

(1) The actual distribution of bonuses to employees and remuneration to directors (including independent directors) for 2023 is as follows:

Remuneration in cash to employees: NTD 450,000.

Employee stock bonus: NT$0.

Remuneration to directors (including independent directors): NTD 8,200,000.

(2) If there is any difference between the above amount and the amount recognized as bonus to employees and remuneration to directors (including independent directors), please state the amount of difference, the reason for the difference and the handling of the difference: No difference.

(6) Repurchase of the Company's shares: None.

2. State of Corporate Bonds:

(1) Domestic and overseas corporate bonds

Corporate bond type	Domestic first unsecured convertible corporate bonds
Date of issuance (processing)	June 25, 2024
Face value	NTD 100,000
Place of issuance and trading	Taipei Exchange
Issue price	Issued at 100.5% of the face value
Total amount	NTD 1 billion
Interest rate	Coupon rate: 0%
Duration	3 years; from June 25, 2024 to June 25, 2027
Guarantee institution	Not applicable
Trustee	Trust Department, E.SUN Commercial Bank, Ltd.
Underwriting Institution	Lead underwriter KGI Securities Co., Ltd.
Legal counsel	Attorney Ya-Wen Chiu, Handsome Attorneys-at-law
CPAs	KPMG Taiwan Jason Lin and Winston Yu, Certified Public Accountants
Repayment method	Unless bondholders convert the bonds to the Company's common shares in accordance with Article 10 of the Company's Domestic First Unsecured Convertible Corporate Bonds Issuance and Conversion Regulations (hereinafter referred to as these Regulations), or the Company redeems them early in accordance with Article 18 of these Regulations, or the Company repurchases and cancels them through securities firms' business premises, the Company shall repay the bond principal in cash in one lump sum at face value within ten business days (including the tenth business day) from the day following the maturity date of these convertible corporate bonds.
Outstanding principal	NTD 1 billion
Redemption or early repayment clauses	Please refer to Article 18 and Article 19 of the Company's "Domestic First Unsecured Convertible Corporate Bonds Issuance and Conversion Regulations".

Restrictive clauses		None
Name of credit rating agency, rating date, corporate bond rating result		Not applicable
Other attached rights	As of April 27, 2025, no bondholders have requested conversion to common shares.	As of April 27, 2024, no bondholders have requested conversion to common shares.
	Issuance and conversion (exchange or subscription) method	
Issuance and conversion, exchange or subscription method, potential dilution of equity due to issuance terms, and impact on existing shareholders' equity		Please refer to the Company's "Domestic First Unsecured Convertible Corporate Bonds Issuance and Conversion Regulations".
Name of custodian institution for exchange target		No significant impact

(2) If convertible corporate bonds with the right for conversion to common shares, overseas depositary receipts, or other securities have been issued, the following table should be listed:

Corporate bond type		Domestic first unsecured convertible corporate bonds: None	
Year / Item		2024	As of April 27, 2025
Market price of convertible bonds	Highest	139	106.2
	Lowest	100	94.05
	Average	122.05	102.15
Conversion price		75.80	75.80
Date of issuance (processing) and conversion price at issuance		Issued on June 25, 2024, with a conversion price of NT$76.8 at the time of issuance.	
Method of fulfilling conversion obligations		Issuance of new shares	

3. Status of the Company's Preferred Shares: None.

4. Status of the Company's Overseas Depositary Receipts: None.

5. Status of the Company's Employee Stock Options: None.

(1) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.

(2) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual

report:

The Company has no manager who has acquired employee stock options and top ten employees who have acquired stock options.

6. New Restricted Employee Shares: None.

7. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

8. Implementation of the Company's Capital Allocation Plans: None.

IV. Operations Overview

1. Business Description

(1) Business Scope

1. The principal business scope the Company is engaged in:

A. I301010 Software Design Services

B. CC01060 Wired Communication Equipment and Apparatus Manufacturing

C. CC01070 Telecommunication Equipment and Apparatus Manufacturing

D. CC01080 Electronics Components Manufacturing

E. F118010 Wholesale of Computer Software

F. F119010 Wholesale of Electronic Materials

G. F113050 Wholesale of Computers and Clerical Machinery Equipment

H. F113070 Wholesale of Telecommunication Apparatus

I. IZ99990 Other Industrial and Commercial Services

L. F401010 International Trade

K. I501010 Product Design

L. JE01010 Rental and Leasing

M. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales ratio of major products (2024)

Unit: NT$ '000

Business Scope	Net Operating Revenue	Operating weight(%)
Digital Communication Application Solutions and Components	15,702,724	88.66
Storage Application Solutions and Components	1,821,575	10.29
Analog Electronic Components	147,023	0.83
Server leasing interest income	38,117	0.22
Total	17,709,439	100

Source: Audited financial reports for 2024

3. Current products (services) of the Company

(1) Digital communication application solutions and components.

Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc.

Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.

(2) Storage device application solutions and components.

Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc.

Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.

(3) Analog electronic components:

Application: Power Adapter, ADSL broadband network, SOHO Gateway.

Components: MosFET transistor, Ethernet PHY chip, voltage regulator, overcurrent protection device, and power control device.

4. New products (services) to be developed:

The rise of emerging trends will lead the direction of the development of the electronics industry. In the information technology field, the enhancement of existing products and research and development are key directions of development; in addition, the consumer electronics market is also driving the goal of capturing the market with multimedia and consumer-grade products. With the underlying trend of portable electronic products becoming more and more multifunctional, the design and search for higher capacity and lower power consumption storage technologies to meet the needs of users to store and share multimedia information has become the primary challenge for the future. Therefore, we consider ourselves as a 'solution provider' and plan our development direction as follows:

(1) Computer and Peripheral (Information Technology) Application Solutions.

SOHO Gateway, Wireless LAN, LCD Monitor, Memory Card, SSD, Network Storage, Card Reader, Notebook Charger, PoE Switch, 10GPoN, etc.

(2) Consumer Electronic application solutions:

LCD Monitor, DMP, Bluetooth Headset, Bluetooth Speaker, Tablet (MID), WiDi, IoT, IoI, dashcam recorder, Universal PD Transformer.

(2) Industry Overview

1. The main application areas and solutions are all competitive and profitable products. The various development trends of the Company's main application products are described as follows:

(1) TWS: True Wireless Bluetooth Headset

TWS headset mainly transmits signals through Bluetooth technology. However, due to the small size and battery capacity of TWS headphones, and the need to meet users' demands for connection stability, battery life and sound quality, Bluetooth connection technology with faster transmission speed, more stable connection capability and lower power consumption is one of the core technologies for the development of TWS headphones.

The TWS headphones industry is constantly evolving, and as technology advances, so too does related technologies. For example, the introduction of the Bluetooth 5.2 standard allows for faster transmission speeds, lower latency and more stable connectivity to TWS headset technology. In addition, improved voice recognition technology and optimized battery technology have also enabled TWS headset products to have better voice recognition and longer battery life. The continuous improvement of these technologies will further promote the development of TWS headset industry and bring better product experience to consumers.

This includes products such as open-ring headphones, in-ear headphones, etc. In order to meet the different needs of consumers, OTC hearing aids are also offered in the market catering to the hearing impaired. Unlike traditional hearing aids, OTC hearing aids are more affordable and have a more stylish, compact design that can effectively improve the quality of life for people with hearing loss. OTC hearing aid products have also continued to evolve through innovation, and more intelligent hearing aids have been developed, with noise reduction, voice recognition, intelligent control and other functions, making OTC hearing aid products gain traction in the market.

In terms of TWS headphones, in order to meet consumers' requirements for a better listening experience, many brands continue to develop more intelligent and more human-centered products. For example, some brands have launched headphones with active noise cancelling functions, which can minimize surrounding noise during use, allowing users to focus more on music or voice calls. In addition, there are also many intelligent applications in the TWS headphone market, such as headphone charging box with wireless charging function and headphones supporting voice assistant, which provide consumers with a more convenient and compelling user experience.

Overall, both the TWS headset market and OTC hearing aid market are facing continuous changes and development. With the rapid advancement of technology, the functions and performance of these products will be upgraded continuously, and more new products will enter the market to promote the development of the whole industry.

(2) Internet (IoT)

The Internet is currently the hottest topic in the market, and various suppliers are fully engaged in this field, offering there is a wide range of technologies. The Internet market requires not only hardware, but also integrated software development and platform integration to meet the business opportunities brought by the rise of the Internet of Things (IoT). These opportunities include:

1. Hardware: IoT devices and related communication devices, various sensor ICs, communication ICs, microcontrollers and micro-mechanical structures.
2. System composition and architecture: System solutions companies are mostly required to provide solutions to assist in platform architecture and maintenance.
3. Software development: Each IoT device requires a corresponding application to enable data exchange.

IoT application scenarios range from wearable devices to offices, factories, transportation facilities, public facilities, and various devices in all corners of the city, covering all kinds of activities in human society from near to far, with unlimited future potential.

(3) Wireless Local Area Network (WLAN)

For WLAN, the world's leading technologies have integrated Wi-Fi, Bluetooth and FM radio technologies into a single chip, and the applications have been extended to mobile phones, tablet PCs and automobiles. GMI International has a strong foundation in WLAN technology, primarily for personal computers and notebooks. WLAN is constantly being used in new applications and fields. With WLAN, any wiring device in a building can provide network access to computers equipped with WLAN interface cards, maximizing the efficiency of computer resources. We are gradually developing our access devices and wireless routers into integrated gateways, increasing the added value of our products, and gradually incorporating broadband and network security functions into our products, as well as developing our sales to service providers and small and medium-sized enterprises.

Furthermore, in line with the development trends of suppliers, products featuring Wi-Fi 6 have been launched in the market. Wi-Fi CERTIFIED 6™ is based on the IEEE 802.11ax standard certification program and supports the capacity, efficiency, coverage and performance required by users in today's most demanding Wi-Fi environments. The Wi-Fi CERTIFIED 6 network focuses on providing high-quality connectivity in stadiums and other public venues with hundreds or thousands of interconnected devices, as well as in enterprise-class networks running time-sensitive, high-bandwidth applications, ensuring that every connected device achieves optimal performance. In addition, the integration of consumer electronics applications will provide potential future growth drivers for network vendors.

(4) Automotive Ethernet

The increase in the number of electronic control units (ECU) and sensors in the vehicle to promote fundamental changes in the embedded automotive network systems. In order to support car safety and entertainment system on the bandwidth needs of cars, Ethernet networks will be able to achieve very high speed data transmission in cars. Currently, in-vehicle data networks can reach speeds of up to 10 Gbps. High bandwidth and fast signal processing are essential for autonomous driving.

As vehicles become more automated, the number of in-vehicle electronic control units continues to increase, and the rise of data-intensive applications such as Advanced Assisted Driving Systems (ADAS), high-definition cameras and LiDAR technology increases the demand for data transfer rates and overall bandwidth.

Data in the traditional network domain will be connected to the same electronic control unit based on its location in the vehicle, significantly reducing cables, further reducing weight and cost, and improving fuel efficiency. Ethernet technology will be the key to the transformation of in-vehicle networks.

In addition to supporting high-speed data transmission, Ethernet technology follows the Open Systems Interconnection (OSI) communication model. Ethernet is a stable, long-established and widely known technology that has been widely used in data communication and industrial automation. Compared to other in-vehicle network protocols, Automotive Ethernet has a well-defined development roadmap that provides additional speed levels, unlike CAN and LIN protocols that have reached a stage where applications have exceeded their capabilities and there is no clear upgrade path to resolve known issues.

It is expected that Ethernet will become the foundation for automotive data transfer in the future, providing a common protocol stack and reducing gateway requirements as well as hardware costs and associated software overhead. Its scalability will meet the need for higher speed and ultra-low latency capabilities. Each Ethernet switch in the regional architecture can transfer data from different domain activities to the local switch, and then the Ethernet backbone aggregates the data to improve the efficiency of available resources.

(5) USB Type-C

USB Type-C has gained much attention in PC and consumer electronics (PC peripherals) industry. Combining a number of important features (power supply, easy connectivity, and high transfer bandwidth) in one package to meet user needs, USB Type-C is expected to become one of the most versatile interfaces, but it can also create many confusing transmission problems. For example: Alt Mode, Accessory Mode, Structured Vendor Defined Messaging (VDM), and Unstructured VDM, etc., users and engineers need a lot of communication to solve these problems.

2. Competitive Landscape

In terms of the main industry sectors in which the Company currently operates, Realtek, AUO and Winbond are mainly used in the information technology (IT) industry, while AUO, Realtek and Winbond are used in the consumer electronics industry and Realtek and Winbond products are mainly used in the ICT industry (telecommunications).

With a sound customer structure and a complete product line, GMI has been playing the role of an application solution provider from the beginning, entering industries and applications where the market is about to take off and striving to provide more high value-added services as a total solutions provider. Therefore, despite the intensifying competition from our competitors, we are able to quickly gain the trust of our suppliers and customers and generate higher profits through our ability to integrate industry trends, market applications, product development, technical support, material supply and marketing channels. The names of the Company's major competitors, business items and major products represented are listed below.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
GMI International	Semiconductor components distribution, sales and system development services	100%	Digital communication application solutions and components, memory components, computer peripheral application solutions and components, digital home appliance application solutions and components, storage device application solutions and	Realtek, Actions Technology, AUO, Winbond, etc.

Company Name	Business Scope	Sales ratio	Main Products	Agent Brand
			components, analog electronic components, etc.	
WPG Holdings	Distributor and sales of semiconductor parts and components	100%	Application-specific Standard Parts (ASSP), CPU/MPU, Memory, Logic, Linear, Discrete, etc.	ALI, AOS, CREE, Infineon, Intel, MediaTek, Micron, MPS, Novatek, NXP, OmniVision, Realtek, OmniVision, Realtek, Samsung Electronics, Samsung SDI, SEMCO, ST Micro, SEMTECH, Spreadtrum, Toshiba, Vishay, Winbond, etc.
TW Microelectronics	Distributor and sales of semiconductor parts and components	100%	Logic (LOGIC) ICs, mixed-signal ICs, linear ICs, application-specific ICs, decentralized (DISCRETE) components, storage ICs, image sensor IC sets, high-speed interface components, programmable ICs, microprocessors and memory, etc.	Ambarella, Broadcom, ESMT, EXAR, Intersil, Linear, LG, Magnachip, Marvell, Maxim, Micron, Nanya, NXP, ON, Realtek, ST Microelectronics, and IDT
Zenitron Corporation	Distributor and sales of semiconductor parts and components	100%	Memory cards, ICs/ICs, transistors, power field effect transistors, diodes, light emitting diodes, power modules, wafers and resistors, capacitors, camera modules, microcontrollers, acceleration sensors, etc.	SANDISK, ROHM, Infineon, Vishay, Cypress, Fuji Electric, Real Thinking, Realtek, Global Mixed-Mode Technology, E-Lan, InvenSense, Parade, RFID Power, TDK, TAIYO YUDEN, Vishay, NICHICON, etc.

(3) Overview of the Company's Technologies and its Research and Development Work

1. Research and development expenses for the most recent fiscal year

Unit: NT$ ‘000

Item	2024	Q1 2025
R&D Expenses	52,531	10,080

2. Successful development of technologies or products

(1) Under the active operation and planning of the "Technical Support Department", the technologies or products successfully developed in recent years are listed as follows:

Year	Supplier	Product	Application
2024	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor, Dongle/HUB
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop、Notebook、Tablet、IPC

Year	Supplier	Product	Application
	Realtek	TWS	Consumer electronics
	Winbond	Flash memory	PC/NB mother board 、 peripheral 、 Automative
	Winbond	DDR memory	PC Peripheral
	APEC	MosFET	PC CPU core power
	Willsemi	TVS	Voltage Protection
	AUO	LCD Panel	Industrial Application
2023	Realtek	Data communication	Data switch
	Realtek	Wireless solution	PC/NB peripheral
	Realtek	Multi Media process	DMP,DHC,LCD Monitor
	Realtek	IOT solution	IOT Application
	Realtek	USB controller	PC/NB peripheral
	Realtek	Audio codec	Desktop、Notebook、Tablet、IPC
	Realtek	TWS	Consumer electronics
	Winbond	Flash memory	PC/NB mother board 、 peripheral 、 Automative
	Winbond	DDR memory	PC Peripheral
	APEC	MosFET	PC CPU core power
	AUO	LCD Panel	Industrial Application

(2) The results of self-development or design commissioned by customers

Year	Product Name	Application
2024	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IOT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications
2023	Bluetooth Headset TWS + ANC Function	Consumer Electronics
	LCD monitor	Home/commercial displays
	HMI control Interface	Industrial Display Interface
	NoteBook docking station	IT
	IOT module	IoT Applications
	PD AC to DC Adapter	Consumer Electronics
	PoE Ethernet Switch	IT
	10G PON	Network Communications

(4) Long-term and Short-term Business Development Plans

1.Short-term development plan

(1) Strengthen product application development capability

The electronic parts distribution industry has changed from traditional product information delivery to a total solutions provider service, and the ability to provide customers with a complete product line and correct application solutions is an indispensable requirement for the distribution industry nowadays. In view of this, we will continue to strengthen the capacity of our product development team and train new technical support engineers for product application, and distribute them in our offices in Taiwan, Hong Kong and China to provide customers with more professional and correct product application solutions. In order to effectively provide Total Solution technical support services to our customers, we not only have our own professional team of experts, but also seek external strategic alliances to achieve the goal of assisting our customers to bring their products to market in a timely manner.

(2) Provide complete supply of master parts for application products

In today's market environment, a single product line is no longer able to provide customers with maximum procurement benefits. Therefore, we are able to provide customers with total solutions for major product lines to achieve procurement benefits and convenience in applications. For example, for portable media players (PMPs), we not only provide complete application technology, but also supply the main components of the package, such as USB interface components and SDRAM memory.

(3) Strengthen the Company's operation and operation management system

In order to meet the customer's order taking and design pattern in Taiwan and procurement and production pattern in China, the Company continues to strengthen the information management and flexible use in China, Hong Kong, and Taiwan through the investment business, and improve the logistics management to reduce the risk of inventory stagnation and increase the cost efficiency.

2. Long-term development plan

(1) Complete the marketing service network in the Asia-Pacific region

Nowadays, the Asia-Pacific region has become a global center for the development and production of information products, and international marketing is a necessary condition for the success of semiconductor channel operators. We have set up 12 service offices in Taiwan, Hong Kong and China, such as Shenzhen, Shanghai and Beijing. With years of experience in the China market, we will expand to Japan, Korea and Singapore in the future to expand our product lines and expand our customer base.

(2) Develop products with high added value and in line with market trends

Profit is the only way for a company to survive, and creating high profit and increasing added value are the guiding principles of our company's management. Therefore, we will continue to keenly leverage our insights to identify the mainstream application products of future trends, develop application solutions, and gain an advantageous position before the mainstream market is formed. For example, "digital lifestyle" is a way to gain profit and sustainable management by being aware of the inevitable trend before it is formed, so that we can start to lay out our plans, acquire product distribution rights, strengthen development technology, and build marketing channels before the market trend. We aim to be the best provider of information technology, consumer electronics, communication products and other high-tech "product application solutions" in the Asia Pacific and Greater China regions.

(3) Staff Training and Financial Planning

The three essential elements of a channel business are manpower, products and capital. We have been planning a complete system of personnel training and organizational cooperation for a long time, and we understand the personal career planning of our employees and make the most effective arrangement to achieve the best utilization of talents, so that we can achieve a win-win situation for both the company and the employees. At the same time, we will continue to strengthen our financial operation capability to build up the company's operational quality and to grow continuously under a sound financial structure.

2. Market as Well as the Production and Marketing Situation

(1) Market Analysis

1. Sales of major products in recent years

Unit: NT$ ‘000

Year / Region	FY2023		2024	
	Sales Volume	%	Sales Volume	%
Taiwan	515,272	3.37	498,102	2.81
Hong Kong and China	14,584,153	95.47	16,430,577	92.78
Others	177,331	1.16	780,760	4.41
Net revenue	15,276,756	100.00	17,709,439	100.00

2. Market share

The ratio of the sales of semiconductor components to the sales of electronic components in Taiwan for the last three years is as follows:

Unit: NT$ 100m

Item / Year	Sales value of semiconductor components by GMI International	Sales value of electronic components industry	Market Share (%)
2022	193	15,524	1.24%
2023	153	13,460	1.14%
2024	177	14,418	1.23%

Source: IEK Consulting (ITRI), Electronic Components Industry Value.

3. Future market supply and demand and growth

The Company is mainly a distributor of electronic component products produced by domestic and foreign electronic component manufacturers.The growth of the electronic components industry is directly influenced by the downstream demand for information, communication and consumer electronics products.

ITRI's market outlook for the electronic components industry in 2025 is as follows:

The Taiwan electronic component industry is projected to continue its growth momentum from 2024 into 2025. AI is expanding from servers to edge devices like PCs, tablets, and mobile phones, directly impacting the specifications of related components. For instance, high-end AI servers require bandwidths exceeding hundreds of GB/s to TB/s, leading to a preference for advanced HDI in circuit board design and a significant increase in the usage of MLCC passive components. Taiwan’s component manufacturers will continue to benefit from geopolitical factors in sensitive products like low-earth orbit satellites and servers. Therefore, the total output value of the Taiwan electronic component industry (including displays, circuit boards, passive components, LED components, sensing components, and battery components) is estimated to reach NT$2.40 trillion in 2025, with a growth rate of approximately 7.5%, surpassing the 5.4% growth in 2024.

In addition, IDC announced the following five major trends in Taiwan's ICT market in 2025:

1. The next wave of GenAI development: Multimodal and multi- model applications

   With continuous investment from major hardware and software technology companies and startups, and as enterprises' AI journey progresses from evaluation and testing to the implementation phase, generative AI (GenAI) technology is rapidly flourishing. IDC identifies two key trends to watch in 2025. First, multimodality will become the mainstream trend, with enterprises preferring models that can simultaneously process different information, such as images, videos, and text. Secondly, not all enterprises need large language models (LLMs). Enterprises will flexibly utilize small language models (SLMs) based on application scenarios, while large world models (LWMs) are also worth noting in the future. Multi-model applications will be the norm for enterprises developing AI models. Driven by this AI wave, IDC forecast that the Taiwan AI platform market size would grow from US$88.3 million in 2024 to US$235 million in 2028, demonstrating strong growth momentum.
2. GenAI expands edge IT infrastructure scale and drives cloud market development

   GenAI has developed rapidly in the past two years. Initial GenAI infrastructure investment was concentrated in core computing power to ensure that LLMs with hundreds of billions or even trillions of parameters could complete training in the shortest possible time. With the increasing demand for various edge AI applications and inference, enterprises are gradually adopting GenAI inference technology, which in turn facilitates the development of edge infrastructure. IDC expects the scale of edge IT infrastructure to expand starting in 2025, with a rapid increase in demand for Taiwan's local public cloud infrastructure construction, data center colocation services, and enterprises' self-built private clouds or edge data centers to meet the hardware equipment requirements for Taiwan's enterprises adopting GenAI technology for edge applications.

3. Edge computing and AI devices accelerate MDaaS service expansion

With the increasing demand for edge computing and the rapid development of AI computing power for end devices, enterprises have the opportunity to further promote corporate application innovation and device management. IDC expects that the market share of GenAI mobile phones in Taiwan will account for 50.7% of the total smart phone market in 2025, while AI laptops will account for 41.2% of the total market. Mobile Device as a Service (MDaaS) will gradually gain importance among enterprises. By providing leasing or subscription models, MDaaS effectively reduces enterprises' upfront capital expenditure on equipment and alleviates the burden on internal IT resources through all-inclusive services for device configuration, maintenance, and recycling, thereby improving efficiency and becoming a flexible solution for enterprise mobile device management.

4. New era of cybersecurity—AI BOM and password agility

In the era of emerging technologies dominated by cloud computing, AI, and quantum computing, enterprises face a wider range of cyber threats, and cybersecurity development is entering a new phase. As international regulations significantly increase transparency requirements for high-risk AI systems and ever-escalating quantum threats, enterprises must pay closer attention to the transparency of data and models, as well as post-quantum cryptography, to effectively address potential future threats. IDC believes that enterprises will gradually establish a system that can maintain the security ensured by traditional cryptography while flexibly responding to new risks or regulatory requirements. The importance of password agility and AI BOM will undoubtedly increase rapidly in the short term, becoming a crucial investment for ensuring data security. IDC expects data security to become a significant driver of growth in Taiwan's cybersecurity market, with the overall market size reaching US$716 million in 2028, with a compound annual growth rate of 11.9%.

5. AI driven carbon emission management becomes mainstream trend, green talent is increasingly important.

Due to various life-threatening and economic losses caused by global extreme weather, the demand for net-zero emissions is increasing. It is imperative to manage and trade carbon emissions in a digital, automated, and even intelligent manner. Taiwan's enterprises, in addition to facing regulations from the United States and Europe, and France, TWSE/TPEx-listed companies must disclose carbon emissions in 2025, implement carbon inventory and carbon fee registration. With the launch of the carbon trading platform, Taiwan's carbon economy era has arrived. The domestic industry is expected to face three types of challenges: 1. Integrating carbon emission regulations into enterprise operating processes and continuously optimizing them; 2. Improving the ability to systematically track and confirm carbon emission data governance; 3. Strengthening ESG risk management to ensure long-term corporate resilience. Therefore, establishing an AI-driven, one-stop platform that connects inventory, intelligent analysis of action plans, and even tradable carbon emissions is expected to be a development trend for enterprises. Simultaneously, actively building a green supply chain and cultivating green talent are also expected to be important development goals for 2025.

Source: 2025 Industrial Technology Research Institute/IDC International Data and Information

4. Favorable and unfavorable factors and countermeasures for competitive niche and development prospect:

(1) The Company has the following competitive niches

A. Professional and comprehensive management team

Our company was founded by industry experts in the consumer electronics industry, and the core management team has more than 15 years of experience in the industry, which gives us the advantage of familiarity with the industry and marketing planning experience, as well as a keen insights to customer needs and market trends. In particular, our management team in the China market has over 10 years of experience in the mainland market, giving us an absolute competitive advantage in the information industry where China is the main battleground in Asia today and in the future.

B. Superior technical capabilities

The Company understands that having the necessary conditions of a traditional distributor is not enough to make a name for itself in such a competitive industry, but we need to have excellent product development capabilities to help our customers launch their products correctly and quickly, and to help them solve their problems in the shortest possible time when they encounter bottlenecks in the product development process. In the process of cooperating with the original manufacturers, we keep accumulating knowledge, mastering new knowledge of products and discovering new markets, and providing the best product combinations to our customers immediately, so that the upstream original manufacturers and downstream customers can work more closely together, and achieve a "Total Solutions Provider" oriented to technology marketing.

C. Complete product integration

Therefore, obtaining and maintaining a complete and diverse product portfolio is the key to obtaining orders from customers and achieving stable and growing product sales. Through the technical support of our application engineers, we provide total solutions to our customers, gaining their absolute trust and enhancing our company's competitive advantage in the industry.

D. Comprehensive marketing channels

For a professional solutions provider, keen market insights, a professional management team, superior product development capabilities, and a complete product line are indispensable, but without a diversified and comprehensive marketing channel, the above resources and capabilities cannot be maximized. The Company has deployed several service bases (e.g. Beijing, Shanghai, Shenzhen, etc.) in China, the most important location in the IT industry, with Hong Kong as the key node, to provide customers with immediate delivery services through professional logistics personnel, and professional accounting personnel to help customers do the most effective capital management and cost reduction. At the same time, the MIS system has been set up to enable all GMI staff to obtain all industry news and customer information in the shortest possible time, so as to provide customers with immediate and optimal services and to fully recognize GMI as an indispensable partner.

(2) Favorable factors:

A. Stable distribution rights and comprehensive product portfolio

Our main suppliers include Realtek, AU Optronics, and Winbond, all of which are household names in the industry with strong competitiveness in the market, and we have received excellent feedback from our suppliers for our newly acquired distribution lines. For suppliers who have been cooperating with us for many years, we have a strong agency and distributorship relationship, so overall our agency line is stable. In addition, our product portfolio is designed to meet the convenience of one-time purchase and to reduce the cost of procurement for our customers. Therefore, our products are used in a wide range of applications, including information, communication and consumer electronics industries, to meet the diverse product choices of our customers and to establish long-term partnerships.

B. Professional design and application service capability

We have many seasoned product managers who are well aware of the market trends, and our "Technical Support Department" has professional R&D and design application engineers to provide customers with product market and trend analysis, collaborative research and development of new product design-in software and hardware integration capabilities (Total Solutions) and the most competitive component combinations, which are well recognized and appreciated by our customers.

C. Market Growth Potential

Industrial Technology Research Institute (ITRI) analysis shows that Taiwan's electronic component industry is expected to see a gradual economic recovery in 2025. With the increase of AI terminal application business opportunities, the total manufacturing output value is estimated to reach NT$25.9 trillion, with an annual growth rate of 6.48%. The output value of Taiwan's electronic component industry is expected to reach NT$2.40 trillion in 2025, a 7.5% increase compared to the previous year.

ITRI also points out that global inflation is gradually declining. As the United States and Europe enter an interest rate cut cycle, international consumer spending continues to expand, and the economies are steadily recovering. With global trade returning to moderate expansion, along with the strong demand for Taiwan's terminal information and communication technology products driven by the AI boom, and the restocking effect in some traditional industry supply chains, Taiwan's exports and export orders have shown positive growth for several consecutive months. The recovery of international demand is driving Taiwan’s businesses to expand production capacity, invest in green energy infrastructure, and transition to low-carbon practices, boosting private investment momentum. Although the baseline for private consumption is high, expansion continues, and Taiwan's economy is expected to continue to grow moderately. The annual growth rates of the four major industries in 2025 are projected to be: information electronics (10.33%), metal machinery (3.54%), consumer goods industry (3.53%), and chemical industry (2.42%). However, increased regional conflicts, the rise of trade protectionism, the uneven pace of monetary policy adjustments by various central banks, China's overcapacity, and the intensification of climate change further add to global economic uncertainty, and subsequent developments need careful attention.

IDC's global enterprise business climate survey for the 2025 outlook indicates that companies of different sizes and industries are widely experimenting with AI. It believes that in 2025, enterprises will shift from AI experimentation to reshaping their businesses with AI. To support this transformation, IDC forecasts that global AI spending will reach US$227 billion in 2025 and exceed US$19.9 trillion by 2030, creating a new AI economy.

Generative AI promotes all AI applications, from the past in the data center to endpoints and devices. AI that is everywhere in our lives will become an important turning point in the development of the technology industry. In the future, enterprises will pay more attention to AI technology investment and AI-driven products and services. Finance, service, and manufacturing are all among the industries that mainly invest in AI applications.

Source: 2025 Industrial Technology Research Institute/IDC International Data and Information

(3) Unfavorable factors and response measures

A. The booming development of suppliers and channel operators has led to fierce competition in the market

The success or failure of a distributor depends on the quality of the product and the competition among the industry. In recent years, the booming development of semiconductor design companies and distributors has led to high homogeneity and substitution of different brands and multiple distributors for the same brands, resulting in price competition and compressed profit margins.

Response measures:

a. Since its establishment, the Company has positioned itself as a professional Total Solution Provider, with six functions: keen industry trend analysis, decisive market application insights, strong product development capabilities, professional technical support service, complete material supply chain and flexible marketing channel development to create a high value-added market and profits different from those of traditional channel providers. Therefore, we have already differentiated our market position from the industry and avoided price competition among the industry that compresses profit margins.

b. The product lines that we represent and distribute are prospective core technology products and wide applications in the future, and we have established a good relationship with our suppliers from the early stage of their entry into the market, so they have a leading position in their industry, with products that are highly competitive in the market.

B. Short life cycle of downstream products

The electronics industry is often characterized by the change of product generations with the introduction of new products, which also tests the ability of semiconductor component distributors to grasp product information and inventory control.

Response measures:

a. Maintain a high degree of keen acuity to market trends and strengthen our ability to serve new technologies by actively introducing future core technology product lines and developing new customers in different fields in order to diversify operating risks and ensure stable profitability.

b. In order to keep abreast of the latest market demand and the most suitable inventory quantity, our BD staff will regularly present and compile the latest customer demand opinions and market information collected during business meetings, and utilize data such as product order status, inventory quantity, product attributes, market conditions, projected sales plan and procurement lead time as reference for purchasing and safety stock decision-making. The inventory is usually based on the common parts and components, while the parts and components for specific applications are based on the order acceptance status to ensure the appropriateness and flow of the inventory, and the inventory forecast is regularly compiled as a reference for procurement decisions.

c. To strengthen product market development, the Company shall continue to focus on new trends in products and markets, set future directions and opportunities, and introduce new distribution lines and develop new market customers in a timely manner in order to grasp business opportunities.

(2) Usage and Manufacturing Processes for the Company's Main Products

1. Important Applications of Major Products

Major Products	Significant Applications
Digital Communication Application Solutions and Components	Application solutions: Wireless LAN card, S-HUB, Router, ADSL broadband network, AP, WDMA, VoIP, LCD monitor, Desktop PC, Notebook, card reader, Tablet PC, Bluetooth headset, IoT transmission module, fiber optic module, etc. Components: Wireless network IC, LAN IC, LCD driver IC, USB Disk control IC, Audio decoding IC, USB interface application IC, Card Reader control IC, ARM CPU, WiFi-PA, Bluetooth IC.
Storage Application Solutions and Components	Application solutions: LCD TV, Set-top Box, digital multimedia player (DMP), various memory cards (MMC, CF, SD...), solid state hard disk, etc. Components: SRAM, SDRAM, DDR Memory, SPI Flash, SSD and various memory card control ICs.
Analog Electronics Components	Application: Power Adapter, ADSL broadband network, SOHO Gateway. Components: GaN transistors, network physical layer chips, clock generators, voltage regulators, over-current protection devices, power control devices.

2. Major product manufacturing process: Not applicable (the Company is not a manufacturer).

(3) Supply of major raw materials: Not applicable (the Company is not a manufacturer).

(4) The names of customers who accounted for more than 10% of the total amount of purchase (sales) in any of the last two years and the amount and proportion of their purchase (sales), together with the reasons for the increase or decrease:

1. The names of customers accounting for more than 10% of the net purchases in the last two years and the amounts and proportions of their purchases, and the reasons for the changes

Unit: NT$ ‘000

	2023				2024				As of Q1 2025 (Note 2)			
Item	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net purchases for the current year as of Q1, 2022 (%)	Relationship with the Company
1	Realtek	11,148,935	85.16	Note 1	Realtek	14,569,201	85.95	Note 1	Realtek	5,253,663	91.65	Note 1
2	Others	1,943,481	14.84		Others	2,381,751	14.05		Others	478,428	8.35	
	Net purchases	13,092,416	100.00		Net purchases	16,950,952	100.00		Net purchases	5,732,091	100.00	

Note 1: The Chairman of the Company is a substantive related party to the other company.

Note 2: The financial information in the first quarter of 2025 was reviewed by the CPAs only.

The Company's major supplier for the last two years is Realtek Semiconductor Corporation. Realtek Semiconductor Corp.'s main products are thriving with the widespread application of wireless network communication in the markets of mainland China and Taiwan recently, as well as the application of wireless LAN functions in consumer electronics and ome multimedia entertainment equipment.

2. The names of customers accounting for more than 10% of the net sales in the last two years and the amounts and proportions of their purchases, and the reasons for the changes:

Unit: NT$ ‘000

	2023				2024				As of Q1 2025 (Note 1)			
Item	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the full year (%)	Relationship with the Company	Title	Amount	As a percentage of net sales for the current year as of Q1, 2022 (%)	Relationship with the Company
1	Hon Hai Precision Industry Co., Ltd. (Foxconn)	2,928,075	19.17	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	3,886,587	21.95	None	Hon Hai Precision Industry Co., Ltd. (Foxconn)	1,148,725	20.13	None
2	Others	12,348,681	80.83		Others	13,822,852	78.05		Others	722,681	12.66	
	Net purchases	15,276,756	100.00		Net purchases	17,709,439	100.00		Net purchases	3,835,756	67.21	

Note 1: The financial information in the first quarter of 2025 was reviewed by the CPAs only.

Hon Hai Precision Industry mainly procures Realtek’s WiFi and LAN chips from the Company. The increase in revenue was mainly due to the increase in demand of end-user products.

3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

April 27, 2025

Year		FY2023	2024	As of April 30, 2025
Number of employees	Business Units	113	129	129
	Administrative Units	104	107	110
	Total	217	236	239
Average Age		40.01	41.59	41.59
Average years of service		7.18	6.64	6.64
Distribution of academic backgrounds	PhD	-	-	-
	Master's Degree	2.76%	5.08%	5.02%
	Bachelor's Degree	85.72%	88.14%	85.36%
	High School Diploma	9.68%	9.32%	8.37%
	Below High School	1.84%	1.27%	1.26%

4. Information on environmental protection expenditure:

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company is principally engaged in the trading, import and export of semiconductor parts and components, and due to the nature of its business, there is no environmental pollution.

5. Labor relations:

1. List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements:

(1) Employee welfare measures

The Company's employees regularly apply for various welfare measures, such as employee health insurance and group insurance, and employees are entitled to annual bonuses, employee meal gatherings, birthday parties, and other benefits. In order to improve the quality of human resources and cultivate professional talents, we provide relevant professional training according to the needs of personnel and business. We also have a profit distribution and dividend system, a people-oriented management promotion system, a transfer system, and domestic and overseas travel subsidies for employees.

(2)Various staff training and training

New employees are required to be briefed by HR personnel on the day they report to work, including all code of conduct rules and welfare system. Pre-employment training focuses on helping new employees get familiar with the working environment and get into the situation as soon as possible. Through planned training, all employees will be able to give full play to their strengths in the workplace. From time to time, the Company conducts training courses either uniformly or individually by the unit, and participates in training courses held by domestic and foreign training institutions.

(3) Retirement system and its implementation

The Company has a retirement plan for its regular employees. Starting from May 2003, a monthly pension fund of 2% of salaries is provided to the Company's Labor Pension Fund Supervisory Committee and deposited in the name of the Committee in the Bank of Taiwan. In accordance with the Labor Law of the Hong Kong Special Administrative Region, the employees of the Hong Kong Branch are subject to the "Mandatory Provident Fund Scheme Act" and the monthly contributions are made at 5% of their salaries to their individual pension accounts. Since July 1, 2005, all employees of the Taiwan head office are subject to the "Labor Pension Act", which provides for a defined contribution retirement plan, and 6% of the employees' monthly salaries are contributed to their individual pension accounts.

(4) Group agreements between labor and management and measures to protect employees' rights and interests

In order to protect the rights and interests of employees and to harmonize the labor relations, the Company has made efforts to strengthen the harmony between management and employees and to ensure two-way communication and coordination to solve problems.

2. Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company has not had any labor disputes since its establishment. In the future, the Company will strengthen the communication between employers and employees in order to promote the prosperity of the Company and to protect the welfare of employees, and under the peaceful and rational operation of both parties, labor disputes should not occur easily in the future.

6. Information Security Management

(1) Cybersecurity risk management framework, cybersecurity policy, specific management plan, and resources invested in cybersecurity management

These Procedures apply to all employees of each unit, contracted vendors, third-party personnel, and the security management of related information assets.

1. Information Security Management Framework

(1) Chief Information Security Officer: The head of the Information Management Division is responsible for convening and chairing information security management meetings on a regular basis, and making decisions based on the results of the meetings for implementation.

(2) Information security team: The team is composed of the supervisors of each business unit to propose motions based on information security management issues, and are responsible for planning, promoting and coordinating the resolutions.

(3) The information security meeting shall be convened and chaired by the Chief

Information Security Officer to approve various information security matters, announce new security policies, review corrective and preventive measures, respond to information security crises, and regulate the relevant personnel in accordance with these Regulations.

2. Information Security Policy

(1) To ensure the confidentiality of company-related information and to protect confidential company and personal information.

(2)To ensure the integrity and availability of information related to the Company's business and to improve administrative efficiency and quality. (3)To enhance the information security protection capability in line with the promotion of national policies and to achieve the goal of sustainable business operation. (4) Passed the ISO27001:2022 information security management system certification on 2024/11/14.

3. Specific management plan for information security

Currently, the Company has not purchased information security insurance, but has established a joint defense mechanism for human resources training and information security.

(1) Physical and Environmental Security Management

Computer equipment security and server room control management includes hardware environment control, power supply, cable security, and equipment maintenance. In order to avoid leakage of personal information, the information assets and equipment are disposed of by the information unit in accordance with the procedures.

(2) Security management of software use

The Company strictly prohibits the use of illegal software. The software used within the Company has been authorized by the vendor and cannot be downloaded or installed without the consent of the head of the information management department to avoid infringement of intellectual property, misuse of laws, or activation of malicious execution files.

(3) Perimeter Security Management

IT support personnel or maintenance service personnel can only enter when accompanied or authorized by the information management department, and records of entry and exit shall be kept.

(4) Network security and data security management

1. Network security management: To assign dedicated personnel to manage the network system, maintain the normal operation of the network system, set up firewalls and information security protection equipment to prevent illegal intrusion into the company causing the risk of commercial secrets and personal information leakage, and keep complete records of all personnel logging in and out of the internal network and host system.
2. Data security management: access control and data storage security, strict password management, regular data and software backup, and off-site storage mechanism for important information storage.
3. The Company cannot fully guarantee against malicious attacks from third-party network paralysis systems, but no malicious network attacks have occurred in 2023 or as of the date of the annual report, affecting the Company's normal operations.

4. Resources Invested in Information Security Management

1. The Group has invested a total of 2 persons in the information security team.
2. The Company holds regular meetings every week to review the information security vulnerabilities and review the correction status every month.

3. 13,270,064 endpoint threats have been successfully blocked through anti-virus endpoint protection and behavior analysis modules.
4. 21,895,730 spam emails and 75,392 blackmail emails were successfully blocked by the Spam Protection and Threat Protection modules.

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:
The Group did not suffer any financial loss due to material information security incidents in the latest year and up to the date of printing of the annual report.

7. Important Contracts

Nature of Contracts	Parties	Date of commencement and expiration of the contract	Main Contents	Restrictions
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Division I, Multimedia Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2016/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Communication Network Division, Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2017/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Division I, Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2022/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Connected Connected Multimedia Division, Connected Multimedia Business Group	Restricted product sales area
Agency Agreement	Realtek Semiconductor Corporation	2024/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Smart Connected Division, Smart Connected Business Group	Restricted product sales area
Agency Agreement	Realtek Singapore Pte.	2021/07/01 - Termination of the agreement between the parties	Product Distribution Agreement for Communication Network Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte.	2019/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Computer Peripherals Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte.	2020/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Multimedia Products Business Group	Restricted product sales area
Agency Agreement	Realtek SingaporePte.	2024/01/01 - termination of the agreement between the parties	Product Distribution Agreement for Smart Connected Business Group	Restricted product sales area
Agency Agreement	RayMX Micro Co.,Ltd.	2022/01/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Product	Winbond Electronics Corp.	2024.01.01-2024.12.31	Distribution contract for IC products	Restricted product sales

Distribution Agreement				area
Agency Agreement	M3 Technology Inc.	2021/12/01 - termination of the agreement between the parties	Product Distribution Agreement	Restricted product sales area
Product Distribution Agreement	Beijing ESWIN Computing Technology Co., Ltd.	2024.12.01-2027.12.01	Product Distribution Agreement	Restricted product sales area
Product Distribution Agreement	Will Semiconductor Limited	2024.08.26-2026.08.26	Product Distribution Agreement	
Sales contract	Taiwan Branch of GMI Computing International Ltd.	2024.07.01-2029.06.30	Equipment lease contract	Restricted product sales area

Note: The above contract will be automatically extended if both parties do not agree to terminate before the contract expires.

V. Review and Analysis of Financial Position, Financial Performance, and Risk Matters

1. Financial Position

1. Comparative analysis of financial position

Unit: NT$ ‘000

Item \ Year	2024	2023	Variation in	
			Amount	%
Current assets	7,802,518	6,066,439	1,736,079	28.62
Property, plant and equipment	1,769,960	329,717	1,440,243	436.81
Investment properties	-	-	-	-
Intangible assets	-	-	-	-
Other assets	817,976	360,685	457,291	126.78
Total assets	10,390,454	6,756,841	3,633,613	53.78
Current liabilities	6,250,397	3,862,550	2,387,847	61.82
Non-current liabilities	956,979	184,088	772,891	419.85
Total liabilities	7,207,376	4,046,638	3,160,738	78.11
Equity attributable to owners of the parent company	3,088,063	2,648,819	439,244	16.58
Share capital	1,626,254	1,626,254	-	-
Capital reserve	309,068	223,116	85,952	38.52
Retained earnings	958,490	765,496	192,994	25.21
Other equity interests	194,251	33,953	160,298	472.12
Treasury stock	-	-	-	-
Non-controlling interests	95,015	61,384	33,631	54.79
Total equity	3,183,078	2,710,203	472,875	17.45

1. Analysis of changes in the percentage of increase or decrease: (If the change is less than 20%, the analysis is exempted)
(1) Current assets: Mainly due to an increase in accounts receivable resulting from increased revenue in FY 2024.
(2) Property, plant and equipment, other assets: Mainly due to the procurement and leasing of GPU servers in FY 2024.
(3) Current liabilities, total liabilities: Mainly due to an increase in accounts payable for equipment, accounts payable, and borrowings arising from the procurement of GPU servers and increased purchases.
(4) Non-current liabilities: Mainly due to the issuance of convertible corporate bonds in FY 2024.
(5) Capital surplus: Mainly due to the recognition of stock options from the issuance of convertible corporate bonds.
(6) Retained earnings: Mainly due to the recognition of stock options from the issuance of convertible corporate bonds.
(7) Other equity: Mainly due to a profit made in FY 2024.
(8) Non-controlling interests: Mainly due to the recognition of equity changes arising from capital increases in subsidiaries.
2. Future response plans: None.

2. Financial Performance

1. Financial performance analysis

Unit: NT$ ‘000

Item \ Year	2024	2023	Increase (decrease) amount	Change (%)
Operating Revenue	17,709,439	15,276,756	2,432,683	15.92
Operating Costs	16,763,564	14,411,104	2,352,460	16.32
Gross Profit	945,875	865,652	80,223	9.27
Operating Expenses	596,562	456,807	139,755	30.59
Operating Income	349,313	408,845	(59,532)	-14.56
Non-operating Income and Expenses	118,294	(16,537)	134,831	815.33
Net Income before Tax	467,607	392,308	75,299	19.19
Income tax expense	109,472	79,501	29,971	37.70
Net income of continuing operations for the period	358,135	312,807	45,328	14.49
Loss from discontinued operations	-	-		
Net income (loss) for the period	358,135	312,807	45,328	14.49
Other comprehensive income for the period	162,064	(7,553)	169,617	2245.69
Total comprehensive income for the period	520,199	305,254	214,945	70.42
Net income attributable to owners of the parent company	386,378	322,385	63,993	19.85
Net income attributable to noncontrolling interests	(28,243)	(9,578)	(18,665)	194.87
Total consolidated profit or loss attributable to owners of the parent company	548,442	314,832	233,610	74.20
Total comprehensive income attributable to noncontrolling interests	(28,243)	(9,578)	(18,665)	(194.87)
Earnings per share	2.38	1.98	0.4	20.20
Analysis of changes in the percentage of increase or decrease: (If the change is less than 20%, the analysis is exempted)				

(1) Increase in operating expenses: Mainly due to increased revenue in 2024.
(2) Increase in non-operating income and expenses: Mainly due to an increase in exchange gains as a result of exchange rate fluctuations.
(3) Increase in income tax expense: Mainly due to increased profit before tax.
(4) Increase in other comprehensive income, total comprehensive income, and total comprehensive income attributable to owners of the parent company: mainly due to the increase in exchange differences on translation of financial statements of foreign operating institutions as a result of exchange rate changes.
(5) Net income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests:mainly due to the new investments in non-wholly owned subsidiaries, resulting in a loss in 2024.

2. Expected sales volume and its basis, possible impact on the Company's future financial operations and plans for response: The Company does not publicly disclose its financial forecasts for 2025 and therefore does not intend to disclose expected sales volume.

3. Cash Flow

(1) Liquidity analysis for the last two years

Item \ Year	2024	2023	Increase (decrease) ratio
Cash flow ratio	0.30	38.09	(99.21)
Cash flow adequacy ratio	34.60	35.94	(1.34)
Cash reinvestment ratio	(4.24)	39.35	(43.59)
Analysis of the changes in the ratio 1. Increase in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio: Mainly due to a decrease in net cash inflow from operating activities in 2024.			

(2) Cash flow analysis for the coming year

Unit: NT$ '000

Cash balance at the beginning of the year	Estimated annual net cash flow from operating activities	Net cash inflows from investing and financing activities	Estimated remaining (deficit) cash	Remedial measures for estimated cash shortage	
				Investment Plan	Financing plan
2,098,460	399,765	（894,823）	1,002,850	-	-
Analysis of changes in cash flows in the coming year. Operating activities: The cash inflows from operations are expected to be generated in the coming year. Net cash inflow from investing and financing activities for the year: This is due to the expected repayment of bank loans in the future.					

4. The impact of significant capital expenditures on financial operations for the most recent fiscal year: None

5. Investment policy, main reasons for profit or loss for the most recent fiscal year, and improvement plans and investment plans for the coming year

Unit: NT$ ‘000

Investee company	Investment gains and losses recognized in the current period	Investment policy	Main reasons for gain or loss	Improvement Plan	Investment plan for the coming year
GMI Technology (BVI) Co., Ltd.	(62,936)	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and loss is generally derived from loss on investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	None
Harken Investments Limited	1	Indirectly reinvested in Hong Kong from a third region	As a holding company, the current profit is derived from interest income.	Depending on the future operation, we will evaluate the capital increase plan.	None
Vector Electronic Company Limited	(62,937)	Indirect investment in Mainland China from a third region	GMI Technology (BVI) Co., Ltd. is a holding company and loss is generally derived from loss on investment interests.	Depending on the future operation, we will evaluate the capital increase plan.	None
G.M.I International Trading (Shanghai) Co.,Ltd.	(38,248)	Responsible for the sale and purchase of electronic parts and components in bonded warehouses in North China and marketing consulting services	The loss was mainly due to the decline in revenue.	Depending on the future operation, we will evaluate the capital increase plan.	None

Shenzhen Hongda Futong Electronics Co.,Ltd.	(33,949)	Responsible for the sale and purchase of electronic parts and components in China	The reason for the loss is that the marketing service fees injected by the parent company were not enough to cover the management and elimination expenses.	Future evaluation will depend on the operating condition of the subsidiaries	None
GW Electronics Company Limited	-	Responsible for the sale and purchase of electronic components of Toshiba's Flash and Discrete products, with the agent relationship currently terminated.	Currently, there is no business activity.	Future evaluation will depend on the status of accounts receivable collection.	None
Global Mobile Internet Co.,Ltd.	938	Trading of communication equipment and information software services	Profits were mainly from investment	To be reevaluated depending on future operating conditions	None
Unitech Electronics Co.,Ltd.	11,946	Development, manufacturing and marketing of "automatic data collection products" and related businesses	Profit from normal operating activities	None	None
Rehear Audiology Co., Ltd.	(10,234)	Medical equipment research and development and sales	Still in the development stage, the revenue has not yet fully contributed	The operational situation is expected to improve in 2025.	None

(6) Analysis and evaluation of risk matters for the most recent year and as of the printing date of the annual report

(1) The impact of interest rates, exchange rate changes and inflation on the Company's profit and loss and future measures to address them:

1. Impact of exchange rate changes on the Company's revenue and profitability and the Company's specific measures in response to exchange rate changes

(1) Impact of exchange rate changes on the Company's revenue and profitability

Most of the Company's product prices are denominated in U.S. dollars, therefore, the trend of the U.S. dollar exchange rate and the change in the Company's foreign exchange gain or loss are quite correlated. The Company engages in foreign exchange hedging operations as necessary to control the risks arising from changes in foreign exchange rates in order to reduce the impact of changes in foreign exchange rates on revenue and profitability.

(2) Specific measures taken by the Company in response to changes in foreign exchange rates

The Company responds to the risk of exchange rate fluctuations by directly offsetting the increase in foreign currency receivables due to export sales by increasing the foreign currency payables arising from the purchase of goods in order to achieve the effect of Natural Hedge. We will keep in close contact with banks to keep abreast of exchange rate movements. In accordance with IFRS 7 "Financial Instruments: Disclosures" and the "Procedures for the Acquisition or Disposal of Assets" established by the Company, the risk of exchange rate fluctuations is timely hedged through sound and strict control by those in charge.

2. Impact of interest rate changes on the Company's revenue and profitability and the Company's specific measures to respond to changes in interest rates

(1) Impact of interest rate changes on the Company's revenue and profitability

The Company's financial costs for 2024 were NTD 78,646 thousand, accounting for 0.44% of operating revenues, which was insignificant. Overall, this did not cause significant adverse effects on the Company's revenues and profits.

(2) The Company's specific measures to respond to changes in interest rates

The Company will gradually apply for cash capital increase, increase the proportion of its own funds and improve the financial structure to minimize the interest rate risk.

3. Inflationary impact on the Company's revenue and profitability and the Company's specific measures to address inflation.

(1) Inflationary impact on the Company's revenue and profitability

There was no significant impact on the Company's profit or loss due to inflation during the year.

(2) Specific measures taken by the Company in response to inflation

The Company continuously monitors changes in upstream commodity prices to reduce the impact of cost changes on the Company's profit or loss.

(2) The Company's policy on engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profits or losses, and future measures to address them.

1. The Company did not engage in high-risk and highly leveraged investment in 2024.

2. The Company did not engage in endorsements, guarantees and loaning of funds to others in 2024.

3. The Company did not engage in derivative transactions in 2024.

(3) Future R&D plans

2025 R&D plan

Product/application name	Cooperating supplier
STB (Set-top Box)	Winbond、Realtek、Zbit、APEC、Willsemi
SSD	Realtek、APEC
NB/MB/AIO/IPC	Realtek、Winbond、APEC、Willsemi
BT Speaker and TWS	Realtek
AC to DC Adapter	APEC
LCD panel module	AUO
Wi-Fi	Realtek、Winbond
Network SWITCH IC	Realtek、Winbond
PC Peripherals and Type-C	Realtek、Zbit、Willsemi
IoT(Internet of Things)	Realtek
IOI(Internet of Identities)	Realtek
Industrial HMI	AUO、Zbit、Willsemi
Automotive Ethernet	Realtek、Zbit、Winbond
xPON	Realtek、Winbond

The estimated total amount of R&D expenses for the above projects in 2025 is NTD 38,000 thousand.

(4) Impact of significant domestic and foreign policies and legal changes on the Company's financial operations and measures to address them.

There was no material impact on the Company's financial operations due to significant domestic or foreign policy and legal changes in the most recent fiscal year.

(5) Impact of technological changes (including information and communications security risks) and industry changes on the Company's financial operations and measures taken in response.

There were no significant changes in technology and information and communications security risks that had a material impact on the Company's financial operations in the most recent year.

(6) Impact of corporate image change on corporate crisis management and measures to address it.

Since its establishment, the Company has been actively strengthening its internal management and reinforcing its core values. The Company has a good corporate image and has not experienced any corporate crisis due to changes in corporate image.

(7) Expected benefits, possible risks and measures for mergers and acquisitions: None.

(8) Expected benefits, possible risks and measures for plant expansion: None.

(9) Risks of concentration of imports or sales and measures to address them: None.

(10) The effect of the transfer or change of ownership of directors or major shareholders holding more than 10% of the shares on the Company, the risk and measures to be taken: None.

(11) Impact, risk and response to changes in management rights: None.

(12) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, president, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the publication date of the report: None.

(13) Other significant risks and responses: None.

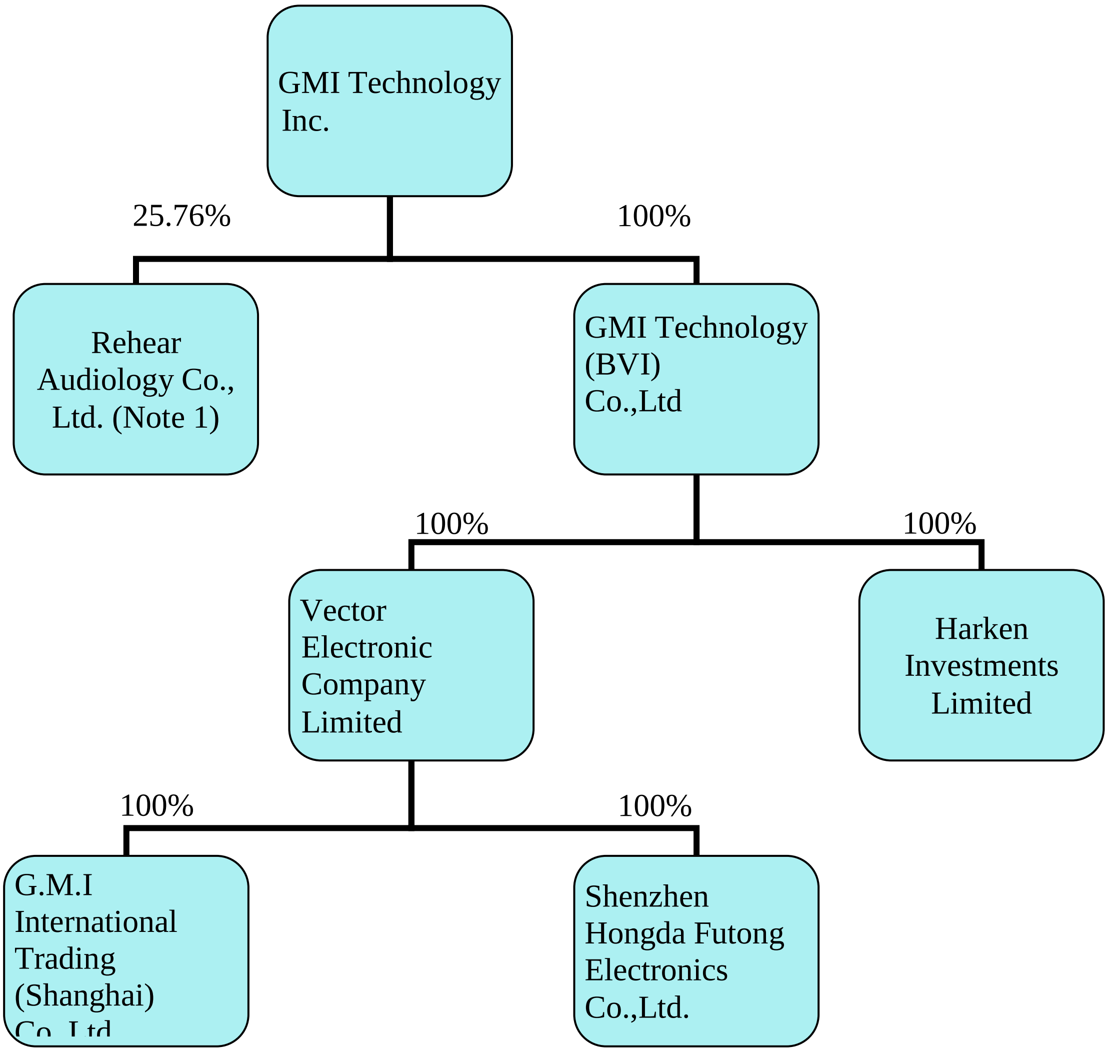
7. Other important matters: None.

VI. Special Items to be Included

1. Information on affiliates:

(1) Report on merger of affiliated companies

1. Organization chart of affiliated companies



Note 1: The Company's shareholding ratio is less than 50%. However, considering that the Company and its related parties as a whole hold more than 50% of the shares and that the Company dominates the relevant operating activities of this company, it is considered that the Company has control over this company.

it is considered that the Company has control over this company.

2. Basic information of each affiliated company

Unit: NT$ '000

Company name	Date of Establishment	Address:	Paid-in capital	Main scope of business or production
GMI Technology (BVI) Co., Ltd.	2003.05.22	Beaufort House, P.O. Box 438, Road Town, Tortola,British Virgin Island	556,991 (USD18,277 thousand)	Investment Holding Company
Harken Investments Limited	2012.07.03	Commence Chambers,P.O.Box 2208,Road Town,Trotola,British Virgin Islands.	393,484 (USD13,169 thousand)	Investment Holding Company
Vector Electronic Company Limited	1990.11.13	9/F., Shatin Industrial Building, Nos.22-28 Wo Shui Street, Fo Tan, Shatin, Hong Kong.	151,141 (HKD34,149 thousand)	Trading of electronic components and investment holding company
G.M.I International Trading (Shanghai) Co.,Ltd.	2002.02.07	Room 1002, Building 2, Actions R&D Building, No. 58, Xiangke Road, Pudong New District, Shanghai	68,382 (RMB14,740.9 thousand)	Electronic components trading and business marketing and consulting services
Shenzhen Hongda Futong Electronics Co.,Ltd.	2012.05.08	Unit 2-7, 10/F, Wuzi Land Building, No.6 Liyuan Road, Luohu District, Shenzhen, P.R.C.	65,445 (RMB13,638.11 thousand)	Electronic Components Trading
Rehear Audiology Co., Ltd.	2023.03.22	9F-6, No. 2, Lane 150, Section 5, Xinyi Road, Xinyi District, Taipei City	105,000	Medical equipment research and development and sales

3. Names and shareholdings of directors, supervisors and presidents of affiliated companies

Unit: NT$ '000

Company name	Title	Shareholdings held by	Shares held	
			Number of Shares / Capital Contribution	Shareholding ratio (%)/ Capital contribution ratio
GMI Technology (BVI) Co., Ltd	Legal representative	Chia-Wen Yeh	556,991 (USD18,277 thousand)	100.00
HARKEN INVESTMENTS LIMITED	Legal representative	Chia-Wen Yeh	393,484 (USD13,169 thousand)	100.00
Vector Electronic Company Limited	Director	Ching-Hsien Chen	151,141 (HKD34,149 thousand)	100.00
G.M.I International Trading (Shanghai) Co.,Ltd.	Legal representative	Ching-Hsien Chen	68,382 (RMB14,740.9 thousand)	100.00
Shenzhen Hongda Futong Electronics Co.,Ltd.	Legal representative	Ching-Hsien Chen	65,445 (RMB13,638.11 thousand)	100.00
Rehear Audiology Co., Ltd.	Chairman of the Board	Chia-Wen Yeh	5,410/27,050	25.76

4. State of Operations of Affiliated Companies

Unit: NT$ '000

Company name	Registered Capital (Note 2)	Total assets	Total liabilities	Net value	Operating Revenue	Operating income (loss)	Profit (loss) for the period (After tax)	Earnings Per Share (NT$) (After tax)
GMI Technology (BVI) Co.,Ltd	556,991	(69,755)	-	(69,755)	-	-	(62,936)	-
Harken Investments Limited	393,484	79	-	79	-	-	1	-
Vector Electronic Company Limited	151,141	114,272	184,110	(69,838)	368,113	9,205	(62,937)	-
G.M.I International Trading (Shanghai) Co.,Ltd.	68,382	72,403	145,161	(72,758)	483,873	(32,375)	(38,248)	-
Shenzhen Hongda Futong Electronics Co.,Ltd.	65,445	11,212	21,644	(10,432)	55,097	(34,478)	(33,949)	-
Rehear Audiology Co., Ltd.	105,000	131,765	3,782	127,983	4,557	(40,286)	(38,473)	-1.88

Note 1: The financial statements of the aforementioned companies are the 2024 financial statements audited by CPAs. The balance sheet and income statement items were translated at the year-end and average annual spot exchange rates, respectively.
Note 2: Based on historical exchange rates.

(2) Consolidated Financial Statements of affiliated companies: Please refer to pp.107 to 208.

(3) Business Report on affiliated companies: None.

2. Private placement of marketable securities for the most recent year and up to the date of the annual report: None

3. Other matters that require additional supplementary information: None

VII. Matters that may materially affect on shareholders' equity or the price of securities as defined in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act for the most recent fiscal year and as of the publication date of the annual report: None

GMI Technology Inc.

Audit Report prepared by the Audit Committee

The Board of Directors has prepared and submitted to the Board of Directors a business report, parent company only financial statements, consolidated financial statements and a proposal for distribution of earnings for the year ended December 31, 2024, among which the parent company only financial statements and consolidated financial statements have been duly audited and certified by the attesting CPAs Shu-Zhi Yang and Heng-Sheng Lin of KPMG Taiwan, whereby an Audit Report has been issued.

The above-mentioned business report, financial statements, consolidated financial statements and statement of earnings distribution were examined by the Audit Committee and were found to be in order and consistent with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Audit report is hereby presented to

2025 Annual Shareholders' Meeting of GMI Technology Inc.

GMI Technology Inc.

Audit Committee Convenor: Jan, Sen

May 9, 2025

Representation Letter

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

Company name: G.M.I. Technology Inc.
Chairman: Yeh, Chia-Wen
Date: March 11, 2025

Independent Auditors' Report

To the Board of Directors of G.M.I. Technology Inc.:

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

1. Revenue Recognition

   Please refer to note 4(m) "Revenue Recognition" for accounting policy, and note 6(r) Revenue from Customer Contracts, of the Consolidated Financial Statements.

   Description of key audit matter:

   The Group mainly engages in the purchase and sale of electronic components. Since revenue is an important item in financial reporting and is of the interest to the users of financial statements, revenue recognition is one of the important evaluations performed by our auditors in the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understand and test the internal processes and related controls related to revenue recognition.
- Analyze the form and transaction terms of major revenues to assess the appropriateness of the timing of revenue recognition
- Verify the revenue transaction records and various certificates for the period before and after the selected financial reporting date to assess the appropriate cutoff of operating revenue records.
- Assess whether there are material sales return and discounts.

Other Matter

We did not audit the financial statements of Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd. subsidiaries of the Group. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd., is based solely on the report of another auditor. The investment in Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd. accounted for using the equity method constituting 2.38% and 3.50% of consolidated total assets at December 31, 2024 and 2023, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 2.76% and 1.50% of total Earning before tax for the years then ended respectively.

The Company has prepared its parent-company-only financial report for the years 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Group’s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Shu-Chih and Lin, Heng-Shen.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2025

Notes to Readers

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

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

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

G.M.I. Technology Inc. and subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 2,098,460	20	1,497,908	23
1110	Current financial assets at fair value through profit or loss (notes (6)(b)(l))	1,200	-	-	-
1150	Notes receivable (notes (6)(c)(r))	201,942	2	91,684	1
1170	Accounts receivable (notes (6)(c)(r) and (8))	3,867,829	37	3,081,975	46
1181	Accounts receivable due from related parties (notes (6)(c)(r) and (7))	10,993	-	7,161	-
1199	Finance lease payment receivable—related parties(notes (6)(d)(y) and (7))	85,929	1	-	-
1200	Other receivables(note (6)(y))	20,700	-	21,549	-
1220	Current income tax assets	20,422	-	22,641	-
130X	Inventories (note (6)(e))	1,218,109	12	1,030,721	16
1476	Other financial assets - current (note (8))	231,596	2	225,303	3
1470	Other current assets	45,338	1	87,497	1
	Total current assets	7,802,518	75	6,066,439	90
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note (6)(b))	91,045	1	70,185	1
1550	Investments accounted for using the equity method (notes (6)(f) and (8))	247,312	3	236,679	3
1600	Property, plant and equipment (notes (6)(g) and (8))	1,769,960	17	329,717	5
1755	Right-of-use assets (note (6)(h))	11,278	-	20,510	-
1840	Deferred income tax assets (note (6)(o))	10,927	-	26,863	1
1915	Prepayments for business facilities	27,876	-	-	-
194K	Long-term finance lease payment receivable—related parties (notes (6)(d) and (7))	419,117	4	-	-
1975	Net defined benefit assets- non current (note (6)(n))	6,131	-	2,387	-
1900	Other non-current assets	4,290	-	4,061	-
	Total noncurrent assets	2,587,936	25	690,402	10
	Total assets	$ 10,390,454	100	6,756,841	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes (6)(j) and (8))	$ 2,095,898	20	1,350,950	20
2110	Short-term notes and bills payable (note (6)(i))	449,326	4	199,601	3
2130	Current contract liabilities (note (6)(r))	14,657	-	32,795	1
2170	Accounts payable	162,251	2	212,926	3
2180	Accounts payable to related parties (note (7))	2,468,239	24	1,909,752	28
2213	Payable on machinery and equipment (note (6)(g))	912,248	9	-	-
2219	Other payables (note (6)(n))	115,215	1	83,692	1
2220	Other payables to related parties (note (7))	200	-	5,123	-
2230	Current income tax liabilities	21,771	-	27,871	1
2280	Current lease liabilities(note (6)(m))	10,592	-	13,065	-
2322	Long-term borrowings, current portion (notes (6)(k) and (8))	-	-	26,775	-
	Total current liabilities	6,250,397	60	3,862,550	57
	Non-Current liabilities:				
2530	Bonds payable (note (6)(l))	946,322	9	-	-
2540	Long-term borrowings (notes (6)(k) and (8))	-	-	175,525	3
2580	Non-current lease liabilities (note (6)(m))	1,463	-	8,563	-
2570	Deferred tax liabilities (note (6)(o))	9,194	-	-	-
	Total non-current liabilities	956,979	9	184,088	3
	Total liabilities	7,207,376	69	4,046,638	60
	Equity attributable to owners of the parent company (note (6)(p)):				
3110	Ordinary share	1,626,254	16	1,626,254	24
3200	Capital surplus	309,068	3	223,116	3
3310	Legal reserve	178,894	2	146,600	2
3350	Unappropriated retained earnings	779,596	7	618,896	9
3400	Other equity interests	194,251	2	33,953	1
	Total equity attributable to owners of parent:	3,088,063	30	2,648,819	39
36XX	Non-controlling interests	95,015	1	61,384	1
	Total equity	3,183,078	31	2,710,203	40
	Total liabilities and equity	$ 10,390,454	100	6,756,841	100

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenues** (notes (6)(r) and (7))	$ 17,709,439	100	15,276,756	100
5000	**Operating costs** (notes (6)(e) and (7))	16,763,564	95	14,411,104	94
	Gross profit (loss) from operations	945,875	5	865,652	6
	Operating expenses (notes (6)(m)(n) and (s)):				
6100	Selling expenses	376,131	2	305,374	2
6200	Administrative expenses	162,242	1	135,176	1
6300	Research and development expenses	52,531	-	35,439	-
6450	Impairment loss (impairment gain) determined in accordance with IFRS 9 (note (6)(c))	5,658	-	(19,182)	-
	Total operating expenses	596,562	3	456,807	3
	Net operating income	349,313	2	408,845	3
	Non-operating income and expenses (notes (6)(f)(m) and (t)):				
7100	Interest income	54,819	-	28,182	-
7010	Other income	14,167	-	25,270	-
7020	Other gains and losses, net	115,070	1	(824)	-
7050	Finance costs	(78,646)	-	(75,050)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	12,884	-	5,885	-
	Total non-operating income and expenses	118,294	1	(16,537)	-
7900	**Profit before income tax**	467,607	3	392,308	3
7950	Less: Income tax expense(note (6)(o))	109,472	1	79,501	1
8200	**Profit**	358,135	2	312,807	2
8300	**Other comprehensive income (loss):**				
8310	**Items that may not reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note (6)(n))	1,766	-	557	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		1,766	-	557	-
8360	**Items that may be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	159,244	1	(7,847)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,054	-	(263)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		160,298	1	(8,110)	-
8300	**Other comprehensive income, net**	162,064	1	(7,553)	-
8500	**Comprehensive income**	$ 520,199	3	305,254	2
	Profit (loss), attributable to:				
8610	Owners of parent	$ 386,378	2	322,385	2
8620	Non-controlling interests	(28,243)	-	(9,578)	-
		$ 358,135	2	312,807	2
	Comprehensive income attributable to:				
8710	Owners of parent	$ 548,442	3	314,832	2
8720	Non-controlling interests	(28,243)	-	(9,578)	-
		$ 520,199	3	305,254	2
	Earnings per share (note (6)(q))				
9750	Basic earnings per share	$	2.38		1.98
9850	Diluted earnings per share	$	2.33		1.98

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings			Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238	-	2,659,238
Profit for the period	-	-	-	-	322,385	-	-	322,385	(9,578)	312,807
Other comprehensive income or loss for the period	-	-	-	-	557	(8,515)	405	(7,553)	-	(7,553)
Total comprehensive income or loss for the period	-	-	-	-	322,942	(8,515)	405	314,832	(9,578)	305,254
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	45,525	-	(45,525)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(325,251)	-	-	(325,251)	-	(325,251)
Special reserve	-	-	-	(113,848)	113,848	-	-	-	-	-
Other changes in capital surplus:										
Changes in non-controlling interests	-	-	-	-	-	-	-	-	70,962	70,962
Balance at December 31, 2023	1,626,254	223,116	146,600	-	618,896	33,510	443	2,648,819	61,384	2,710,203
Profit for the period	-	-	-	-	386,378	-	-	386,378	(28,243)	358,135
Other comprehensive income or loss for the period	-	-	-	-	1,766	159,244	1,054	162,064	-	162,064
Total comprehensive income	-	-	-	-	388,144	159,244	1,054	548,442	(28,243)	520,199
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	32,294	-	(32,294)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(195,150)	-	-	(195,150)	-	(195,150)
Change in ownership interests in subsidiaries	-	19,710	-	-	-	-	-	19,710	60,290	80,000
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	370	-	-	-	-	-	370	-	370
Changes in non-controlling interests	-	-	-	-	-	-	-	-	1,584	1,584
Due to recognition of equity component of convertible bonds (preference share) issued	-	65,872	-	-	-	-	-	65,872	-	65,872
Balance at December 31, 2024	**$ 1,626,254**	**309,068**	**178,894**	**-**	**779,596**	**192,754**	**1,497**	**3,088,063**	**95,015**	**3,183,078**

See accompanying notes to consolidated financial statements.

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

G.M.I. Technology Inc. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 467,607	392,308
Adjustment:		
Adjustments to reconcile profit (loss):		
Depreciation expense	22,549	22,324
Expected credit (gain) loss	5,658	(19,182)
Interest expense	78,646	75,050
Interest revenue	(54,819)	(28,182)
Finance lease interest revenue	(38,117)	-
Gain on financial assets at fair value through profit	(260)	(185)
Share of loss of associates accounted for using equity method	(12,884)	(5,885)
Loss from disposal of property, plan and equipment	127	45
Loss from disposal of investments	-	(38)
Gain from lease modification	-	(9)
Total adjustments to reconcile profit	900	43,938
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	(101,181)	4,166
(Increase) decrease in accounts receivable	(590,033)	375,344
Increase in accounts receivable due from related parties	(3,832)	(7,091)
Decrease (increase) in other receivable	651	(3,195)
(Increase) decrease in inventories	(120,472)	1,298,206
Decrease in finance lease receivable due from related parties	75,482	-
Increase in prepayments for business facilities	(27,876)	-
Decrease (increase) in other current assets	43,598	(7,716)
Total changes in operating assets	(723,663)	1,659,714
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(20,247)	11,345
Decrease in accounts payable	(128,153)	(184,867)
(Decrease) increase in accounts payable to related parties	498,722	(350,763)
Increase in other payable	26,994	9,050
(Decrease) increase in other payable to related parties	(5,091)	4,923
Decrease in net defined benefit liability	(1,978)	(404)
Total changes in operating liabilities	370,247	(510,716)
Total adjustments	(352,516)	1,192,936
Cash inflow (outflow) from operations	115,091	1,585,244
Interest received	55,342	27,649
Interest paid	(65,356)	(79,742)
Income taxes (paid)	(86,182)	(61,942)
Net cash flows from operating activities	18,895	1,471,209
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(70,000)	(70,000)
Proceeds from disposal of financial assets at fair value through profit or loss	50,000	-
Acquisition of property, plant and equipment	(1,058,788)	(4,391)
Decrease in other financial assets	9,153	6,050
Increase in other non-current assets	(102)	(2,306)
Dividends received	3,306	6,408
Net cash flows used in investing activities	(1,066,431)	(64,239)
Cash flows from (used in) financing activities:		
Increase in short-term borrowing	7,125,076	7,355,369
Decrease in short-term borrowing	(6,384,496)	(8,249,542)
Increase in short-term notes and bills	3,247,077	3,355,559
Decrease in short-term notes and bills	(2,997,352)	(3,535,121)
Proceeds from issuing bonds	1,000,000	-
Repayments of long-term debt	(202,300)	(11,900)
Payment of lease liabilities	(16,490)	(15,444)
Cash dividends paid	(195,150)	(325,251)
Contribution by non-controlling interests	1,950	71,000
Other financing activities	80,000	-
Net cash flows from (used in) financing activities	1,658,315	(1,355,330)
Effect of exchange rate changes on cash and cash equivalents	(10,227)	(9,391)
Net increase (decrease) in cash and cash equivalents	600,552	42,249
Cash and cash equivalents at beginning of period	1,497,908	1,455,659
Cash and cash equivalents at end of period	**$ 2,098,460**	**1,497,908**

See accompanying notes to consolidated financial statements.

(1) Company history

G.M.I. Technology Inc. (hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 11, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

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

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

(b) The impact of IFRS issued by the FSC but not yet effective

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

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

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

(Continued)

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

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

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation,

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Percentage of ownership		
Name investor	**Name of investee**	**Scope of business**	**December 31, 2024**	**December 31, 2023**	**Description**
The Company	G.M.I. Technology (BVI) Co., Ltd	Investment holding	100.00%	100.00%	-
The Company	Rehear Audiology Company Ltd.	Medical Devices research and development	25.76%	29.00%	Note 1, 2
G.M.I. Technology (BVI) Co., Ltd	Harken Investments Limited	Investment holding	100.00%	100.00%	-
G.M.I. Technology (BVI) Co., Ltd	Vector Electronic Co. Ltd	Trading of electronic components and investment holding	100.00%	100.00%	-
Vector Electronic Co. Ltd	G.M.I. (Shanghai) Trading Company Limited	Trading of electronic components and business marketing consulting	100.00%	100.00%	-
Vector Electronic Co. Ltd	Hong Da Fu Tong Electronics Company Limited	Trading of electronic components	100.00%	100.00%	-
G.M.I (Shanghai) Trading Company Limited.	Shandong Wan Shun He Energy Co., Ltd.	Chemical engineering products and Trading of electronic components	- %	- %	Note 3

(Continued)

Note 1: Rehear Audiology Co., Ltd. (Rehear Audiology) was established and registered on March 22, 2023. Although the Company owns less than 50% of Rehear Audiology's shares, the Company, together with its related parties, held more than 50% of its equity, resulting in Rehear Audiology to become a subsidiary of the Company, wherein the Company is able to determine its related operating activities.

Note 2: The subsidiary had completed its cash capital increase on August 1, 2024 by issuing 1,000 new shares, resulting in the Company's shareholding ratio to decrease to 25.76%.

Note 3: The subsidiary was liquidated by the resolution of the Board of Directors on March 18, 2023, and the Company was deregistered on May 30, 2023.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

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

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

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

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(g) Financial instruments

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

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(Continued)

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

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

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

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI. However, they are included in the ‘trade receivables’ line item.

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

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

(Continued)

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the ‘trade receivables’ line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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

(Continued)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

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

3) Financial liabilities

Financial liabilities are stated at amortized cost.

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method. Under the equity method, when associates are originally acquired, they are recognized by cost, plus the net fair value of any identifiable assets and liabilities by the investee that exceeds the cost of the investment. The cost of the investment also includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

(Continued)

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

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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

1)	Building and structure	30 years
2)	Machinery and equipment	5 years

3)	Office equipment and other equipment	3 to 5 years
4)	Leasehold Improvement	3 years
5)	Transportation equipment	4 years

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

(k) Leases

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

(i) As a leasee

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

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

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

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

(1) fixed payments, including in-substance fixed payments;

(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 under a residual value guarantee; and

(4) payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

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

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or

(3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(4) there is a change of its assessment on whether it will exercise a extension or termination option; or

(5) there is any lease modifications

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

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

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(Continued)

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(l) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

Non-financial assets are reversed only to the extent that the carrying amount (other than depreciation or amortization) does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(m) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.The main revenues items of the merged company are described as follows:

(i) Selling goods

The Group recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met.

The Group regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Group recognizes accounts receivable when the goods are delivered because the Group has the unconditional right to receive the consideration at that point in time.

(ii) Rental income

When the combined company leases equipment to customers, lease income is recognized based on the conditions of the lease contract and the period during which it is realized.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

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

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

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

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

(Continued)

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

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

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

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

1) the same taxable entity; or

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

(p) Earnings per share

The Group discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(q) Revenue Recognition

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

The Group recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met.

The Company regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

(Continued)

The Group recognizes accounts receivable when the goods are delivered because the Group has the unconditional right to receive the consideration at that point in time.

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

1) Sale of goods－electronic components

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

The Group often offers volume discounts to its customers based on aggregate sales of electronic components over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of electronic components are made with a credit term of XX days, which is consistent with the market practice.

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

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates, about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

The accounting policies involved significant judgement and have a significant impact on the amounts recognized in this consolidated financial report as follows:

(a) Judgement regarding significanst infiuence over an investee

The Group holds 12.73% voting shares, and is the second largest shareholder, of Unitech Electronics Co., Ltd., resulting in the Group' s chairman and his family having substantial control and significant influence over Unitech Electronics Co., Ltd..

(b) Judgment regarding substantive control over an investee

Although the Company owns less than 50% of Rehear Audiology Company LTD, the Company and the related parties own more than 50% of Rehear Audiology Company LTD, and the Company could determine the related operating activities. Therefore, Rehear Audiology Company LTD, is regarded as a subsidiary.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) The loss allowance for trade receivables

The Group has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(c).

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, The Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, the net realizable value of inventories may change significantly. The relevant assumptions and input values, please refer to note 6(e).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2024	December 31, 2023
Cash on hand	$	1,324	3,877
Cheques and demand deposits		2,097,136	1,494,031
	$	**2,098,460**	**1,497,908**

(Continued)

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

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss-current:		
Issued of convertible corporate bonds-Embedded recall right	$ 1,200	-
Mandatorily measured at fair value through profit or loss-non current:		
Beneficiary funds	$ 91,045	70,185

(i) Please refer to note 6(u) for the amount of the financial assets at fair value through profit or loss.

(ii) None of the Group' s financial asset at fair valule through profit or loss had been pledged as collateral.

(c) Notes and accounts receivable

Mandatorily measured at fair value through profit or loss:

	December 31, 2024	December 31, 2023
Notes receivable - arising from operations	$ 202,550	91,960
Accounts receivable - measured at amortized cost	3,904,248	3,115,349
Accounts receivable due from related parties	10,993	7,161
Less: Allowance for losses	(37,027)	(33,650)
	$ 4,080,764	3,180,820

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	December 31, 2024		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$ 4,101,726	0.86%	35,395
Less than 90 days past due	15,719	8.18%	1,286
More than 180 days past due	346	100%	346
	$ 4,117,791		37,027

(Continued)

	December 31, 2023		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	3,189,318	0.99%	31,521
Less than 90 days past due	25,152	8.46%	2,129
	$ 3,214,470		33,650

The movement in the allowance for notes and accounts receivable were as follows:

	2024	2023
Balance at January 1	$ 33,650	52,721
Impairment losses recognized (Gain on reversal of impairment loss)	5,658	(19,182)
Foreign exchange gains or losses	(2,281)	111
Balance at December 31	$ 37,027	33,650

For details on financial assets guaranteed as short-term loans and financing guarantees mentioned above, please refer to note 8.

(d) Finance lease payment receivable - related party

The Group leases the GPU server to its related party, GMI Computing International Ltd., wherein the Group classified the lease as a finance lease because the leases included the whole of the remaining term of the head lease. Please refer to note 7 for the description of related party transactions.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2024		December 31, 2023	
	USD	TWD	USD	TWD
Less than one year	$ 4,680	153,449	-	-
1~2 year	4,680	153,449	-	-
2~3 year	4,680	153,449	-	-
3~4 year	4,680	153,449	-	-
4~5 year	2,342	76,722	-	-
Total lease payments receivable	21,062	690,518	-	-
Unearned finance income	(5,803)	(185,472)	-	-
Present value of lease payments receivable	$ 15,259	505,046	-	-

(Continued)

	December 31, 2024	December 31, 2023
Finance lease payment receivable - current	$ 85,929	-
Long term finance lease payment receivable	419,117	-
	$ 505,046	-

For credit risk information, please refer to note 6(v).

(e) Inventories

	December 31, 2024	December 31, 2023
Goods for sale	$ 1,218,109	1,030,721

Inventories recognized as cost of sales amounted to 16,780,669 thousand and 14,455,551 thousand for the years ended December 31, 2024 and 2023, respectively.

The part of inventories previously write down to net realizable value has been sold, leading to an increase in net realizable value and a decrease in cost of good sold of $17,105 thousand and $44,447 thousand for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Group did not provide any inventories as collateral for its loans.

(f) Investments accounted for using the equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2024	December 31, 2023
Associates	$ 570,889	560,256
Accumulated impairment	(323,577)	(323,577)
	$ 247,312	236,679

(i) Associates

For Affiliates that are significant to the Group, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights	
			December 31, 2024	December 31, 2023
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73%	12.73%

(Continued)

For Affiliates that are significant to the Group have been listed on the stock exchange, their fair values are as follows:

	December 31, 2024	December 31, 2023
Unitech Electronics	$ 371,845	287,248

The aggregated financial information of the affiliates that are material to the Group is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

1) Unitech Electronics's Aggregate Financial Information:

	December 31, 2024	December 31, 2023
Current Asset	$ 2,004,388	1,794,128
Non-Current Asset	547,490	582,566
Current Liability	(567,107)	(458,796)
Non-Current Liability	(101,189)	(105,990)
Net Assets	$ 1,883,582	1,811,908

	For the years ended December 31,	
	2024	2023
Operating revenue	$ 2,438,169	2,242,442
Current period net profit	94,214	40,867
Other comprehensive gains and losses	3,434	(548)
Total comprehensive gains and losses	$ 97,648	40,319

	For the years ended December 31,	
	2024	2023
Beginning carrying balance of the Group's share of net assets of associates	$ 222,590	224,079
The Group's total gains and losses attributable to associates	12,077	4,919
Dividends received from associates	(3,306)	(6,408)
Ending balance of the Group's share of net assets of associates	$ 231,361	222,590

(Continued)

2) The aggregate financial information of the Group's equity-method associates, which are individually insignificant, is summarized as follows (amounts included in the Group’s consolidated financial statements):

	December 31, 2024	December 31, 2023
Carrying amount of equity in individual insignificant associates	$ 15,951	14,089

	For the years ended December 31,	
	2024	2023
Attributable to the Group:		
Net loss for the period	$ (9,296)	716
Other comprehensive income or loss	924	(40)
Comprehensive income or loss	$ (8,372)	676

3) Collaterals

As of December 31, 2024 and 2023, the Group’s investments accounted for using the equity method had been pledged as collateral, please refer to note 8.

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023 were as follows:

	Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Unfinished construction	Total
Costs									
Balance on January 1, 2024	$ 270,496	51,264	1,171	151	4,236	18,118	2,127	-	347,563
Additions	-	-	524,954	-	-	3,911	2,130	1,440,041	1,971,036
Disposal	-	-	(524,347)	-	(3,057)	(3,980)	(462)	-	(531,846)
Effects of changes in foreign exchange rates	-	-	41	5	177	254	12	-	489
Balance on December 31, 2024	$ 270,496	51,264	1,819	156	1,356	18,303	3,807	1,440,041	1,787,242
Balance on January 1, 2023	$ 270,496	51,264	1,192	154	4,307	22,499	1,352	-	351,264
Additions	-	-	-	-	-	3,540	851	-	4,391
Disposal	-	-	-	-	(34)	(7,837)	(68)	-	(7,939)
Effects of changes in foreign exchange rates	-	-	(21)	(3)	(37)	(84)	(8)	-	(153)
Balance on December 31, 2023	$ 270,496	51,264	1,171	151	4,236	18,118	2,127	-	347,563

(Continued)

	Land	Buildings and Construction	Machinery and equipment	Transportation equipment	Leasehold improvements	Office equipment	Other equipment	Unfinished construction	Total
Depreciation and impairment losses:									
Balance on January 1, 2024	$ -	4,076	1,054	143	3,851	8,011	711	-	17,846
Additions	-	1,699	51	-	307	3,815	566	-	6,438
Disposal	-	-	-	-	(3,035)	(3,894)	(443)	-	(7,372)
Effects of changes in foreign exchange rates	-	-	36	5	165	155	9	-	370
Balance on December 31, 2024	$ -	5,775	1,141	148	1,288	8,087	843	-	17,282
Balance on January 1, 2023	$ -	2,376	1,073	122	3,159	12,306	465	-	19,501
Additions	-	1,700	-	24	758	3,551	318	-	6,351
Disposal	-	-	-	-	(32)	(7,795)	(67)	-	(7,894)
Effects of changes in foreign exchange rates	-	-	(19)	(3)	(34)	(51)	(5)	-	(112)
Balance on December 31, 2023	$ -	4,076	1,054	143	3,851	8,011	711	-	17,846
Carrying amounts:									
Balance on December 31, 2024	$ 270,496	45,489	678	8	68	10,216	2,964	1,440,041	1,769,960
Balance on December 31, 2023	$ 270,496	47,188	117	8	385	10,107	1,416	-	329,717
Balance on January 1, 2023	$ 270,496	48,888	119	32	1,148	10,193	887	-	331,763

(i) In order to expand its business and rendering various kinds of services, the Company built a total of 52 GPU servers, which were completed in June 2024, based on a resolution approved during its board meeting held on March 12, 2024. After continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July.Please refer to note 6(d). The Company entered into an agreement with GMI Computing International Ltd., a related party, to lease out the GPU servers that have been built, to which it charge a rental fee from them, based on the decisions made by its board on September 5 and October 22, 2024, with the approval of its shareholders on December 10, 2024. Please refer to note (7) for the details of related party transactions.

(ii) As of December 31, 2024, the equipment had been shipped by the supplier to internal data center in Denver, where the Company has leased out to its related party ,GMI Computing ,to receive and install the said equipment, which was recognized as "unfinished construction" since the relevant construction work has yet to be completed, with the unpaid amount of $912,248 thousand, classified as "payable on machinery equipment".

(iii) As of December 31, 2024, , certain property, plant and equipment of the Company had been pledged as collateral. Please refer to note 8.

(h) Right-of-use assets

		Buildings and Construction	Transportation Equipment	Total
Cost:				
Balance on January 1, 2024	$	36,748	6,528	43,276
Additions		6,244	-	6,244
Reduction		(11,923)	-	(11,923)
Effects of changes in foreign exchange rates		1,573	-	1,573
Balance on December 31, 2024	**$**	**32,642**	**6,528**	**39,170**
Balance on January 1, 2023	$	37,558	-	37,558
Additions		1,582	6,528	8,110
Reduction		(1,903)	-	(1,903)
Effects of changes in foreign exchange rates		(489)	-	(489)
Balance on December 31, 2023	**$**	**36,748**	**6,528**	**43,276**
Depreciation:				
Balance on January 1, 2024	$	20,590	2,176	22,766
Depreciation		13,935	2,176	16,111
Reduction		(11,923)	-	(11,923)
Effects of changes in foreign exchange rates		938	-	938
Balance on December 31, 2024	**$**	**23,540**	**4,352**	**27,892**
Balance on January 1, 2023	$	8,621	-	8,621
Depreciation		13,797	2,176	15,973
Reduction		(1,548)	-	(1,548)
Effects of changes in foreign exchange rates		(280)	-	(280)
Balance on December 31, 2023	**$**	**20,590**	**2,176**	**22,766**
Carrying amounts：				
Balance on December 31, 2024	**$**	**9,102**	**2,176**	**11,278**
Balance on December 31, 2023	**$**	**16,158**	**4,352**	**20,510**
Balance on January 1, 2023	**$**	**28,937**	**-**	**28,937**

(Continued)

(i) Short-term notes and bills payable

	December 31, 2024		
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**
Commercial paper payable	Dah Chung Bills Finance Corp.	2.099%	$ 150,000
Commercial paper payable	Taiwan Finance Corporation	2.100%	100,000
Commercial paper payable	Taiwan Cooperative Financial Holding Co., Ltd.	2.058%	100,000
Commercial paper payable	Ta Ching Bills Finance Corporation.	1.988%	100,000
Less: Discount on short term notes and bills payable			(674)
Total			$ 449,326

	December 31, 2023		
	Guarantee or acceptance institution	**Range of interest rates**	**Total Amount**
Commercial paper payable	Grand Bills Finance Corp.	1.9%	$ 30,000
Commercial paper payable	Dah Chung Bills Finance Corp	1.9%	30,000
Commercial paper payable	Taiwan Finance Corporation	1.9%	30,000
Commercial paper payable	China Bills Finance Corporation	1.9%	50,000
Commercial paper payable	Taiwan Cooperative Financial Holding Co., Ltd.	1.9%	30,000
Commercial paper payable	Ta Ching Bills Finance Corporation	1.9%	30,000
Less: Discount on short term notes and bills payable			(399)
Total			$ 199,601

The Group were pledged as guarantee for the payment of short-term notes and bills, please refer to note 8.

(j) Short-term borrowing

The short-term borrowings were summarized as follows:

	December 31, 2024	**December 31, 2023**
Unsecured bank loans	$ 1,815,898	1,258,776
Secured bank loans	280,000	92,174
	$ 2,095,898	1,350,950
Unused short-term credit lines	$ 5,978,199	6,777,498
Range of Interest rate	1.88%~6.29%	1.78%~7.07%

For the collateral for bank loans, please refer to note 8.

(k) Long-term borrowings

The details, terms and conditions of the long-term borrowings were summarized as follows:

	December 31, 2024	December 31, 2023
Secured bank loans	$ -	202,300
Less: current portion	-	(26,775)
	$ -	175,525
Unused short-term credit lines	$ -	-
Range of interest rates (%)	-	1.9%

For the collateral for bank loans, please refer to note 8.

(l) Bonds Payable

(i) The information of the Group's Unsecured Bonds issued were as follows:

	December 31, 2024
Total convertible corporate bond issued	$ 1,000,000
Less:unamortised discount on corporate bonds payable	(53,678)
Balance of corporate bonds payable at end of period	$ 946,322
Embedded derivative － recallable right, included in financial assets at fair value through profit or loss	$ 1,200
Equity component － conversion options, included in capital surplus－stock options	$ 65,872

	2024
Embedded derivative － recallable right at fair value through profit or loss, included in financial liabilities at fair value through profit or loss	$ (600)
Interest expense	$ 10,385

(ii) The principal terms of issue of the first convertible corporate bons are as follows:

1) Periods: 3 Year (As of June 25, 2024 to June 25, 2027)

2) Cupon rate：0%

3) Redemption method: The Company may redeem the bonds under the following circumstances:

A. For the period from 3 months after the issuance date to the 40 days before the expiration of the issuance period. If the Company's ordinary shares, which are listed on the Taiwan Stock Exchange (TWSE), have a closing price exceeding the current conversion price more than 30% for 30 consecutive business days, the Company has the right to redeem the bonds at the face value.

B. For the period from 3 months after the issuance date to the 40 days before expiration of the issuance period. If the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issue, the Company has the right to redeem the bonds at face value.

4) Conversion Method

A. Creditors may apply for conversion into ordinary shares of the Company in accordance with the conversion method from September 26, 2024 to June 25, 2027.

B. Conversion Price: $76.8 per share at the time of issuance, and in the event of an adjustment of the conversion price of the Company's common shares in accordance with the provisions of the issuance terms, the conversion price shall be adjusted in accordance with the formula specified in the issuance terms.

(m) Lease liabilities

The carrying amounts of the Group’ s lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 10,592	13,065
Non-current	$ 1,463	8,563

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

	For the years ended December 31,	
	2024	2023
Interest expense on lease liabilities	$ 826	1,452
Expenses relating to short-term leases	$ 1,999	1,872

(Continued)

The amounts of leases recognized in the statement of cash flows for the Group was as follows:

	For the years ended December 31,		
		2024	2023
Total cash outflow for leases	$	19,315	18,768

The Group leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

(i) Other leases

These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

		December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$	8,635	12,175
Fair value of plan assets		(14,766)	(14,562)
Net defined benefit liabilities	$	(6,131)	(2,387)

The Group’ s employee benefit liabilities were as follows:

		December 31, 2024	December 31, 2023
Liability for short-term compensated absences (included in other payables)	$	1,531	1,722

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(Continued)

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to $14,766 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of defined benefit obligations

The movement in present value of the defined benefit obligations of the Group were as follows:

	For the years ended December 31,		
		2024	2023
Defined benefit obligations at January 1	$	12,175	12,456
Current service cost and interest cost		146	150
Net defined benefit liability remeasurement		(494)	(431)
Benefits paid		(3,192)	-
Defined benefit obligations at December 31	**$**	**8,635**	**12,175**

3) Movements in fair value of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31,		
		2024	2023
Fair value of plan assets at January 1	$	(14,562)	(13,882)
Interest income		(177)	(169)
Net defined benefit asset remeasurement		(1,272)	(128)
Contributions paid by the employer		(351)	(383)
Benefits paid		1,596	-
Fair value of plan assets at December 31	**$**	**(14,766)**	**(14,562)**

(Continued)

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	For the years ended December 31,		
	2024		**2023**
Current service cost and interests	$	146	149
Net interest of net liabilities for defined benefit obligations		(177)	(169)
	$	**(31)**	**(20)**

	For the years ended December 31,		
	2024		**2023**
Operating expenses	**$**	**(31)**	**(20)**

5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The cumulative remeasurement of the Group's net defined benefit obligation recognized in other comprehensive income were as follows:

	For the years ended December 31,		
	2024		**2023**
Cumulated amount at January 1	$	114	(443)
Total gain/loss recognized		1,766	557
Cumulated amount at December 31	**$**	**1,880**	**114**

6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	For the years ended December 31,	
	2024	**2023**
Discount Rate	1.60%	1.20%
Future salary increases	3.00%	3.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one year period after the reporting date is $341 thousand.

The weighted average lifetime of the defined benefits plans is 5.4 years.

(Continued)

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations	
	Increased 1.00%	**Decreased1.00%**
Balance at December 31, 2024		
Discount Rate	$ (463)	468
Future salary increases	397	(394)
Balance at December 31, 2023		
Discount Rate	(720)	727
Future salary increases	615	(611)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plans

The Group allocates 6% of each employee’ s monthly wages to the labor pension personal account at the Group of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The total pension costs of the Group’ s overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations. All pension payment contributed in the current period are recognized as pension expense.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $14,118 thousand and $13,886 thousand for the years ended December 31, 2024 and 2023, respectively.

(o) Income taxes

(i) Income tax expenses

The components of income tax expense (gains) in the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31,	
	2024	**2023**
Current tax expense		
Current period	$ 84,342	77,369
Adjustment for prior years	-	(7,043)
Subtotal	84,342	70,326
Deferred tax expense (income)		
Origination and reversal of temporary differences	25,130	9,175
Subtotal	25,130	9,175
Income tax expense	**$ 109,472**	**79,501**

Reconciliation of income tax expense and profit before tax for 2024 and 2023 is as follows:

	For the years ended December 31,	
	2024	**2023**
Profit before income tax	**$ 467,607**	**392,308**
Income tax using the Company’s domestic tax rate	$ 93,522	78,461
Effect of tax rates in foreign jurisdiction	(1,407)	(2,264)
Permanent difference	1,882	(392)
Change in unrecognized temporary differences	12,587	7,449
Adjustments for under provisions of prior years	-	(7,043)
Additional tax on undistributed earnings	4,774	9,916
Others	(1,886)	(6,626)
Total	**$ 109,472**	**79,501**

(Continued)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible Temporary Differences	$ 125,368	112,781

The deferred tax assets have not been recognized in respect of the these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

2) Recognized deferred tax assets

Changes in the amount of deferred tax assets for 2024 and 2023 were as follows:

Deferred Tax Liabilities:

	Unrealized exchange gains
Balance at January 1, 2024	$ -
Recognized in profit or loss	9,194
Balance at December 31, 2024	$ 9,194

Deferred Tax Assets:

	Allowance for bad debt	Unrealized exchange loss	Other	Total
Balance at January 1, 2024	$ 6,956	15,759	4,148	26,863
Recognized in profit or loss	(1,784)	(15,759)	1,607	(15,936)
Balance at December 31, 2024	$ 5,172	-	5,755	10,927
Balance at January 1, 2023	$ 3,831	15,959	16,248	36,038
Recognized in profit or loss	3,125	(200)	(12,100)	(9,175)
Balance at December 31, 2023	$ 6,956	15,759	4,148	26,863

There were no income tax expense recognized the Group equity and other comprehensive income for amount of years ended December 31, 2024 and 2023.

The Company’ s tax returns for the years through 2022 were assessed by the National Taxation Bureau of R.O.C..

(Continued)

(p) Capital and other equity

(i) Issuance of common stock

As of December 31, 2024 and 2023, the total value of authorized ordinary shares was amounted to $2,000,000 thousand. The number of authorized ordinary shares were 200,000 thousand shares with par value of $10 per share, of which 162,625 thousand shares of ordinary shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31, 2024 and 2023 were as follows:

	Ordinary share For the years ended December 31,	
(in thousands of shares)	**2024**	**2023**
Balance on December 31 (equal opening balance)	**162,625**	**162,625**

(ii) Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023, were as follows:

	December 31, 2024	**December 31, 2023**
Share capital at premium	$ 219,941	219,941
Capital Surplus from actual acquisition or disposal of subsidiary equity at a price different from book value	370	-
Changes in net equity of associates recognized by equity method	36	36
Employee stock options	3,139	3,139
Subsidiary cash capital increase	19,710	-
Convertible corporate bonds stock options	65,872	-
	$ 309,068	**223,116**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

The Group did not participate in the cash capital increase of its subsidiary, Rehear Audiology, who issued 1,000 shares, at a par value of 5 per share and an issue price of $80, with the base date set on August 1, 2024, based on its board meeting held on March 25, 2024. Instead, the entire shares above totaling $80,000 thousand had been fully subscribed by Transcend Information, Inc., with the relevant procedures having been completed on August 16, 2024, resulting in the Group's shareholding ratio to decrease from 27.05% to 25.76%, while maintaining control over Rehear Audiology and its relevant activities. Furthermore, the above transaction resulted in an increase of $19,710 thousand in the Group's capital reserve.

(iii) Retained earnings

In accordance with the Company's Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Permit No. 1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders' equity is appropriated from current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On June 23, 2024 and June 19, 2023, the appropriation the earnings for 2022 and 2021 was resolved in the general meeting of shareholders. The amounts of interests distributed to owners were as follows:

	For the years ended December 31,				
	2023			2022	
		Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:					
Cash	$	1.20	195,150	2.00	325,251

(iv) Other equity

		Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income
Balance on January 1, 2024	$	33,510	443
Exchange differences on translation of net assets of foreign operations		159,244	1,054
Balance on December 31, 2024	$	192,754	1,497
Balance on January 1, 2023	$	42,025	38
Exchange differences on translation of net assets of foreign operations		(8,515)	405
Balance on December 31, 2023	$	33,510	443

(q) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2024 and 2023 was based on the profit attributable to ordinary shareholders of the Company amounting to $386,378 thousand and $322,385 thousand, and the weighted average number of ordinary shares outstanding of $162,625 thousand, as follows:

1) Profit attributable to ordinary shareholders of the Company

		For the years ended December 31,	
		2024	2023
Profit attributable to ordinary shareholders of the Company	$	386,378	322,385

(Continued)

2) Weighted-average number of outstanding ordinary shares

	For the years ended December 31, 2024	For the years ended December 31, 2023
Outstanding at December 31	$ 162,625	162,625

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2024 and 2023 was based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares is as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31, 2024	For the years ended December 31, 2023
Profit attributable to ordinary shareholders of the Company	386,378	322,385
Interest expense on convertible bonds, net of tax and gains on remeasurements of redemption of convertible corporate bonds at fair value	8,908	-
Profit attributable to ordinary shareholders of the Company (dilutive)	$ 395,286	322,385

2) Weighted-average number of ordinary shares (diluted)

	For the years ended December 31, 2024	For the years ended December 31, 2023
Weighted-average number of ordinary shares outstanding (basic)	$ 162,625	162,625
Effect of convertible corporate bonds	6,778	-
Effect of employee share bonus	13	28
Weighted-average number of ordinary shares outstanding at December 31(Dilution)	$ 169,416	162,653

(Continued)

(r) Revenue from contracts with customers

(i) Details of revenue

		For the years ended December 31, 2024	2023
Primary geographical markets:			
Taiwan	$	498,102	515,272
China		16,430,577	14,584,153
Others		780,760	177,331
	$	17,709,439	15,276,756
Major products/service lines:			
Digital Communication Solutions and Components	$	15,702,724	13,142,128
Storage Applications Solutions and Components		1,821,575	1,928,053
Analog Electronic Components		147,023	206,575
Server lease interest revenue		38,117	-
	$	17,709,439	15,276,756

(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$	202,550	91,960	96,295
Accounts receivable		3,904,248	3,115,349	3,495,090
Accounts receivable due from related parties		10,993	7,161	71
Less: Loss allowance		(37,027)	(33,650)	(52,721)
Total	$	4,080,764	3,180,820	3,538,735
Contract liabilities	$	14,657	32,795	21,866

The opening balances of contract liabilities of $27,903 thousand and $17,906 thousand on January 1, 2024 and 2023 were recognized as income for the nine months ended September 2024 and 2023, respectively.

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(c).

For details on finance lease payment receivable and allowance for impairment, please refer to note 6(d).

(Continued)

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to 600 thousand and 450 thousand, and directors' and supervisors' remuneration amounting to 10,000 thousand and 8,200 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2024 and 2023.

(t) Non-operating income and expenses:

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31,	
	2024	**2023**
Interest income	**$ 54,819**	**28,182**

(Continued)

(ii) Other income

The Group' s other income was as follows:

	For the years ended December 31,	
	2024	**2023**
Compensation income	$ -	6,266
Deputy merchandse procument	-	2,633
Other income	14,167	16,371
	$ 14,167	**25,270**

(iii) Other gains and losses

The Group' s other gains and losses were as follows:

	For the years ended December 31,	
	2024	**2023**
Foreign exchange gains	$ 114,937	5,368
Gain on modification of lease	-	9
Miscellaneous disbursements	-	(6,379)
Net gain on financial assets at fair value through profit or loss	260	185
Losses on disposals of property, plant and equipment	(127)	(45)
Gain on disposal of investments	-	38
	$ 115,070	**(824)**

(iv) Finance costs

Finance costs of the Group are detailed as follows:

	For the years ended December 31,	
	2024	**2023**
Interest on bank loans	$ (67,435)	(73,598)
Interest expenses on lease liabilities	(826)	(1,452)
Interest expenses on convertible corporate bonds	(10,385)	-
	$ (78,646)	**(75,050)**

(Continued)

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group's customers are concentrated in a large group of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial position of its customers and, if necessary, requires them to provide guarantees or assurances. The Group also regularly evaluates the probability of collection of accounts receivable and provides an allowance for losses.

3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(c).

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	$ 2,095,898	2,116,191	1,967,126	149,065	-	-	-
Short-term notes payables	449,326	450,000	450,000	-	-	-	-
Accounts payable (including related parties)	2,630,490	2,630,490	2,630,490	-	-	-	-
Payable on machinery and equipment	912,248	912,248	912,248	-	-	-	-
Other payables (including related parties)	115,415	115,415	115,415	-	-	-	-
Lease liabilities	12,055	12,219	8,567	2,165	1,480	7	-
Bonds payable	946,322	1,000,000	-	-	-	1,000,000	-
	$ 7,161,754	7,236,563	6,083,846	151,230	1,480	1,000,007	-
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	$ 1,350,950	1,360,234	1,134,344	225,890	-	-	-
Short-term notes payables	199,601	200,000	200,000	-	-	-	-
Accounts payable (including related parties)	2,122,678	2,122,678	2,122,678	-	-	-	-
Other payables (including related parties)	88,815	88,815	88,815	-	-	-	-
Long-term borrowings (including current portion)	202,300	232,908	24,604	15,150	29,919	51,938	111,297
Lease liabilities	21,628	22,824	8,377	5,569	7,505	1,373	-
	$ 3,985,972	4,027,459	3,578,818	246,609	37,424	53,311	111,297

(Continued)

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

(iii) Currency risk

1) Exposure of foreign currency risk

The Group’s significant exposure to foreign currency risk was as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary items						
USD	$ 248,307	32.785	8,140,745	175,686	30.705	5,394,439
RMB	219	4.478	981	800	4.327	3,462
Financial liabilities						
Monetary items						
USD	131,228	32.785	4,302,310	100,412	30.705	3,083,150

2) Sensitivity analysis

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at December 31, 2024 and 2023, would have increased or decreased the profit before tax by $191,971 thousand and $115,738 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to $114,937 thousand and $5,368 thousand, respectively.

(iv) interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

(Continued)

If the interest rate increases or decreases by 1% the Group’ s net income will decrease /increase by $25,452 thousand and $17,529 thousand for the years ended December 31, 2024 and 2023 with all other variable factors remaining constant. This is mainly due to the the Group’ s variable rate bank deposit.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group’ s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2024				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value:					
Fund	$ 91,045	91,045	-	-	91,045
Convertible corporate bonds recallable right	1,200	-	1,200	-	1,200
	$ 92,245	**91,045**	**1,200**	**-**	**92,245**

	December 31, 2023				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value:					
Fund	**$ 70,185**	**70,185**	**-**	**-**	**70,185**

2) Valuation technique for the financial instrutment at fair value

(2.1) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’ s-length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(2.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

(v) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying non-consolidated financial statements.

(ii) Structure of risk management

The Group’ s finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Group’ s business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Group these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group’ s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’ s policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the Board of Directors of the Group in accordance with the procedure of the board meetings.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The policy adopted by the Group is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Group will rate the major customers using other publicly available financial information and mutual transaction records. The Group continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group’s finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(iv) Liquidity risk

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2024 and 2023, the Group's unused credit line were amounted to $5,978,199 thousand and $6,777,498 thousand, respectively.

(v) Market risk

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

1) Currency risk

The Group is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Group’s respective entity, primarily the NTD, USD dollar, HKD and RMB. The currencies used in these transactions are the NTD, USD, HKD and RMB.

(Continued)

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(w) Capital management

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment and reduce the capital for redistribution to its shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company’ s debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 7,207,376	4,046,638
Less: Cash and cash equivalents	(2,098,460)	(1,497,908)
Net liabilities	$ 5,108,916	2,548,730
Total equity	$ 3,183,078	2,710,203
Debt-to-equity ratio	61.61%	48.46%

(x) Investing and financing activities not affecting cash flows

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

			Non-Cash changes			
	January 1, 2024	Cash flows	Amortization of discount and premium	Lease modification	Foreign exchange movement	December 31, 2024
Short-term notes payables	$ 199,601	249,725	-	-	-	449,326
Short-term borrowings	1,350,950	740,580	-	-	4,368	2,095,898
long-term borrowings	202,300	(202,300)	-	-	-	-
Lease liabilities	21,628	(16,490)	-	6,244	673	12,055
Bonds payable	-	1,000,000	(53,678)	-	-	946,322
Total liabilities from financing activities	$ 1,774,479	1,771,515	(53,678)	6,244	5,041	3,503,601

(Continued)

	January 1, 2023	Cash flows	Non-Cash changes: Lease modification	Non-Cash changes: Foreign exchange movement	December 31, 2023
Short-term notes payables	$ 379,163	(179,562)	-	-	199,601
Short-term borrowings	2,238,874	(894,173)	-	6,249	1,350,950
long-term borrowings	214,200	(11,900)	-	-	202,300
Lease liabilities	29,553	(15,444)	7,746	(227)	21,628
Total liabilities from financing activities	$ 2,861,790	(1,101,079)	7,746	6,022	1,774,479

(y) Net cash outflow for the acquisition of property, plant, and equipment

	December 31, 2024	December 31, 2023
Additions	$ 1,971,036	4,391
Less:Payable on machinery and equipment balance at December 31, 2024	(912,248)	-
	$ 1,058,788	4,391

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method by the Group
Rehear Audiology Company LTD. (hereinafter referred to as Rehear Audiology)	Investee company accounted for using equity method by the Group
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as “Realtek Singapore”)	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity
GMI Computing International Ltd. (hereinafter referred to as GMI Computing)	The Chairman of the company is the second immediate famnily of the chairman of the Company

(Continued)

Name of related party	Relationship with the Group
HI-JET INCORPORATION	The Chairman of the company is the same as of the Chairman of the company
Chia-Wen Yeh	The Chairman of the company
Wan-Yu Cho	The senior manager of the company
Po-Jen Liao	The senior manager of the company

(b) Significant related-party transactions

(i) Sale revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the years ended December 31, 2024	2023
Other related parties-Realtek	$ 43,803	31,600
Other related parties-Realtek Singapore	32,119	8,353
Other related parties-Unitech Electronics	188	456
	$ 76,110	40,409

Based on the contract, the sales price to related party is cost-plus. The product which the sells to subsidiaries are not sold to other customers and the sales price is not comparable to other customers. The collection conditions and sales price are not significantly different from those of ordinary customers.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	For the years ended December 31, 2024	2023
Other related parties-Realtek	$ 9,641,381	6,345,400
Other related parties-Realtek Singapore	4,823,391	4,545,163
Other related parties-RayMx	104,429	258,372
Other related parties-Actions (HK)	299,451	89,692
	$ 14,868,652	11,238,627

The products which the Company purchases from the above-mentioned related parties are not purchased from other vendors, resulting in no purchase price to compare with other vendors. The payment terms are not significantly different from general vendors.

(Continued)

(iii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Receivable to related parties	Realtek	$ 2,539	5,590
Receivable to related parties	Realtek Singapore	8,407	1,478
Receivable to related parties	Unitech Electronics	47	93
Finance lease payment receivable—related parties	GMI Computing	505,046	-
		$ 516,039	7,161

(iv) Payable from related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Payables to related parties	Realtek	$ 1,343,386	1,253,124
Payables to related parties	Realtek Singapore	1,057,514	607,108
Payables to related parties	RayMx	36,050	40,188
Payables to related parties	Actions (HK)	31,289	9,332
Other Payables to related parties	GMI Computing	-	4,923
		$ 2,468,239	1,914,675

The other payables are payments for consulting fees to related parties.

(v) Property transaction

In April 2024, the Company sold $200 thousand shares of Rehear Audiology to its management at the amount of $1,000 thousand, wherein the related payment has been received. As the Company considers its future development and the improvement of its shareholder structure, it has reached an agreement with the aforementioned management on December 31, 2024 to repurchase the shares sold at the original price.

(vi) Financial leases

The Group entered into a 5-year lease agreement its related party, GMI Computing International Ltd., for a total price of $747,936 thousand (US$23,402 thousand), on July 1, 2024, to lease out its GPU server for a monthly rental of US$390 thousand (excluding tax), within seven days after invoicing.

The Group classified the above lease as a finance lease because the lease included the whole of the remaining term of the head lease. On July 1, 2024 (the date of establishment of the lease), the Group delisted the cost of machinery and equipment of $524,347 thousand, which was recognized as finance lease receivables - related parties. As of December 31, 2024, the present value of undue receivables amounted to $505,046 thousand (US$15,259 thousand). Please refer to Note 6 (d) for the relevant disclosures.

As a result of the above transactions, the Group recognized the lease interest income of $38,117 thousand, with the amount of $75,482 thousand (US$2,340 thousand) having been collected, for the years ended December 31, 2024.

Based on the decisions made by the board on September 5 and October 22, 2024, with the approval of the shareholders on December 10, 2024. the above?mentioned machinery and equipment were leased out to a related party, GMI Computing International Ltd., after continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July. The above transaction was based on the valuation report issued by a valuation expert appointed by the Company, wherein the rental fees had since been collected.

(vii) Others

The Company paid the rentals of $39,877 thousand on behalf of its related party, GMI Computing International Ltd., for the year ended December 31, 2024.

The unpaid amount of $200 thousand was recorded as “other payables”, for both years ended December 31, 2024 and 2023.

(viii) Endorsement

As of December 31, 2024, the Company's bank loans were jointly guaranteed by the chairman of the Company to the extent of $250,000 thousand.

(c) Key management personnel compensation

Key management personnel compensation includes:

	For the years ended December 31,	
	2024	**2023**
Short-term employee benefits	$ 31,984	30,672
Post-employment benefits	271	287
	$ 32,255	**30,959**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Time deposit (classified under other financial assets)	Bank loan limit	$ 231,596	225,303
Accounts receivable	The unused letters of credit and secured loans	-	101,673
Property, plant and equipment	Short-term bank loans	294,867	-
Property, plant and equipment	Long-term bank loans	-	295,775
Stock (classified under Investments accounted for using the equity method)	Short-term notes and bills payable	231,361	-
Finance lease receivables(note)	Short-term bank loans	505,046	-
		$ 1,262,870	622,751

Note: Since the machinery and equipment were recognized as assets held under finance leases, the amount of net lease investment had been accounted for as finance lease receivables.

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments:

The Group decided to purchase and construct GPU servers, at an estimated total purchase price of $1,617,632 thousand (US$49,341 thousand), with the approval of its board on September 5, 2024. As of December 31, 2024, the executed budget totaled $1,524,015 thousand , of which the Company has paid $560,464 thousand, with the remaining unpaid amount of $912,248 thousand being classified as "Payable on machinery and equipment". The unrecognized amount of $51,303 thousand has yet to be paid after the supplier fulfills the contract.

(b) Guarantees provided by the Group’s bank to its suppliers for the delivery of goods:

	December 31, 2024	December 31, 2023
Purchase Guarantee	$ 306,710	309,583

(Continued)

(c) The amount of unused outstanding letters of credit were as follows:

	December 31, 2024	December 31, 2023
Outstanding standby letters of credit	$ 2,924,951	1,772,579

(d) The tax payable on imported goods guaranteed by the Group's bank:

	December 31, 2024	December 31, 2023
Taxes on imported goods guaranteed by banks	$ 4,000	4,000

(e) As of December 31, 2024 and 2023, the Group had issued $1,252,645 thousand and $1,029,025 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the years ended December 31					
	2024			2023		
By funtion / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	249,172	249,172	-	189,853	189,853
Labor and health insurance	-	13,787	13,787	-	12,394	12,394
Pension	-	14,087	14,087	-	13,866	13,866
Others	-	10,500	10,500	-	6,867	6,867
Depreciation	-	22,549	22,549	-	22,324	22,324

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:None

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Precontage of ownership (%)	Fair value	
Rehear Audiology Company Ltd.	CTBC Hua Win Money Market Fund	-	Non-current financial assets at fair through profit or loss	-	91,045	- %	91,045	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	9,641,381	56.88%	O/A 45 days	No purchases from other vendors	No material variance	(1,343,386)	(51.07)%	
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	4,823,391	28.45%	O/A 45 days	No purchases from other vendors	No material variance	(1,057,514)	(40.20)%	
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(457,656)	(2.58)%	O/A 60 days	No material variance	No material variance	135,406	3.32%	Note 1
The Company	RayMx	Subsidiary of Realtek Semiconductor Co.	Purchase	104,429	0.62%	O/A 45 days	No purchases from other vendors	No material variance	(36,050)	(1.37)%	
The Company	Vector Electronic	Subsidiaries	Sales	(396,852)	(2.24)%	O/A 60 days	No material variance	No material variance	183,442	4.50%	Note1
The Company	Actions (HK)	The Chairman of the company is thebeneficial party of the entity	Purchase	299,451	1.77%	O/A 30 days	No purchases from other vendors	No material variance	(31,289)	(1.19)%	-

Note 1 : The transactions were written off in the consolidated financial statements.

(Continued)

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	G.M.I (Shanghai)	Subsidiaries	135,406	336.61%	74,845	Payment has been received after maturity	75,472	-	None
The Company	Vector Electronic	Subsidiaries	183,442	340.90%	56,793	Payment has been received after maturity	75,763	-	〃
The Company	G.M.I. Computing	Subsidiaries	505,046	15.09%	-		13,488	-	-

Note:The transactions were written off in the consolidated financial statements.

(ix) Trading in derivative instruments:Please refer to note 6(b) and 6(l).

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	GMI company	Hong Da Fu Tong	1	Business consultation fees	59,259	Monthly payment	0.33%
0	GMI company	G.M.I (Shanghai)	1	Sales revenue	457,656	Based on cost-plus approach	2.58%
0	GMI company	G.M.I (Shanghai)	1	Business consultation fees	30,864	Monthly payment	0.17%
0	GMI company	G.M.I (Shanghai)	1	Accounts receivable	135,406	Monthly payment O/A 60 days	1.30%
0	GMI company	Vector Electronic	1	Sales revenue	396,852	Based on cost-plus approach	2.24%
0	GMI company	Vector Electronic	1	Accounts receivable	183,442	Monthly payment O/A 60 days	1.77%

Note 1: Numbers are filled in as follows:
1. "0" represents the Group
2. The subsidiaries start with number 1.

2: Relationship with the listed companies:
1. Transactions from parent Group to subsidiary
2. Transactions from subsidiary to parent Group
3. Transactions between subsidiaries

Note 3 : The transactions were written off in the consolidated financial statements.

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of wnership	Carrying value				
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Islands	Investment holding			18,277	100.00%	(69,755)	100.00%	(62,936)	(62,936)	Note
GMI Technology Inc.	GLOBAL MOBILE INTERNET CO., LTD	Taiwan	Sale of electronic products			1,548	34.21%	15,951	34.21%	2,742	938	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products			9,559	12.73%	231,361	12.73%	93,852	11,946	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding			34,149	100.00%	(69,838)	100.00%	(62,937)	(62,937)	Note
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding			13,169	100.00%	79	100.00%	1	1	Note
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components			102,000	51.00%	-	51.00%	-	-	
G.M.I. Technology	Rehear Audiology Company Ltd.	Taiwan	Medical Devices Research and deveolpment	27,050	29,000	5,410	25.76%	26,925	29.00%	(38,473)	(10,234)	Note

Note: The transactions were written off in the consolidated financial statements.

(Continued)

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period	Note
					Outflow	Inflow								
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 (Note 2)	(38,248)	100.00%	100.00%	(38,248)	(72,758)	-	
Hong Da Fu Tong Electronics Company	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 (Note 2)	(33,949)	100.00%	100.00%	(33,949)	(10,432)	-	
Sangdong Wan Shun He Enrgy Co., Ltd.	Chemical engineering products and Trading of electronic components	-	(b)	-	-	-	- (Note 2)	-	-%	-%	-	-		Note 3

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

Note 3: The subsidiary has already been liquidated by a resolution of the Board of Directors on March 28, 2023, and has been written off in May 2023.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
93,368	629,123	1,852,837

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders:None

Shareholding Shareholder’s Name	Shares	Percentage
De-Jet Investment Co., Ltd.	52,782,278	32.45%

Note：The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of 5% ordinary shares or more of the Company’s shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(14) Segment information:

(a) General information

The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately. The management of the acquired divisions remains employed by the Group.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the segment profit before tax from internal management reports reviewed by the chief operating decision maker as the basis for resource allocation and performance evaluation by management.

The Group's operating segment information and reconciliation are as follows:

	2024			
	Electronic component sales segment	**Leased segment**	**Reconciliation and elimination**	**Total**
Revenue:				
Revenue from external customers	$ 17,671,322	38,117	-	17,709,439
Intersegment revenues	-	-	-	-
Total revenue	$ 17,671,322	38,117	-	17,709,439
Reportable segment profit or loss	$ 313,782	35,311	-	349,093

	2023			
	Electronic component sales segment	**Leased segment**	**Reconciliation and elimination**	**Total**
Revenue:				
Revenue from external customers	$ 15,276,756	-	-	15,276,756
Intersegment revenues	-	-	-	-
Total revenue	$ 15,276,756	-	-	15,276,756
Reportable segment profit or loss	$ 408,845	-	-	408,845

(c) Products and services information: Please refer to note 6(r).

(Continued)

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.Please refer to note 6(r).

Geographical information	For the years ended December 31, 2024	2023
Non-current assets:		
Taiwan	$ 329,654	403,134
United States	1,467,917	-
China	10,600	16,445
Hong Kong	5,233	4,894
Total	$ 1,813,404	424,473

(e) Major customers:

There were no individual customers representing greater than 10% of sales revenues in the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023.

	For the years ended December 31, 2024	2023
Customer A	$ 3,886,587	2,928,075

Independent Auditors' Report

To the Board of Directors of G.M.I. Technology Inc.:

Opinion

We have audited the financial statements of G.M.I. Technology Inc.("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

   Please refer to note 4(m) "Revenue Recognition" for accounting policy, and note 6(q) Revenue from Customer Contracts, of the financial statements.

   Description of key audit matter:

   The Company mainly engages in the purchase and sale of electronic components. Since revenue is an important item in financial reporting and is of the interest to the users of financial statements, revenue recognition is one of the important evaluations performed by our auditors in the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understand and test the internal processes and related controls related to revenue recognition.
- Analyze the form and transaction terms of major revenues to assess the appropriateness of the timing of revenue recognition
- Verify the revenue transaction records and various certificates for the period before and after the selected financial reporting date to assess the appropriate cutoff of operating revenue records.
- Assess whether there are material sales returns and allowances after year end.

Other Matter

We did not audit the financial statements of Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd., subsidiaries of the Company. Those statements were audited by other auditors, whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd., is based solely on the reports of other auditors. The financial statements of Unitech Electronics Co., Ltd. and Global Mobile Internet Co., Ltd. reflect total assets constituting 2.39% and 3.56% of the consolidated total assets at December 31, 2024 and 2023, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 2.60% and 1.46% of total Earning before tax for the years then ended respectively.

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

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

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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 Company's internal control.

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Shu-Chih and Lin, Heng-Shen.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2025

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

G.M.I. Technology Inc.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note (6)(a))	$ 2,022,304	20	1,404,706	22
1110	Current financial assets at fair value through profit or loss (note (6)(k))	1,200	-	-	-
1150	Notes receivable (notes (6)(b)(q))	201,942	2	91,684	1
1170	Accounts receivable (notes (6)(b)(q) and (8))	3,702,646	36	2,975,358	45
1180	Accounts receivable due from related parties, net (notes (6)(b), (q)and (7))	329,841	3	193,053	3
1199	Finance lease payment receivable—related parties(notes (6)(c)and (7))	85,929	1	-	-
1200	Other receivables	17,392	-	18,589	-
1220	Current income tax assets	20,380	-	22,621	-
130X	Inventories (note (6)(d))	1,160,439	11	1,015,021	16
1476	Other current financial assets (note (8))	231,596	2	225,303	3
1470	Other current assets:	42,530	1	85,698	1
	Total current assets	7,816,199	76	6,032,033	91
	Non-current assets:				
1550	Investments accounted for using equity method (notes (6)(e) and (7))	274,237	3	254,593	4
1600	Property, plant and equipment (note (6)(f))	1,765,387	17	326,638	5
1755	Right-of-use assets (note (6)(g))	5,251	-	7,144	-
1840	Deferred tax assets (note (6)(n))	10,927	-	26,863	-
194K	Long-term finance lease payment receivable—related parties (notes (6)(c)and (7))	419,117	4	-	-
1915	Prepayments for business facilities	27,876	-	-	-
1975	Net defined benefit assets- non current (note (m))	6,131	-	2,387	-
1900	Other non-current assets	4,290	-	4,061	-
	Total non-current assets	2,513,216	24	621,686	9
	Total assets	**$ 10,329,415**	**100**	**6,653,719**	**100**

	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes (6)(i) and (8))	$ 2,095,898	20	1,350,950	21
2110	Short-term notes and bills payable (note (6)(h))	449,326	4	199,601	3
2130	Current contract liabilities (note (6)(q))	14,023	-	14,531	-
2170	Accounts payable	166,710	2	212,136	3
2180	Accounts payable to related parties (note (7))	2,468,239	24	1,909,752	29
2213	Payable on machinery and equipment (note (6)(f))	912,248	9	-	-
2219	Other payables, others	82,299	1	68,764	1
2220	Payables to related parties (note (7))	200	-	5,123	-
2230	Current income tax liabilities	21,771	-	27,871	-
2280	Current lease liabilities (note (6)(l))	5,310	-	5,058	-
2322	Long-term borrowings, current portion (notes (6)(j) and (8))	-	-	26,775	-
	Total Current liabilities	6,216,024	60	3,820,561	57
	Non-Current liabilities:				
2530	Bonds payable (note (6)(k))	946,322	9	-	-
2540	Long-term borrowings(notes (6)(j)and (8))	-	-	175,525	3
2570	Total deferred tax liabilities (note (6)(n))	9,194	-	-	-
2580	Non-current lease liabilities (note (6)(l))	-	-	2,209	-
2650	Credit in investments accounted for using equity method(note (6)(e))	69,755	1	6,605	-
2670	Other non-current liabilities	57	-	-	-
	Total Non-current liabilities	1,025,328	10	184,339	3
	Total liabilities	7,241,352	70	4,004,900	60
	Share capital (note (6)(o)):				
3110	Ordinary share	1,626,254	16	1,626,254	24
3200	Capital surplus	309,068	3	223,116	3
3310	Legal reserve	178,894	2	146,600	2
3350	Unappropriated retained earnings	779,596	7	618,896	10
3400	Other equity	194,251	2	33,953	1
	Total equity	3,088,063	30	2,648,819	40
	Total liabilities and equity	**$ 10,329,415**	**100**	**6,653,719**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2024 Amount	2024 %	2023 Amount	2023 %
4000	**Operating revenue (notes (6)(q) and (7))**	$ 17,742,569	100	15,303,570	100
5000	**Operating costs (notes (6)(d) and (7))**	16,804,095	95	14,427,898	94
	Gross profit (loss) from operations	938,474	5	875,672	6
	Operating expenses (notes (6)(f)(g)(m) and (7)):				
6100	Selling expenses	304,315	2	286,398	2
6200	Administrative expenses	157,578	1	134,885	1
6300	Research and development expenses	26,602	-	24,022	-
6450	Impairment loss (impairment gain) determined in accordance with IFRS 9 (note (6)(b))	4,797	-	(19,479)	-
	Total operating expenses	493,292	3	425,826	3
	Net operating income (loss)	445,182	2	449,846	3
	Non-operating income and expenses (note (6)(s)):				
7100	Interest income	54,128	-	27,368	-
7010	Other income	15,750	-	25,811	-
7020	Other gains and losses	119,091	1	8,198	-
7050	Finance costs	(78,015)	-	(73,980)	-
7060	Share of profit of associates accounted for using equity method	(60,286)	-	(35,357)	-
	Total non-operating income and expenses	50,668	1	(47,960)	-
7900	**Profit before income tax**	495,850	3	401,886	3
7950	Less: Income tax expenses (note (6)(n))	109,472	1	79,501	1
	Profit	386,378	2	322,385	2
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Remeasurements of defined benefit plans (note (6)(m))	1,766	-	557	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		1,766	-	557	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	159,244	1	(7,847)	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, that may be reclassified to profit or loss	1,054	-	(263)	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	160,298	1	(8,110)	-
8300	**Other comprehensive income**	162,064	1	(7,553)	-
	Total comprehensive income	$ 548,442	3	314,832	2
	Earnings per share (note (6)(q))				
9750	Basic earnings per share	$ 2.38		1.98	
9850	Diluted earnings per share	$ 2.33		1.98	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2023	$ 1,626,254	223,116	101,075	113,848	552,882	42,025	38	2,659,238
Profit for the period	-	-	-	-	322,385	-	-	322,385
Other comprehensive income or loss for the period	-	-	-	-	557	(8,515)	405	(7,553)
Total comprehensive income for the period	-	-	-	-	322,942	(8,515)	405	314,832
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	45,525	-	(45,525)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(325,251)	-	-	(325,251)
Special reserve	-	-	-	(113,848)	113,848	-	-	-
Balance at December 31, 2023	1,626,254	223,116	146,600	-	618,896	33,510	443	2,648,819
Profit for the period	-	-	-	-	386,378	-	-	386,378
Other comprehensive income or loss for the period	-	-	-	-	1,766	159,244	1,054	162,064
Total comprehensive income	-	-	-	-	388,144	159,244	1,054	548,442
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	32,294	-	(32,294)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(195,150)	-	-	(195,150)
Other changes in capital surplus:								
Changes in ownership interests in subsidiaries	-	19,710	-	-	-	-	-	19,710
Due to recognition of equity component of convertible bonds (preference share) issued	-	65,872	-	-	-	-	-	65,872
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	370	-	-	-	-	-	370
Balance at December 31, 2024	**$ 1,626,254**	**309,068**	**178,894**	**-**	**779,596**	**192,754**	**1,497**	**3,088,063**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

G.M.I. Technology Inc.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 495,850	401,886
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	12,878	12,814
Expected credit loss (Reversal of expeced (credit loss)	4,797	(19,479)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	600	-
Interest expense	78,015	73,980
Interest income	(54,128)	(27,368)
Finance lease interest revenue	(38,117)	-
Share of loss (profit) of subsidiaries,associates and joint ventures accounted for using equity method	60,286	35,357
Loss (gain) on disposal of investments	-	(38)
Total adjustments to reconcile profit (loss)	64,331	75,266
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(101,181)	4,166
(Increase) decrease in accounts receivable	(555,360)	366,084
Increase in accounts receivable due from related parties	(119,912)	(22,859)
Decrease (increase) in other receivable	896	(3,129)
Decrease in finance lease receivable due from related parties	75,482	-
Increase in prepayments for business facilities	(27,876)	-
(Increase) decrease in inventories	(80,111)	1,302,090
Decrease (increase) in other current assets	44,597	(5,920)
Total changes in operating assets	(763,465)	1,640,432
Decrease in contract liabilities	(2,074)	(4,493)
Decrease in accounts payable	(115,957)	(183,273)
Increase (decrease) in accounts payable to related parties	503,431	(353,268)
Increase in other payable	9,558	11,198
(Decrease) increase in other payable to related parties	(5,091)	4,923
Decrease in net defined benefit liability	(1,978)	(404)
Total changes in operating liabilities	387,889	(525,317)
Total adjustments	(311,245)	1,190,381
Cash inflow (outflow) generated from operations	184,605	1,592,267
Interest received	54,652	26,835
Interest paid	(64,725)	(78,672)
Income taxes refund (paid)	(86,161)	(61,922)
Net cash flows from (used in) operating activities	88,371	1,478,508
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(1,116)	(21,841)
Proceeds from disposal of investments accounted for using equity method	1,950	-
Acquisition of property, plant and equipment	(1,055,596)	(2,701)
Decrease in other financial assets	9,153	6,050
Increase in other non-current assets	(107)	(2,398)
Dividends received	3,306	6,408
Net cash flows from (used in) investing activities	(1,042,410)	(14,482)
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,125,076	7,355,369
Decrease in short-term loans	(6,384,496)	(8,249,542)
Increase in short-term notes and bills payable	3,247,077	3,355,559
Decrease in short-term notes and bills payable	(2,997,352)	(3,535,121)
Proceeds from issuing bonds	1,000,000	-
Repayments of long-term debt	(202,300)	(11,900)
Payment of lease liabilities	(8,168)	(7,777)
Increase in other non-current liabilities	57	-
Cash dividends paid	(195,150)	(325,251)
Net cash flows from (used in) financing activities	1,584,744	(1,418,663)
Effect of exchange rate changes on cash and cash equivalents	(13,107)	(7,955)
Net increase (decrease) in cash and cash equivalents	617,598	37,408
Cash and cash equivalents at beginning of period	1,404,706	1,367,298
Cash and cash equivalents at end of period	$ 2,022,304	1,404,706

See accompanying notes to parent company only financial statements.

G.M.I. Technology Inc.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023

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

(1) Company history

G.M.I. Technology Inc.(hereinafter referred to as the Company) was established in October 1995 with the approval of the Ministry of Economic Affairs, R.O.C and its registered office is located at 2F, No. 57, Xingzhong Rd, Neihu District, Taipei, Taiwan. The Company and its subsidiaries (hereinafter collectively referred to as the Group) are principally engaged in the trading and manufacturing of electronic equipment and components, computer software development, trading and related business services.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issue by the Board of Directors on March 11, 2025.

(3) New standards, amendments and interpretations adopted:

The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

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

● Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

● Amendments to IAS 1 "Non-current Liabilities with Covenants"

● Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

● Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(a) The impact of IFRS issued by the FSC but not yet effective

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

● Amendments to IAS21 "Lack of Exchangeability"

(b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

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

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

The significant accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

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

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note XX.

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

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

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

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

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

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

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

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

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

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

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

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are shortterm, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting shortterm cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(f) Financial instruments

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

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI. However, they are included in the ‘trade receivables’ line item.

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

Dividend income is recognized in profit or loss on the date on which the Company’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the ‘trade receivables’ line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

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

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

(Continued)

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

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

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

(Continued)

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company’s interests in the associate.

When the Company’s share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest 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.

(Continued)

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

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

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

(i) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.
Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment on January 1, 2012, the Group's date of transition to the Standards, was determined with reference to its fair value at that date.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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

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

(iv) Reclassification to investment property

(k) Leases

(i) As a leasee

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

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

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

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

(1) fixed payments, including in-substance fixed payments;

(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 under a residual value guarantee; and

(4) payments for purchase or termination options that are reasonably certain to be exercised.

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

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) there is a change in the Company' s estimate of the amount expected to be payable under a residual value guarantee; or

(3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(4) there is a change of its assessment on whether it will exercise a extension or termination option; or

(5) there is any lease modifications

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

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

From January 1, 2021, when the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company will remeasure the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(Continued)

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(l) Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The main revenues items of the merged company are described as follows:

(i) Selling goods

The Company recognizes revenue when control over a product is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product.Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Company has objective evidence that all acceptance conditions have been met.

The Company regularly provides sales discounts to its customers on the basis of sales achieved. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company recognizes accounts receivable when the goods are delivered because the Company has the unconditional right to receive the consideration at that point in time.

(ii) Rental income

When the combined company leases equipment to customers, lease income is recognized based on the conditions of the lease contract and the period during which it is realized.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

(Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(p) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds and employee compensation.

(q) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these parent company only financial statements, management has made judgments and estimates, about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

The accounting policies involved significant judgement and have a significant impact on the amounts recognized in this consolidated financial report as follows:

(a) Judgement regarding significanst infiuence over an investee

The Group holds 12.73% voting shares, and is the second largest shareholder, of Unitech Electronics Co., Ltd., resulting in the Group’s chairman and his family having substantial control and significant influence over Unitech Electronics Co., Ltd..

(b) Judgment regarding substantive control over an investee

Although the Company owns less than 50% of Rehear Audiology Company LTD, the Company and the related parties own more than 50% of Rehear Audiology Company LTD, and the Company could determine the related operating activities. Therefore, Rehear Audiology Company LTD, is regarded as a subsidiary.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) The loss allowance for trade receivables

The Company has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(b).

(Continued)

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid technological changes, the net realizable value of inventories may change significantly. The relevant assumptions and input values, please refer to note 6(d).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 1,274	3,828
Cheques and demand deposits	2,021,030	1,400,878
	$ 2,022,304	**1,404,706**

(b) Notes receivable and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable - arising from operations	$ 202,550	91,960
Accounts receivable - measured at amortized cost	3,737,459	3,008,056
Accounts receivable due from related parties	329,841	193,053
Less:Allowance for losses	(35,421)	(32,974)
	$ 4,234,429	**3,260,095**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	December 31, 2024		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$ 4,122,146	0.82%	33,790
Less than 90 days past due	147,358	0.87%	1,285
More than 180 days past due	346	100%	346
	$ 4,269,850		**35,421**

(Continued)

	December 31, 2023		
	Notes and accounts receivable carrying amount	Weighted-average loss ratio	Allowance provision
Current	$ 3,253,038	0.95%	30,845
Less than 90 days past due	40,031	5.32%	2,129
	$ 3,293,069		32,974

The movement in the allowance for notes and accounts receivable were as follows:

	2024	2023
Balance at January 1	$ 32,974	52,337
Impairment losses (reversal of gains)	4,797	(19,479)
Foreign exchange gains or losses	(2,350)	116
Balance at December 31	$ 35,421	32,974

For details on financial assets guaranteed as short-term loans and financing guarantees mentioned above, please refer to note 8.

(c) Finance lease payment receivable - related party

The Company leases the GPU server to its related party, GMI Computing International Ltd., wherein the Group classified the lease as a finance lease because the leases included the whole of the remaining term of the head lease. Please refer to note 7 for the description of related party transactions.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2024		December 31, 2023	
	USD	TWD	USD	TWD
Less than one year	$ 4,680	153,449	-	-
1~2 year	4,680	153,449	-	-
2~3 year	4,680	153,449	-	-
3~4 year	4,680	153,449	-	-
4~5 year	2,342	76,722	-	-
Total lease payments receivable	21,062	690,518	-	-
Unearned finance income	(5,803)	(185,472)	-	-
Present value of lease payments receivable	$ 15,259	505,046	-	-

(Continued)

		December 31, 2024	December 31, 2023
Finance lease payment receivable - current	$	85,929	-
Long term finance lease payment receivable		419,117	-
	$	505,046	-

For credit risk information, please refer to note 6(u).

(d) Inventories

		December 31, 2024	December 31, 2023
Goods for sale	$	1,160,439	1,015,021

Inventories recognized as cost of sales amounted to $16,821,698 thousand and $14,472,471 thousand for the years ended December 31, 2024 and 2023, respectively.

The part of inventories previously write down to net realizable value has been sold, leading to an increase in net realizable value and a decrease in cost of good sold of $17,603 thousand and $44,573 thousand for the years ended December 31, 2024 and 2023, respectively.

(e) Investments accounted for using equity method

A summary of The Company’ s financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2024	December 31, 2023
Subsidiaries	$	(42,830)	11,309
Associates		323,952	313,319
Accumulated impairment loss and amortization:		(76,640)	(76,640)
Subtotal		204,482	247,988
Credit balance of investment accounted for using equity method		69,755	6,605
	$	274,237	254,593

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2024.

(ii) Associates

For Affiliates that are significant to the Company, their relevant information are as follows:

Associate Name	Nature of the relationship with the Group	Main business sector/Country of company registration	Proportion of ownership interest and voting rights December 31, 2024	December 31, 2023
Unitech Electronics Co., Ltd.	Invested by the Group using equity method	Taiwan	12.73%	12.73%

For Affiliates that are significant to the Company have been listed on the stock exchange, their fair values are as follows:

	December 31, 2024	December 31, 2023
Unitech Electronics	$ 371,845	287,248

The aggregated financial information of the affiliates that are material to the Company is as follows. The financial information has been adjusted to the amounts included in the IFRS consolidated financial statements of each Affiliate to reflect the Group's fair value adjustments and adjustments made for differences in accounting policies for affiliates when acquiring equity in Affiliates:

1) Unitech Electronics's Aggregate Financial Information:

	December 31, 2024	December 31, 2023
Current Asset	$ 2,004,388	1,794,128
Non-Current Asset	547,490	582,566
Current Liability	(567,107)	(458,796)
Non-Current Liability	(101,189)	(105,990)
Net Assets	$ 1,883,582	1,811,908

	For the years ended December 31, 2024	2023
Operating Income	$ 2,438,169	2,242,442
Current period net profit	$ 94,214	40,867
Other comprehensive gains and losses	3,434	(548)
Total comprehensive gains and losses	$ 97,648	40,319

(Continued)

	For the years ended December 31,		
	2024		2023
Beginning carrying balance of the Group's share of net assets of affiliates	$	222,590	224,079
The Group's total gains and losses attributable to affiliates		12,077	4,919
Dividends received from affiliates		(3,306)	(6,408)
Ending carrying balance of the Group's interest in affiliates	**$**	**231,361**	**222,590**

(iii) The aggregate financial information of the Company's equity-method associates, which are individually insignificant, is summarized as follows (amounts included in the Group's consolidated financial statements):

		December 31, 2024	December 31, 2023
Carrying amount of equity in individual insignificant associates	**$**	**42,876**	**32,003**

	For the years ended December 31,		
	2024		2023
Attributable to the Group:			
Net loss for the period	$	(9,296)	(3,249)
Other comprehensive income or loss		924	(40)
Total comprehensive income or loss	**$**	**(8,372)**	**(3,289)**

(iv) Collateral

Some of the Company's investments accounted for using the equity method had been pledged as collaterall, please refer to note 8.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2024 and 2023 were as follows:

		Land	Buildings and Construction	Machinery and equipment	Leasehold improvements	Office equipment	Other equipment	Unfinished construction	Total
Costs									
Balance on January 1, 2024	$	270,496	51,264	-	2,499	12,951	1,715	-	338,925
Additions		-	-	524,347	-	1,326	2,130	1,440,041	1,967,844
Disposal		-	-	(524,347)	(2,617)	(2,559)	(74)	-	(529,597)
Effects of changes in foreign exchange rates		-	-	-	118	98	-	-	216
Balance on December 31, 2024	**$**	**270,496**	**51,264**	**-**	**-**	**11,816**	**3,771**	**1,440,041**	**1,777,388**
Balance on January 1, 2023	$	270,496	51,264	-	2,505	18,311	941	-	343,517
Additions		-	-	-	-	1,886	815	-	2,701
Disposal		-	-	-	-	(7,242)	(41)	-	(7,283)
Effects of changes in foreign exchange rates		-	-	-	(6)	(4)	-	-	(10)
Balance on December 31, 2023	**$**	**270,496**	**51,264**	**-**	**2,499**	**12,951**	**1,715**	**-**	**338,925**
Depreciation and impairment losses:									
Balance on January 1, 2024	$	-	4,076	-	2,499	5,316	396	-	12,287
Additions		-	1,699	-	-	2,569	512	-	4,780
Disposal		-	-	-	(2,617)	(2,559)	(74)	-	(5,250)
Effects of changes in foreign exchange rates		-	-	-	118	66	-	-	184
Balance on December 31, 2024	**$**	**-**	**5,775**	**-**	**-**	**5,392**	**834**	**-**	**12,001**
Balance on January 1, 2023	$	-	2,376	-	2,088	9,946	193	-	14,603
Depreciation for the year		-	1,700	-	422	2,616	244	-	4,982
Disposal		-	-	-	-	(7,242)	(41)	-	(7,283)
Effects of changes in foreign exchange rates		-	-	-	(11)	(4)	-	-	(15)
Balance on December 31, 2023	**$**	**-**	**4,076**	**-**	**2,499**	**5,316**	**396**	**-**	**12,287**
Carrying amounts:									
Balance on December 31, 2024	**$**	**270,496**	**45,489**	**-**	**-**	**6,424**	**2,937**	**1,440,041**	**1,765,387**
Balance on December 31, 2023	**$**	**270,496**	**47,188**	**-**	**-**	**7,635**	**1,319**	**-**	**326,638**
Balance on January 1, 2023	**$**	**270,496**	**48,888**	**-**	**417**	**8,365**	**748**	**-**	**328,914**

(i) In order to expand its business and rendering various kinds of services, the Company built a total of 52 GPU servers, which were completed in June 2024, based on a resolution approved during its board meeting held on March 12, 2024. After continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July, the Company entered into an agreement with GMI Computing International Ltd., a related party, to lease out the GPU servers that have been built, to which it charge a rental fee from them, based on the decisions made by its board on September 5 and October 22, 2024, with the approval of its shareholders on December 10, 2024. Please refer to note (7) for the details of related party transactions.

The Company classified the above lease as a finance lease because the lease included the whole of the remaining term of the head lease and recognized the disposal of the subject asset as a finance lease receivable as of the commencement date of the lease in July 2024. The finance lease payment receivable is disclosed in the following table; please refer to note 6(c).

(ii) As of December 31, 2024, the equipment had been shipped by the supplier to internal data center in Denver, where the Company has leased out to its related party ,GMI Computing ,to receive and install the said equipment, which was recognized as "unfinished construction" since the relevant construction work has yet to be completed, with the unpaid amount of $912,248 thousand, classified as "Payable on machinery equipment".

(iii) For details on financial assets guaranteed as st-term loans and financing guarantees mentioned above, please refer to note 8.

(g) Right-of-use assets

		Buildings and Construction	Trnsporation Equipment	Total
Cost:				
Balance on January 1, 2024	$	11,170	6,528	17,698
Additions		5,995	-	5,995
Reduction		(11,699)	-	(11,699)
Effects of changes in foreign exchange rates		685	-	685
Balance on December 31, 2024	**$**	**6,151**	**6,528**	**12,679**
Balance on January 1, 2023	$	11,196	-	11,196
Additions		-	6,528	6,528
Effects of changes in foreign exchange rates		(26)	-	(26)
Balance on December 31, 2023	**$**	**11,170**	**6,528**	**17,698**
Depreciation:				
Balance on January 1, 2024	$	8,378	2,176	10,554
Depreciation		5,922	2,176	8,098
Reduction		(11,699)	-	(11,699)
Effects of changes in foreign exchange rates		475	-	475
Balance on December 31, 2024	**$**	**3,076**	**4,352**	**7,428**
Balance on January 1, 2023	$	2,800	-	2,800
Depreciation		5,656	2,176	7,832
Effects of changes in foreign exchange rates		(78)	-	(78)
Balance on December 31, 2023	**$**	**8,378**	**2,176**	**10,554**

(Continued)

	Buildings and Construction	Trnsporation Equipment	Total
Carrying amounts:			
Balance on December 31, 2024	$ 3,075	2,176	5,251
Balance on December 31, 2023	$ 2,792	4,352	7,144
Balance on January 1, 2023	$ 8,396	-	8,396

(h) Short-term notes and bills payable

	December 31, 2024		
	Guarantee or acceptance institution	Range of interest rates	Total Amount
Commercial paper payable	Dah Chung Bills Finance Corp.	2.099%	$ 150,000
Commercial paper payable	Taiwan Finance Corporation	2.1%	100,000
Commercial paper payable	Taiwan Cooperative Bills Finance Corporation	2.058%	100,000
Commercial paper payable	Ta Ching Bills Finance Corp.	1.988%	100,000
Less: Discount on short term notes and bills payable			(674)
Total			$ 449,326

	December 31, 2023		
	Guarantee or acceptance institution	Range of interest rates	Total Amount
Commercial paper payable	Grand Bills Finance Corp.	1.9%	$ 30,000
Commercial paper payable	Dah Chung Bills Finance Corp.	1.9%	30,000
Commercial paper payable	Taiwan Finance Corporation	1.9%	30,000
Commercial paper payable	China Bills Finance Corp.	1.9%	50,000
Commercial paper payablec	Taiwan Cooperative Bills Finance Corporation	1.9%	30,000
Commercial paper payable	Ta Ching Bills Finance Corp.	1.9%	30,000
Less: Discount on short term notes and bills payable			(399)
Total			$ 199,601

The Company were pledged as guarantee for the payment of short-term notes and bills, please refer to note 8.

(i) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 1,815,898	1,258,776
Secured bank loans	280,000	92,174
	$ 2,095,898	1,350,950
Unused short-term credit lines	$ 5,978,199	6,777,498
Range of Interest rate	1.88%~6.29%	1.78%~7.07%

For the collateral for bank loans, please refer to note 8.

(j) Long-term borrowings

The details were as follows:

	December 31, 2024	December 31, 2023
Secured bank loans	$ -	202,300
Less: current portion	-	(26,775)
	$ -	175,525
Unused short-term credit lines	$ -	-
Range of interest rates (%)	-	1.90%

For the collateral for bank loans, please refer to note 8.

(k) Bonds Payable

(i) The information of the Company’ s Unsecured Bonds issued were as follows:

	December 31, 2024
Total convertible corporate bond issued	$ 1,000,000
Less:unamortised discount on corporate bonds payable	(53,678)
Balance of corporate bonds payable at end of period	$ 946,322
Embedded derivative － recallable right, included in financial assets atfair value through profit or loss	$ 1,200
Equity component － conversion options, included in capital surplus－stock options	$ 65,872

	2024
Embedded derivative － recallable right at fair value through profit or loss,included in financial liabilities at fair value through profit or loss	(600)
Interest expense	10,385

(Continued)

(ii) The principal terms of issue of the first convertible corporate bons are as follows:

1) Periods: 3 Year (As of June 25, 2024 to June 25, 2027)

2) Cupon rate：0%

3) Redemption method: The Company may redeem the bonds under the following circumstances:

A. For the period from 3 months after the issuance date to the 40 days before the expiration of the issuance period. If the Company's ordinary shares, which are listed on the Taiwan Stock Exchange (TWSE), have a closing price exceeding the current conversion price more than 30% for 30 consecutive business days, the Company has the right to redeem the bonds at the face value.

B. For the period from 3 months after the issuance date to the 40 days before expiration of the issuance period. If the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issue, the Company has the right to redeem the bonds at face value.

(iii) Conversion Method:

A. Creditors may apply for conversion into ordinary shares of the Company in accordance with the conversion method from September 26, 2024 to June 25, 2027.

B. Conversion Price: $76.8 per share at the time of issuance, and in the event of an adjustment of the conversion price of the Company's common shares in accordance with the provisions of the issuance terms, the conversion price shall be adjusted in accordance with the formula specified in the issuance terms.

(l) Lease liabilities

The carrying amounts of the Company’ s lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 5,310	5,058
Non-current	$ -	2,209

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

	For the years ended December 31,	
	2024	2023
Interest expense on lease liabilities	$ 194	382
Expenses relating to short-term leases	$ 530	531

(Continued)

The amounts of leases recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31,	
	2024	**2023**
Total cash outflow for leases	$ 8,892	8,690

The Company leases buildings for its office space and employee housing, with terms that typically run for the periods of five and two years, respectively. Some leases include an option to extend the lease for the same period as the original contract upon maturity. To the extent that it is not reasonably certain that an optional extension of the lease term will be exercised, payments related to the period covered by the option are not included in the lease liability.

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2024	**December 31, 2023**
Present value of the defined benefit obligations	$ 8,635	12,175
Fair value of plan assets	(14,766)	(14,562)
Net defined benefit liabilities	**$ (6,131)**	**(2,387)**

The Company’s employee benefit liabilities were as follows:

	December 31, 2024	**December 31, 2023**
Liability for short-term compensated absences (included in other payables)	**$ 1,116**	**1,434**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

(Continued)

The Company's Bank of Taiwan labor pension reserve account balance amounted to $14,766 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of defined benefit obligations

The movement in present value of the defined benefit obligations of the Company were as follows:

	For the years ended December 31,		
		2024	2023
Defined benefit obligations at January 1	$	12,175	12,456
Current service cost and interest cost		146	150
Net defined benefit liability remeasurement		(494)	(431)
Benefits paid		(3,192)	-
Defined benefit obligations at December 31	**$**	**8,635**	**12,175**

3) Movements in fair value of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	For the years ended December 31,		
		2024	2023
Fair value of plan assets at January 1	$	(14,562)	(13,882)
Interest income		(177)	(169)
Net defined benefit asset remeasurement		(1,272)	(128)
Contributions paid by the employer		(351)	(383)
Benefits paid		1,596	-
Fair value of plan assets at December 31	**$**	**(14,766)**	**(14,562)**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the years ended December 31,		
		2024	2023
Current service cost and interests	$	146	149
Net interest of net liabilities for defined benefit obligations		(177)	(169)
	$	**(31)**	**(20)**

(Continued)

	For the years ended December 31,		
		2024	2023
Operating expenses	$	(31)	(20)

5) Remeasurement of the net defined benefit liabilities recognized in other comprehensive income

The cumulative remeasurement of the Company's net defined benefit obligation recognized in other comprehensive income were as follows:

	For the years ended December 31,		
		2024	2023
Cumulated amount at January 1	$	114	(443)
Total gain/loss recognized		1,766	557
Cumulated amount at December 31	$	1,880	114

6) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	For the years ended December 31,	
	2024	2023
Discount Rate	1.60%	1.20%
Future salary increases	3.00%	3.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one year period after the reporting date is $341 thousand.

The weighted average lifetime of the defined benefits plans is 5.4 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on the defined benefit obligations		
		Increased 1.00%	Decreased 1.00%
Balance at December 31, 2024			
Discount Rate	$	(463)	468
Future salary increases		397	(394)
Balance at December 31, 2023			
Discount Rate		(720)	727
Future salary increases		615	(611)

(Continued)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. In practical, the relevant actuarial assumptions are correlated to each other. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of the sensitivity analysis for 2024 and 2023.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Group of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The total pension costs of the Company's overseas subsidiaries under their respective defined contribution plan are recognized in accordance with their local regulations. All pension payment contributed in the current period are recognized as pension expense.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $3,959 thousand and $5,365 thousand for the years ended December 31, 2024 and 2023, respectively.

(n) Income taxes

(i) Income tax expenses

The components of income tax expense (gains) in the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31,	
	2024	**2023**
Current tax expense		
Current period	$ 84,342	77,369
Adjustment for prior years	-	(7,043)
Subtotal	84,342	70,326
Deferred tax expense (income)		
Origination and reversal of temporary differences	25,130	9,175
Subtotal	109,472	9,175
Income tax expense	**$ 193,814**	**79,501**

Reconciliation of income tax expense and profit before tax for 2024 and 2023 is as follows:

	For the years ended December 31, 2024	For the years ended December 31, 2023
Profit before income tax	$ 495,850	401,886
Income tax using the Company's domestic tax rate	99,170	80,377
Permanent difference	1,882	(392)
Change in unrecognized temporary differences	12,587	7,450
Adjustments for under provisions of prior years	-	(7,043)
Additional tax on undistributed earnings	4,774	9,916
Others	(8,941)	(10,807)
Total	$ 109,472	79,501

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized with respect to the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible Temporary Differences	$ 125,368	112,781

The deferred tax assets have not been recognized in respect of the these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax liabilities for 2024 were as follows:

	Unrealized exchange gains
Balance at January 1, 2024	$ -
Recognized in profit or loss	9,194
Balance at December 31, 2024	$ 9,194

Changes in the amount of deferred tax assets for 2024 and 2023 were as follows:

	Allowance for bad debt	Unrealized exchange loss	Other	Total
Balance at January 1, 2024	$ 6,956	15,759	4,148	26,863
Recognized in profit or loss	(1,784)	(15,759)	1,607	(15,936)
Balance at December 31, 2024	$ 5,172	-	5,755	10,927
Balance at January 1, 2023	$ 3,831	15,959	16,248	36,038
Recognized in profit or loss	3,125	(200)	(12,100)	(9,175)
Balance at December 31, 2023	$ 6,956	15,759	4,148	26,863

(Continued)

There were no income tax expense recognized the Company equity and other comprehensive income for amount of years ended December 31, 2024 and 2023.

The Company's tax returns for the years through 2022 were assessed by the National Taxation Bureau of R.O.C..

(o) Capital and other equity

As of December 31, 2024 and 2023, the total value of authorized ordinary shares was amounted to $2,000,000 thousand. The number of authorized ordinary shares were 200,000 thousand shares with par value of $10 per share, of which 162,625 thousand shares of ordinary shares were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for year ended December 31, 2024 and 2023 were as follows:

	Ordinary share	
	For the years ended December 31,	
(in thousands of shares)	**2024**	**2023**
Balance on December 31(opening balance)	**162,625**	**162,625**

(i) Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023, were as follows:

	December 31, 2024	December 31, 2023
Share capital at premium	$ 219,941	219,941
Difference arising from subsidiary's share price and its carrying value	370	-
Changes in net equity of associates recognized by equity method	36	36
Employee stock options	3,139	3,139
Subsidiary cash capital increase	19,710	-
Convertible corporate bonds stock options	65,872	-
	$ 309,068	**223,116**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

The Company did not participate in the cash capital increase of its subsidiary, Rehear Audiology, who issued shares, at a par value of per share and an issue price of , with the base date set on August 1, 2024, based on its board meeting held on March 25, 2024. Instead, the entire shares above totaling thousand had been fully subscribed by Transcend Information, Inc., with the relevant procedures having been completed on August 16, 2024, resulting in the Company's shareholding ratio to decrease from 27.05% to 25.76%, while maintaining control over Rehear Audiology and its relevant activities. Furthermore, the above transaction resulted in an increase of thousand in the Company's capital reserve.

(ii) Retained earnings

In accordance with the Company’s Articles of Association, if there is any surplus in the annual final accounts, the Company shall first pay taxes to cover for the prior years' deficits and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's paid-in capital; in addition, special reserve shall be set aside in accordance with the Company's operating needs and laws and regulations. Then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

In order to maintain a sound financial structure and to take into account the interests of investors, the Company adopts a balanced dividend policy by distributing no less than 30%% of the distributable earnings and paying cash dividends on 10% or more of the dividends distributed in a given year. If the dividend is less than $3, the Company may distribute stock dividends in full.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders’ meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Permit No. 1010012865 as issued by the Financial Supervisory Commission on 6 April 2012, a special reserve equal to the contra account of other shareholders’ equity is appropriated from current and prior period earnings. When the debit balance of any of the contra accounts in the shareholders’ equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On June 26, 2024 and June 19, 2023, the appropriation the earnings for 2023 and 2022 was resolved in the general meeting of shareholders. The amounts of interests distributed to owners were as follows:

	For the years ended December 31,			
	2023		2022	
	Amount per share	Total Amount	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:				
Cash	1.20	195,150	2.00	325,251

(iii) Other equity

		Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income
Balance on January 1, 2024	$	33,510	443
Exchange differences on translation of net assets of foreign operations		159,244	1,054
Balance on December 31, 2024	$	192,754	1,497
Balance at January 1, 2023	$	42,025	38
Exchange differences on translation of net assets of foreign operations		(8,515)	405
Balance at December 31, 2023	$	33,510	443

(p) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2024 and 2023 was based on the profit attributable to ordinary shareholders of the Company amounting to $386,378 thousand and $322,385 thousand, and the weighted average number of ordinary shares outstanding of $162,625 thousand, respectively, as follows:

1) Profit attributable to ordinary shareholders of the Company

		For the years ended December 31,	
		2024	2023
Profit attributable to ordinary shareholders of the Company	$	386,378	322,385

(Continued)

2) Weighted-average number of outstanding ordinary shares

	For the years ended December 31, 2024	2023
Outstanding at December 31	**$ 162,625**	**162,625**

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2024 and 2023 was based on the profit attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares is as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31, 2024	2023
Profit attributable to ordinary shareholders of the Company	$ 386,378	322,385
Interest expense on convertible bonds, net of tax and gains on remeasurements of redemption of convertible corporate bonds at fair value	8,908	-
	$ 395,286	**322,385**

2) Weighted-average number of ordinary shares (diluted)

	For the years ended December 31, 2024	2023
Weighted-average number of ordinary shares outstanding	$ 162,625	162,625
Effect of convertible corporate bonds	6,778	-
Effect of employee share bonus	13	28
Weighted-average number of ordinary shares outstanding at December 31	**$ 169,416**	**162,653**

(Continued)

(q) Revenue from contracts with customers

(i) Details of revenue

		For the years ended December 31, 2024	2023
Primary geographical markets:			
Taiwan	$	498,102	515,272
China		16,463,707	14,610,967
Others		780,760	177,331
	$	17,742,569	15,303,570
Major products/service lines:			
Digital Communication Solutions and Components	$	15,724,337	13,168,047
Storage Applications Solutions and Components		1,828,152	1,929,294
Analog Electronic Components		151,963	206,229
Server lease interest revenue	$	38,117	-
	$	17,742,569	15,303,570

(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$	202,550	91,960	96,295
Accounts receivable		3,737,459	3,008,056	3,376,397
Accounts receivable due from related parties		329,841	193,053	170,783
Less: Loss allowance		(35,421)	(32,974)	(52,337)
Total	$	4,234,429	3,260,095	3,591,138
Contract liabilities	$	14,023	14,531	19,151

The opening balances of contract liabilities of $9,643 thousand and $15,197 thousand on January 1, 2024 and 2023 were recognized as income for the nine months ended December 2024 and 2023, respectively.For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).For details on finance lease payment receivable and allowance for impairment, please refer to note 6(c)

(Continued)

(r) Remuneration to employees, and directors

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 0.1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The distribution of remuneration of employees, directors, and supervisors should be submitted and reported to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to $600 thousand and $450 thousand, and directors' and supervisors' remuneration amounting to 10,000 thousand and 8,200 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration is distributed through stock dividends, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of Directors.

The related information can be accessed from market observation post system website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2024 and 2023.

(s) Non-operating income and expenses:

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31, 2024	For the years ended December 31, 2023
Interest income	$ 54,128	27,368

(Continued)

(ii) Other income

The Company's other income was as follows:

	For the years ended December 31,	
	2024	**2023**
Compensation income	$ -	6,266
Deputy merchandse procument	-	2,633
Other	15,750	16,912
	$ 15,750	**25,811**

(iii) Other gains and losses

The Company's other gains and losses were as follows:

	For the years ended December 31,	
	2024	**2023**
Foreign exchange gains	$ 119,691	14,541
Gain on dosposal of investments	-	38
Miscellaneous disbursements	-	(6,381)
Gains (Losses) on financial assets (liabilities) at fair value through profit or loss	(600)	-
	$ 119,091	**8,198**

(iv) Finance costs

Finance costs of the Company are detailed as follows:

	For the years ended December 31,	
	2024	**2023**
Interest on bank loans	$ (67,435)	(73,598)
Lease liabilities	(195)	(382)
Convertible corporate bonds	(10,385)	-
	$ (78,015)	**(73,980)**

(Continued)

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Company’s customers are concentrated in a large group of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Company continuously evaluates the financial position of its customers and, if necessary, requires them to provide guarantees or assurances. The Company also regularly evaluates the probability of collection of accounts receivable and provides an allowance for losses.

3) Credit risk of receivables

For details on credit risk of notes and accounts receivable, please refer to note 6(b).

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	$ 2,095,898	2,116,191	1,967,126	149,065	-	-	-
Short-term notes payables	449,326	450,000	450,000	-	-	-	-
Accounts payable (including related parties)	2,634,949	2,634,949	2,634,949	-	-	-	-
Payable on machinery and equipment	912,248	912,248	912,248	-	-	-	-
Other payable (including related parties)	82,499	82,499	82,499	-	-	-	-
Lease liabilities	5,310	5,295	4,181	1,114	-	-	-
Bonds payable	946,322	1,000,000	-	-	-	1,000,000	-
	$ 7,126,552	7,201,182	6,051,003	150,179	-	1,000,000	-

(Continued)

	Carrying amounts	Contractual Cash flows	within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	$ 1,350,950	1,360,234	1,134,344	225,890	-	-	-
Short-term notes payables	199,601	200,000	200,000	-	-	-	-
Accounts payable (including related parties)	2,121,888	2,121,888	2,121,888	-	-	-	-
Other payables	73,887	73,887	73,887	-	-	-	-
Long-term borrowings (including current portion)	202,300	232,908	24,604	15,150	29,919	51,938	111,297
Lease liabilities	7,267	7,422	4,079	1,114	2,229	-	-
	$ 3,955,893	3,996,339	3,558,802	242,154	32,148	51,938	111,297

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

(iii) Currency risk

1) Exposure of foreign currency risk

The Company’ s significant exposure to foreign currency risk was as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 242,313	32.785	7,944,232	173,739	30.705	5,334,656
RMB	219	4.478	981	800	4.327	3,462
Financial liabilities						
Monetary items						
USD	121,535	32.785	3,984,525	94,372	30.705	2,897,692

2) Sensitivity analysis

The Company’ s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against the USD and the CNY at December 31, 2024 and 2023, would have increased or decreased the profit before tax by $198,034 thousand and $122,021 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to $119,691 thousand and $14,541 thousand, respectively.

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% the Company’s net income will decrease /increase by $25,452 thousand and $17,529 thousand for the years ended December 31, 2024 and 2023 with all other variable factors remaining constant. This is mainly due to the the Company’s variable rate bank deposit.

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2024				
		Fair value			
	Fair value	Level 1	Level 2	Level 3	Total
Financial assets at fair value:					
Convertible corporate bonds recallable right	$ 1,200	-	1,200	-	1,200

(Continued)

2) Valuation technique for the financial instrutment at fair value

(2.1) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s-length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(2.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

(u) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company’s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying non-consolidated financial statements.

(Continued)

(ii) Structure of risk management

The Company’s finance management department provides business services for the overall internal department. It monitor and manage financial risks of the the Company’s business operation through internal risk report, which analyze the exposure according to risk levels and scopes. The Company these risks by natural hedging through timely adjust its foreign currency assets and liabilities position. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company’s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’s policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The business and finance departments submit quarterly financial and business reports to the board of directors of the Company in accordance with the procedure of the board meetings.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The policy adopted by the Company is to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Company will rate the major customers using other publicly available financial information and mutual transaction records. The Company continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Risk Management Committee.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company’s finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(Continued)

(iv) Liquidity risk

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company’s management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Loans and borrowings from the bank form an important source of liquidity for the Company. As of December 31, 2024 and 2023, the Company's unused credit line were amounted to $5,978,199 thousand and $6,777,498 thousand, respectively.

(v) Market risk

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

1) Currency risk

The Company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company’s respective entity, primarily the NTD, USD dollar, HKD and RMB. The currencies used in these transactions are the NTD, USD dollar, HKD and RMB.

2) Interest rate risk

The Company borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

(v) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders, issue new shares, or sell assets to settle any liabilities.

The Company uses the debt-to-equity ratio to manage capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(Continued)

The Company's debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 7,241,352	4,004,900
Less: Cash and cash equivalents	(2,022,304)	(1,404,706)
Net liabilities	$ 5,219,048	2,600,194
Total equity	$ 3,088,063	2,648,819
Debt-to-equity ratio	62.83%	49.54%

(w) Investing and financing activities not affecting cash flows

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

	Jan. 1, 2024	Cash flows	Non-Cash changes: Amortization of discount and premium	Non-Cash changes: Lease modification	Non-Cash changes: Foreign exchange movement	December 31, 2024
Short-term notes payables	$ 199,601	249,725	-	-	-	449,326
Short-term borrowings	1,350,950	740,580	-	-	4,368	2,095,898
long-term borrowings	202,300	(202,300)	-	-	-	-
Lease liabilities	7,267	(8,168)	-	5,995	216	5,310
Bonds payables	-	1,000,000	(53,678)	-	-	946,322
Total liabilities from financing activities	$ 1,760,118	1,779,837	(53,678)	5,995	4,584	3,496,856

	Jan. 1, 2023	Cash flows	Non-Cash changes: Lease modification	Non-Cash changes: Foreign exchange movement	December 31, 2023
Short-term notes payables	$ 379,163	(179,562)	-	-	199,601
Short-term borrowings	2,238,874	(894,173)	-	6,249	1,350,950
long-term borrowings	214,200	(11,900)	-	-	202,300
Lease liabilities	8,465	(7,777)	6,528	51	7,267
Total liabilities from financing activities	$ 2,840,702	(1,093,412)	6,528	6,300	1,760,118

(x) Net cash outflow for the acquisition of property, plant, and equipment

	December 31, 2024	December 31, 2023
Additions	$ 1,967,844	2,701
Less:Payable on machinery and equipment balance at December 31, 2024	(912,248)	-
	$ 1,055,596	2,701

(Continued)

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Company during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
G.M.I. Technology (BVI) Co., Ltd. (hereinafter referred to as G.M.I. (BVI))	Subsidiary of the Company
Harken Investments Limited (hereinafter referred to as Harken)	Subsidiary of the Company
Vector Electronic Co. Ltd (hereinafter referred to as Vector)	Subsidiary of the Company
G.M.I (Shanghai) Trading Company Limited. (hereinafter referred to as G.M.I(Shanghai))	Subsidiary of the Company
Hong Da Fu Tong Electronics Company Limited. (hereinafter referred to as Shenzhen Fu Tong)	Subsidiary of the Company
GW Electronics Company Limited. (hereinafter referred to as GW Electronics)	Investee company accounted for using equity method
Rehear Audiology Company Ltd. (hereinafter referred to as Rehear Audiology)	Investee company accounted for using equity method
Unitech Electronics Co., Ltd. (hereinafter referred to as Unitech Electronics)	Investee company accounted for using equity method
Realtek Semiconductor Corp. (hereinafter referred to as Realtek)	The Chairman of the company is the beneficial party of the entity
Realtek Singapore private Limited (hereinafter referred to as Realtek Singapore)	Subsidiary of Realtek Semiconductor Co.
RayMx Microelectronics Corp (hereinafter referred to as RayMx)	Subsidiary of Realtek Semiconductor Co.
Actions Technology (HK) Company Ltd. (hereinafter referred to as Actions (HK)).	The Chairman of the company is the beneficial party of the entity
GMI Computing International Ltd. (hereinafter referred to as GMI Computing)	The Chairman of the company is the second immedinte farmily of the chaiman of the Company
HI-JET INCORPORATION (hereinafter referred to as HI-JET)	The Chairman of the company is the same as of the Chairman of the company
Chia-Wen Yeh	The Chairman of the company
Wan-Yu Cho	The senior manager of the company
Po-Jen Liao	The senior manager of the company

(Continued)

(b) Significant transactions with related parties

(i) Sale revenue

The amounts of significant sales transactions between the Company and related parties were as follows:

	For the years ended December 31,	
	2024	**2023**
Other related parties - Realtek	$ 43,803	31,600
Other related parties - Realtek Singapore	32,119	8,353
Subsidiaries - G.M.I(Shanghai)	457,656	948,215
Subsidiaries - Vector	396,852	105,922
Other related parties - Unitech Electronics	188	456
Subsidiaries - Rehear Audiology	139	-
	$ 930,757	1,094,546

The selling prices for the second-tier subsidiary are based on the contracted cost plus a markup. The credit terms offered to the second-tier subsidiary are not significantly different from those offered to unrelated parties. The products sold to other related parties are not sold to other customers. Therefore, the selling prices are not comparable to those of other customers, and the selling price and credit terms are not significantly different from those of unrelated parties.

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	For the years ended December 31,	
	2024	**2023**
Other related parties - Realtek	$ 9,637,038	6,345,400
Other related parties - Realtek Singapore	4,823,391	4,545,163
Other related parties - RayMx	104,429	258,372
Other related parties - Actions (HK)	299,451	89,692
	$ 14,864,309	11,238,627

The products which the Company purchases from the above-mentioned related parties are not purchased from other vendors, resulting in no purchase price to compare with that of other vendors. The payment terms are not significantly different from those of non-related parties.

(iii) The expenses incurred by the Company consulting subsidiary for its overseas operations in the years ended December 31, 2024 and 2023 were $90,123 thousand and $101,582 thousand, respectively.

(iv) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts receivable due from related parties	Realtek	$ 2,539	5,590
Accounts receivable due from related parties	Realtek Singapore	8,407	1,478
Accounts receivable due from related parties	Unitech Electronics	47	93
Finance lease payment receivable	GMI Computing	505,046	-
Accounts receivable due from related parties	G.M.I(Shanghai)	135,406	136,511
Accounts receivable due from related parties	Vector	183,442	49,381
		$ 834,887	193,053

(v) Payable from related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Payables to related parties	Realtek	$ 1,343,386	1,253,124
Payables to related parties	Realtek Singapore	1,057,514	607,108
Payables to related parties	RayMx	36,050	40,188
Payables to related parties	Actions (HK)	31,289	9,332
Other payables to related parties	GMI Computing	-	4,923
		$ 2,468,239	1,914,675

(vi) Sale of Patent

In 2023, the Company sold patents to its subsidiaries for $7,810 thousand, and the unrealized gain on disposal was recognized in profit or loss based on the useful life of the patents. As of December 31, 2024 and 2023, the unrealized gain on disposal was $6,043 thousand and $7,159 thousand and is in balance of “investments account for using equity method”.

(vii) Property transaction

In April 2024, the Company sold $200 thousand shares of Rehear Audiology to its management at the amount of $1,000 thousand, wherein the related payment has been received. As the Company considers its future development and the improvement of its shareholder structure, it has reached an agreement with the aforementioned management on December 31, 2024 to repurchase the shares sold at the original price.

(viii) Financial leases

The Company entered into a 5-year lease agreement its related party, GMI Computing International Ltd., for a total price of $747,936 thousand (US$23,402 thousand), on July 1, 2024, to lease out its GPU server for a monthly rental of US$390 thousand (excluding tax), within seven days after invoicing.

The Company classified the above lease as a finance lease because the lease included the whole of the remaining term of the head lease.On July 1, 2024 (the date of establishment of the lease), the Group delisted the cost of machinery and equipment of $524,347 thousand, which was recognized as finance lease receivables **-** related parties. As of December 31, 2024, the present value of undue receivables amounted to $505,046 thousand (US$15,259 thousand). Please refer to Note 6 (c) for the relevant disclosures.

As a result of the above transactions, the Companyrecognized the lease interest income of $38,117 thousand, with the amount of $75,482 thousand (US$2,340 thousand) having been collected for the year ended December 31, 2024.

Based on the decisions made by the board on September 5 and October 22, 2024, with the approval of the shareholders on December 10, 2024. the above?mentioned machinery and equipment were leased out to a related party, GMI Computing International Ltd., after continuous evaluation and consideration due to a number of factors such as the long preparation time of the professional AI computing team, the difficulty in technology training, and the timing of the AI cloud market, instead of building its own organizational team to operate in cloud services in July. The above transaction was based on the valuation report issued by a valuation expert appointed by the Company, wherein the rental fees had since been collected.

(ix) Other

The Company paid the rentals of $39,877 thousand on behalf of its related party, GMI Computing International Ltd., for the year ended December 31, 2024.

The Company paid the consultant fee of $2,286 thousand on behalf of its related party, HI-JET, for the year ended December 31, 2024 and 2023, respectively.The unpaid amount of $200 thousand was recorded as “Other payables”, for both years ended December 31, 2024 and 2023.

(x) Endorsement

As of December 31, 2024, the Company's bank loans were jointly guaranteed by the chairman of the Company to the extent of $250,000 thousand.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31,	
	2024	**2023**
Short-term employee benefits	$ 31,984	30,672
Post-employment benefits	271	287
	$ 32,255	30,959

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Time deposit (classified under other financial assets)	Bank loan limit	$ 231,596	225,303
Accounts receivable	The unused letters of credit and secured loans	-	101,673
Property, plant and equipment	Short-term bank loans	294,867	-
Property, plant and equipment	Long-term bank loans	-	295,775
Stock (classified under Investments accounted for using the equity method)	Short-term notes and bills payable	231,361	-
Finance lease receivables (note)	Short-term bank loans	505,046	-
		$ 1,262,870	622,751

Note: Since the machinery and equipment were recognized as assets held under finance leases, the amount of net lease investment had been accounted for as finance lease receivables.

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments:

The Company decided to purchase and construct GPU servers, at an estimated total purchase price of $1,617,632 thousand (US$49,341 thousand), with the approval of its board on September 5, 2024. As of December 31, 2024, the executed budget totaled $1,524,015 thousand , of which the Company has paid 560,464 thousand, with the remaining unpaid amount of $912,248 thousand being classified as "Payable on machinery and equipment". The unrecognized amount of $51,303 thousand has yet to be paid after the supplier fulfills the contract.

(b) Guarantees provx`ided by the Group's bank to its suppliers for the delivery of goods:

	December 31, 2024	December 31, 2023
Purchase Guarantee	$ 306,710	309,583

(c) The amount of unused outstanding letters of credit were as follows:

	December 31, 2024	December 31, 2023
Outstanding standby letters of credit	$ 2,924,951	1,772,579

(d) The tax payable on imported goods guaranteed by the Group's bank:

	December 31, 2024	December 31, 2023
Taxes on imported goods guaranteed by banks	$ 4,000	4,000

(e) As of December 31, 2024 and 2023, the Company had issued $1,252,645 thousand and $1,029,025 thousand, respectively, of guarantee notes for the purchase of goods from vendors.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the years ended December 31					
	2024			2023		
By funtion / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	-	141,901	141,901	-	118,557	118,557
Labor and health insurance	-	8,354	8,354	-	8,289	8,289
Pension	-	3,928	3,928	-	5,345	5,345
Remuneration of directors	-	11,057	11,057	-	8,840	8,840
Others	-	6,767	6,767	-	4,907	4,907
Depreciation	-	12,878	12,878	-	12,814	12,814

(Continued)

The additional information about number of employees and employee benefit expenses for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Employees	118	115
Directors not in concurrent employment	7	6
Average employee benefits	$ 1,450	1,258
Average employee salary	$ 1,278	1,088
Average raise of employee salary	17.46%	

The Company's remuneration policy (including directors, supervisors, managers and employees) is as follows:

The performance assessment and remuneration of managers and directors by the Company taking into account of usual standard payments of peers to evaluate the reasonableness of relationship among personal performance, operation performance and future risks. The Company complying with Labor Standards Act and relevant regulations to set out various employee remuneration and benefits and to provide competitive benefits to motivate its employees.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

(i) Loans to other parties:None.

(ii) Guarantees and endorsements for other parties:None

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$100 million or 20% of the capital stock:None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None.

(Continued)

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Realtek	The Chairman of the company is the beneficial party of the entity	Purchase	9,637,038	57.23%	O/A 45 days	No purchases from other vendors	No material varience	(1,343,386)	(50.98)%	
The Company	Realtek Singapore	Subsidiary of Realtek Semiconductor Co.	Purchase	4,823,391	28.64%	O/A 45 days	No purchases from other vendors	No material varience	(1,057,514)	(40.13)%	
The Company	RayMx	Subsidiary of Realtek Semiconductor Co.	Purchase	104,429	0.62%	O/A 45 days	No purchases from other vendors	No material varience	(36,050)	(1.37)%	
The Company	G.M.I (Shanghai)	Subsidiaries	Sales	(457,656)	(2.58)%	O/A 60 days	No material variance	No material variance	135,406	3.20%	
The Company	Vector	Subsidiaries	Sales	(396,852)	(2.24)%	O/A 60 days	No material variance	No material variance	183,442	4.33%	
The Company	Actions (HK)	The Chairman of the company is the beneficial party of the entity	Purchase	299,451	1.78%	O/A 30 days	No purchases from other vendors	No material variance	(31,289)	(1.19)%	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	G.M.I (Shanghai)	Subsidiaries	135,406	336.61%	74,845	Payment has been received after the due date	75,472	-
The Company	Vector	Subsidiaries	183,442	340.90%	56,793	Payment has been received after the due date	75,763	-
The Company	GMI Computing	The Chairman of the company is the beneficial party of the entity	505,046	15.09%	-		13,488	-

(ix) Trading in derivative instruments:None.(6)(k)

(Continued)

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2024	Original investment amount: December 31, 2023	Balance as of December 31, 2024: Shares (thousands)	Balance as of December 31, 2024: Percentage of wnership	Balance as of December 31, 2024: Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
GMI Technology Inc.	G.M.I. Technology (BVI) Ltd.	British Virgin Island	Investment holding			18,277	100.00%	(69,755)	(62,936)	(62,936)	
GMI Technology Inc.	Global Mobile Internet Co., Ltd	Taiwan	Sale of electronic products			1,548	34.21%	15,951	2,742	938	
GMI Technology Inc.	Unitech Electronics Co., Ltd.	Taiwan	Sale of electronic products			9,559	12.73%	231,361	93,852	11,946	
G.M.I. Technology (BVI) Ltd.	Vector Electronic Co. Ltd	Hong Kong	Trading of electronic components and investment holding			34,149	100.00%	(69,838)	(62,937)	(62,937)	
G.M.I. Technology (BVI) Ltd.	HARKEN INVESTMENTS LIMTED	British Virgin Islands	Investment holding			13,169	100.00%	79	1	1	
HARKEN INVESTMENTS LIMTED	GW Electronics Company Limited	Hong Kong	Trading of electronic components			102,000	51.00%	-	-	-	
G.M.I. Technology Inc.	Rehear Audiology Co., Ltd.	Taiwan	Medical Devices research and development			5,410	25.76%	26,925	(38,473)	(10,234)	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period	Note
G.M.I (Shanghai) Trading Company Limited.	Trading of electronic components and business marketing consulting	68,382	(b)	48,708	-	-	48,708 (note 2)	(38,248)	100.00%	(38,248)	(72,758)	-	-
Hong& Da Fu Tong Electronics Company Limited	Trading of electronic components	65,445	(b)	44,660	-	-	44,660 (note 2)	(33,949)	100.00%	(33,949)	(10,432)	-	-
Sangdong Wan Shun He Enorgy Co., Ltd.	Chemical engineering products and trading of electronic components	-	(b)	-	-	-	- (note 2)	-	-%	-	-	-	(note 3)

Note 1: Three types of investment method are as follows:
(a) Direct investment in Mainland China.
(b) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(c) Others

Note 2: The difference between the amount of paid-in capital and the accumulated investment amount remitted from Taiwan at the end of the period is the direct investment by Vector Electronic Co. Ltd with its own capital.

Note 3: The subsidiary has already been liquidated by a resolution of the Board of Directors on March 28, 2023, and has been written off in May 2023.

(Continued)

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
93,368	629,123	1,852,837

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2024, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders

Shareholding **Shareholder's Name**	**Shares**	**Percentage**
De-Jet Investment Co., Ltd.	52,782,278	32.45%

Note: The information on major shareholders in this table is based on the last business day of each quarter and is calculated based on the total number of 5% ordinary shares or more of the Company's shareholders that have been delivered without physical registration. The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of computation.

(14) Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2024.

G.M.I. Technology Inc.

Statement of Cash and Cash Equivalents

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Cash on hand	$ 1,274
Bank deposits	Check deposits (HKD141,660.79@4.222;)	598
	USD100@32.785)	3
	Demand deposits	48,285
	Foreign currency demand deposits (USD59,101,760.38@32.785；	1,937,651
	RMB8,066.83@4.478)	36
	HKD8,161,374.52@4.222)	34,457
	Subtotal	2,021,030
Total		**$ 2,022,304**

G.M.I. Technology Inc.

Statement of Notes Receivable

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Notes receivable	
WORLD	$ 94,108
Shenzhen C-DATA Technology Co., Ltd.	78,406
Shanghai Sixunited Technology Intelligent Co., Ltd.	13,348
Other (all less than 5%)	16,688
Subtotal	202,550
Less: Allowance for bad debt	(608)
Total	**$ 201,942**

G.M.I. Technology Inc.

Statement of Accounts Receivable

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Accounts receivable	
Nanning Fulian Fugui Precision Industry Co., Ltd.	$ 516,544
Zhongxing Telecormmunication Equipment Corporation	382,282
Sercomm Philippines Inc.	234,134
Futaihua Industrial (Shenzhen) Co., Ltd.	229,003
BYD (H.K.) CO., Ltd.	205,002
Cloud Network Technology singapore Pte. Ltd	188,352
Other (all less than 5%)	1,982,142
Subtotal	3,737,459
Less: Allowance for bad debt	(34,813)
Total	**$ 3,702,646**

G.M.I. Technology Inc.

Statement of other receivable

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Income tax refund receivable	$ 14,372
Other (all less than 5%)	3,020
Total	$ 17,392

G.M.I. Technology Inc.

Statement of Inventories

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Costs	Market price	Notes
Merchandise inventory	$ 1,250,262	1,252,661	Market price under their Net realizable value
Less: Allowance for inventory valuation and obsolescence losses	(89,823)		
	$ 1,160,439		

G.M.I. Technology Inc.

Statement of other current assets

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Offset Against Business Tax Payable	$ 40,445
Prepayments	2,085
Total	**$ 42,530**

G.M.I. Technology Inc.

Statement of changes in investments under equity method

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Increase		Disposal		Equity method Share of profits/losses of investee	Exchange differences adjustment	Other (Note 2)	Ending balance			Pledge or guarantee Object
Item	shares	Amount	shares	Amount (Note 4)	shares (Note 3)	Amount (Note 1)				shares	Percentage	Amount	
Equity method													
G.M.I. Technology (BVI) Ltd.	18,277	$ (6,605)	-	-	-	-	(62,936)	(214)	-	18,277	100.00%	$ (69,755)	No
Global Mobile Internet Co., Ltd	1,548	14,089	-	-	-	-	938	924	-	1,548	34.21%	15,951	〃
Unitech Electronics Co., Ltd.	9,559	222,590	-	-	-	(3,306)	11,946	131	-	9,559	12.73%	231,361	Yes
Rehear Audiology Co., Ltd.	5,800	17,914	-	19,710	(390)	(1,581)	(10,234)	-	1,116	5,410	25.76%	26,925	No
		247,988		19,710		(4,887)	(60,286)	841	1,116			204,482	
Credit balance of investment accounted for using equity method		6,605										69,755	
		$ 254,593										$ 274,237	

Note1: The decrease in investments accounted for using equity method Unitech Electronic due to the distribution of earning of $3,306 thousand.

Note2: The realized gain on interompany transaaction was $1,116 thousand.

Note3: In April 2024, the Group sold shares of Rehear Audiology to its management, of which the number and amount of shares were 200 thousand shares and $1,000 thousand, respectively, and the related payment has been received.

Note4: The subsidiary, Rehear Audiology, issued 1,000 shares, at a par value of $5 per share and an issue price of $80 based on the decision made during its board meeting held on March 25, 2024, wherein the Company did not participate, resulting in the Company's shareholding ratio to change, while maintaining control over Rehear Audiology and its relevant activities. Furthermore, the above transaction resulted in an increase of $19,710 thousand in the Company's capital reserve.

G.M.I. Technology Inc.

Statement of Short-term Borrowings

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Bank	Balance at December 31, 2023	Loan period	Range of Interest rate	Collateral or pledge
Credit loans	E.SUN Syndicated Loans	$ 203,267	113/10/15~114/1/15	6.29%	None
〃	E.SUN Syndicated Loans	216,381	113/11/15~114/2/14	6.20%	〃
〃	Land Bank of Taiwan	200,000	113/12/6~114/1/6	1.92%	〃
〃	HSBC Bank (Taiwan) Limited	155,000	113/10/11~114/1/9	1.93%	〃
〃	Yuanta Commercial Bank Co., Ltd.	150,000	113/12/9-114/1/9	2.00%	〃
〃	E.SUN Commercial Bank	50,000	113/11/20~114/1/20	1.90%	〃
〃	First Commercial Bank	100,000	113/11/1~114/1/24	1.89%	〃
〃	Agricultural Bank of Taiwan	100,000	113/11/1~114/1/24	1.89%	〃
〃	CTBC Financial Holding Co., Ltd.	250,000	113/6/11~114/6/10	1.98%	〃
〃	Chang Hwa Commercial Bank, Ltd.	146,250	113/9/27~114/9/27	1.93%	〃
〃	E.SUN Commercial Bank	50,000	113/12/3-114/3/3	1.90%	〃
〃	Yuanta Commercial Bank Co., Ltd.	50,000	113/12/27-114/1/24	2%	〃
〃	HSBC Bank (Taiwan) Limited	45,000	113/11/1-114/1/24	1.98%	〃
〃	HSBC Bank (Taiwan) Limited	100,000	113/12/12-114/3/12	1.99%	〃
Secured loans	Chang Hwa Commercial Bank, Ltd.	280,000	113/12/10~114/6/10	1.88%	Note 8
Total		$ 2,095,898			

G.M.I. Technology Inc.

Statement of Accounts Payable

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Winbond Electronics Corp.	$	59,496
AUO Display Plus Corp.		22,105
Zbit Semiconductor Limited		21,755
Richpower Electronic Devices Co.		20,576
Winbond Electronics (H.K.)Limited		9,872
WILL semiconductor Limited		9,742
Other (all less than 5%)		23,164
Total	**$**	**166,710**

G.M.I. Technology Inc.

Statement of other payables

Balance on December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Wages and salaries payable	$ 45,904
Remuneration payables to employees, directors, and supervisors	10,600
Service expenses payable	4,499
Other (all less than 5%)	21,296
Total	**$ 82,299**

G.M.I. Technology Inc.

Statement of Operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Number (thousands)	Amount	
Digital Communication Solutions and Components	420,452	$	15,724,337
Storage Applications Solutions and Components	43,118		1,828,152
Analog Electronic Components	177,716		151,963
Server lease interest revenue			38,117
Total		$	17,742,569

Note: The above amounts are net of sales returns and discounts of $428,294 thousand.

G.M.I. Technology Inc.

Statement of Operating Costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning inventory	$ 1,116,250
Add: Purchase for the period, net	17,466,286
Less: Inventories at the end of the period	(1,250,262)
Transfer to operating expenses	(661)
Subtotal	17,331,613
Commissions revenue	(625,945)
Write down of inventory (Reversal of write down)	(17,603)
Import expense	25,629
Other	90,401
Total	$ 16,804,095

G.M.I. Technology Inc.

Statement of Operating Expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Selling	Administrative	Research and development
Business consultation fees of subsidiary	$ 90,123	-	-
Salary and bonus expenses	39,353	84,275	18,731
Export expense	20,189	67	-
Service expenses	77,167	6,604	-
Other (all less than 5%)	77,483	66,632	7,871
Total	**$ 304,315**	**157,578**	**26,602**

Please refer to Note 6(f) for Statement of property, plant and equipment
Please refer to Note 6(f) for Statement of Changes in accumulated depreciation of property, plant and equipment
Please refer to Note 6(g) for Statement of right-for use assets.
Please refer to Note 6(g) for Statement of Changes in accumulated depreciation of right-for use assets.