

QUANTA COMPUTER INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Quanta Computer 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 endorsed by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Quanta Computer Inc. and subsidiaries do not prepare a separate set of consolidated financial statements.

Quanta Computer Inc.
Barry Lam
Date: February 27, 2025.



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Independent Auditors' Report

To the Board of Directors of Quanta Computer Inc.:

Opinion

We have audited the consolidated financial statements of Quanta Computer Inc. and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue Recognition

For accounting policies of revenue recognition, please refer to Note (4)(p) on revenue recognition in the consolidated financial statement; for the explanation of recognition, please refer to Note (6)(v) in the consolidated financial statement.

Description of the key audit matter:

The Group engages primarily in the manufacturing, processing, and sales of laptop computers and telecommunication products. Varying transaction terms will cause different timing for control of products' being transferred. Therefore, the timing for revenue recognition has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include understanding the Group's main sources of revenues, contract provisions, and transaction terms to evaluate the adequacy of the timing of revenue recognition; testing the control methods for the procedures related to the shipment operation and revenue recognition under the internal control of the Group; selecting the shipments of the Group in the period around the balance sheet date and checking the certificates and forms to confirm whether the sales revenue is recognized in the appropriate period in the financial statements.

2. Allowance for Inventory Valuation and Obsolescence Losses

Please refer to Notes (4)(h), (5) and (6)(g) for accounting policies, accounting assumptions and estimation uncertainty, and related disclosure information for inventory, respectively.

Description of the key audit matter:

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value, and the net realizable value relates to the management judgement. Consequently, the valuation of inventories has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include understanding the Group's inventory write-down policy, evaluating the reasonableness of the methods and assumptions used for inventory write-downs, obtaining detailed calculations of inventory write-downs and verifying their consistency with accounting records, re-evaluating the write-downs according to the Group's policy, reviewing the calculation logic of the inventory aging report and verifying its accuracy, understanding the sales prices used by management for inventory valuation, and sampling relevant transaction documents to assess the reasonableness of the net realizable value of inventory.

Other Matter

Quanta Computer Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified 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 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) 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 auditor's 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 group financial statements. We are responsible for the direction, supervision and performance of the consolidated 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 Tsao-Jen Wu and Shu-Ling Lien.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2025

Notes to Readers

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

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

QUANTA COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS		December 31, 2024		December 31, 2023		LIABILITIES AND EQUITY		December 31, 2024		December 31, 2023			
		Amount	%	Amount	%			Amount	%	Amount	%		
Current assets:						Current liabilities:							
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$	163,992,166	18	177,234,068	26	2100	Short-term borrowings (Notes (4), (6)(e) and (6)(m))	\$	157,066,979	17	156,978,475	23
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))		30,833,235	3	34,140,554	5	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))		8,692	-	3,803	-
1120	Current financial assets at fair value through other comprehensive income (Notes (4) and (6)(c))		6,273,788	1	7,351,175	1	2130	Current contract liabilities (Notes (4), (6)(v) and (7))		89,567,799	10	80,743,437	12
						2170	Accounts payable		282,781,920	30	168,322,432	24	
1172	Accounts receivable, net (Notes (4), (6)(e) and (7))		371,245,668	40	259,907,337	38	2219	Other payables (Note (7))		48,375,062	5	45,538,365	7
1200	Other receivables, net (Notes (4), (6)(f) and (7))		1,663,321	-	2,168,363	-	2230	Current tax liabilities		14,381,100	2	13,069,316	2
1310	Inventories (Notes (4) and (6)(g))		261,886,319	28	123,763,907	18	2250	Current provisions		309,224	-	299,817	-
1476	Other current financial assets (Note (8))		1,041,144	-	1,814,450	-	2280	Current lease liabilities (Notes (4) and (6)(p))		1,497,289	-	1,151,455	-
1479	Other current assets, others		3,758,314	-	4,067,736	1	2305	Other current financial liabilities		14,658,592	2	9,471,947	1
			840,693,955	90	610,447,590	89	2320	Long-term liabilities, current portion (Note (6)(n))		22,472,917	3	1,818,367	-
Non-current assets:							2365	Current refund liabilities		6,070,259	-	4,975,809	1
1510	Non-current financial assets at fair value through profit or loss (Notes (4) and (6)(b))		2,257,631	-	2,069,881	-	2399	Other current liabilities, others		1,508,747	-	639,526	-
										638,698,580	69	483,012,749	70
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(c))		3,499,811	-	2,456,490	-	Non-Current liabilities:						
						2500	Non-current financial liabilities at fair value through profit or loss (Notes (4), (6)(b) and (6)(o))		371,838	-	-	-	-
1535	Non-current financial assets at amortised cost, net (Notes (4) and (6)(d))		1,642,816	-	476,224	-							
1550	Investments accounted for using equity method (Notes (4) and (6)(h))		435,416	-	378,396	-	2530	Bonds payable (Notes (4) and (6)(o))		28,784,239	3	-	-
1600	Property, plant and equipment (Notes (4) and (6)(i))		67,060,653	7	60,819,571	9	2540	Long-term borrowings (Note (6)(n))		22,198,600	2	5,930,743	1
1755	Right-of-use assets (Notes (4) and (6)(j))		5,435,955	1	3,819,827	1	2570	Deferred tax liabilities (Notes (4) and (6)(r))		8,582,333	1	5,010,157	1
1760	Investment property, net (Notes (4) and (6)(k))		67,347	-	68,077	-	2580	Non-current lease liabilities (Notes (4) and (6)(p))		3,267,107	-	1,871,183	-
1780	Intangible assets (Notes (4) and (6)(l))		498,516	-	505,492	-	2640	Net defined benefit liability, non-current (Notes (4) and (6)(q))		154,026	-	297,511	-
1840	Deferred tax assets (Notes (4) and (6)(r))		8,092,909	2	6,512,335	1	2670	Other non-current liabilities, others		83,843	-	105,376	-
1980	Other non-current financial assets (Note (8))		1,018,634	-	843,919	-				63,441,986	6	13,214,970	2
1995	Other non-current assets, others		1,742,822	-	1,722,243	-		Total liabilities		702,140,566	75	496,227,719	72
			91,752,510	10	79,672,455	11	Equity attributable to owners of parent (Note (6)(s)):						
						3100	Share capital		38,626,274	4	38,626,274	5	
						3200	Capital surplus		17,309,328	2	14,294,831	2	
						3300	Retained earnings		160,445,670	17	135,402,556	20	
						3400	Other equity		6,237,615	1	(1,783,456)	-	
						3500	Treasury shares		(333,094)	-	(333,094)	-	
							Total equity attributable to owners of parent		222,285,793	24	186,207,111	27	
						36XX	Non-controlling interests		8,020,106	1	7,685,215	1	
							Total equity		230,305,899	25	193,892,326	28	
TOTAL ASSETS		\$	932,446,465	100	690,120,045	100	TOTAL LIABILITIES AND EQUITY		\$	932,446,465	100	690,120,045	100

See accompanying notes to financial statements.

QUANTA COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the Years Ended December 31,			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes (6)(v) and (7))	\$ 1,410,755,659	100	1,085,611,052	100
5000	Operating costs (Note (6)(g))	1,299,995,651	92	1,000,728,093	92
	Gross profit from operations	110,760,008	8	84,882,959	8
5920	Add: Realized profit from sales	-	-	5,446	-
		110,760,008	8	84,888,405	8
	Operating expenses:				
6100	Selling expenses	8,723,712	1	8,208,245	1
6200	General and administrative expenses	11,551,231	1	9,836,976	1
6300	Research and development expenses	28,863,029	2	23,293,587	2
		49,137,972	4	41,338,808	4
	Net operating income	61,622,036	4	43,549,597	4
	Non-operating income and expenses:				
7100	Interest income (Note (6)(x))	9,742,639	1	10,620,242	1
7010	Other income (Note (6)(x))	595,160	-	372,507	-
7020	Other gains and losses, net (Notes (6)(x) and (7))	8,534,693	1	6,148,777	1
7050	Financial costs (Note (6)(x))	(7,288,417)	(1)	(8,915,024)	(1)
7060	Share of loss of associates accounted for using equity method (Note (6)(h))	(39,462)	-	(44,627)	-
		11,544,613	1	8,181,875	1
7900	Profit before tax	73,166,649	5	51,731,472	5
7950	Less: Tax expense (Note (6)(r))	12,883,718	1	11,242,886	1
	Profit	60,282,931	4	40,488,586	4
	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurement of defined benefit plans	153,138	-	215,367	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(1,125,127)	-	1,162,047	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	28,135	-	43,073	-
	Total components of other comprehensive (loss) income that will not be reclassified to profit or loss	(1,000,124)	-	1,334,341	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	9,445,921	1	(797,642)	-
8370	Shares of other comprehensive income (loss) of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit and loss (Note (6)(h))	9,492	-	(407)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	49,261	-	(20)	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	9,406,152	1	(798,029)	-
	Other comprehensive income, net of income tax	8,406,028	1	536,312	-
8500	Total comprehensive income	\$ 68,688,959	5	41,024,898	4
	Profit attributable to:				
8610	Profit, attributable to owners of parent	\$ 59,701,797	4	39,676,394	4
8620	Profit, attributable to non-controlling interests	581,134	-	812,192	-
		\$ 60,282,931	4	40,488,586	4
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 67,827,832	5	40,154,065	4
8720	Comprehensive income, attributable to non-controlling interests	861,127	-	870,833	-
		\$ 68,688,959	5	41,024,898	4
	Earnings per share attributable to parent company (Note (6)(u))				
9750	Basic earnings per share (NT dollars)	\$ 15.49		10.29	
9850	Diluted earnings per share (NT dollars)	\$ 15.32		10.23	

See accompanying notes to financial statements.

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

QUANTA COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity Attributable to Owners of Parent										
						Other Equity		Treasury Shares	Total Equity Attributable to Owners of Parent	Non-Controlling Interests	Total Equity
						Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income				
	Share Capital	Retained Earnings									
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings						
Balance as of January 1, 2023	\$ 38,626,274	14,224,150	40,697,593	6,391,471	71,673,601	6,464,433	(8,586,298)	(333,094)	169,158,130	7,365,327	176,523,457
Profit	-	-	-	-	39,676,394	-	-	-	39,676,394	812,192	40,488,586
Other comprehensive income (loss)	-	-	-	-	172,062	(778,650)	1,084,259	-	477,671	58,641	536,312
Total comprehensive income (loss)	-	-	-	-	39,848,456	(778,650)	1,084,259	-	40,154,065	870,833	41,024,898
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	2,924,100	-	(2,924,100)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(4,269,606)	4,269,606	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(23,175,765)	-	-	-	(23,175,765)	-	(23,175,765)
Other changes in capital surplus:											
Changes in equity of subsidiaries and associates accounted for using equity method	-	47,424	-	-	-	-	-	-	47,424	10	47,434
Adjustments of capital surplus for company’s cash dividends received by subsidiaries	-	17,886	-	-	-	-	-	-	17,886	-	17,886
Changes in ownership interests in subsidiaries	-	5,371	-	-	-	-	-	-	5,371	55,559	60,930
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(606,514)	(606,514)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(32,800)	-	32,800	-	-	-	-
Balance at December 31, 2023	38,626,274	14,294,831	43,621,693	2,121,865	89,658,998	5,685,783	(7,469,239)	(333,094)	186,207,111	7,685,215	193,892,326
Profit	-	-	-	-	59,701,797	-	-	-	59,701,797	581,134	60,282,931
Other comprehensive income (loss)	-	-	-	-	116,279	9,198,080	(1,188,324)	-	8,126,035	279,993	8,406,028
Total comprehensive income (loss)	-	-	-	-	59,818,076	9,198,080	(1,188,324)	-	67,827,832	861,127	68,688,959
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	3,981,566	-	(3,981,566)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(338,409)	338,409	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(34,763,647)	-	-	-	(34,763,647)	-	(34,763,647)
Other changes in capital surplus:											
Changes in equity of subsidiaries and associates accounted for using equity method	-	8,201	-	-	-	-	-	-	8,201	25	8,226
Issue of convertible bonds	-	2,887,623	-	-	-	-	-	-	2,887,623	-	2,887,623
Adjustments of capital surplus for company’s cash dividends received by subsidiaries	-	72,980	-	-	-	-	-	-	72,980	-	72,980
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	45,693	-	-	-	-	-	-	45,693	105,555	151,248
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(631,816)	(631,816)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(11,315)	-	11,315	-	-	-	-
Balance as of December 31, 2024	\$ 38,626,274	17,309,328	47,603,259	1,783,456	111,058,955	14,883,863	(8,646,248)	(333,094)	222,285,793	8,020,106	230,305,899

See accompanying notes to financial statements.

QUANTA COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Years Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 73,166,649	51,731,472
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	10,111,330	9,801,526
Amortization expense	1,567,146	1,635,361
Expected credit gain	(120,703)	(265,892)
Net gain on financial assets or liabilities at fair value through profit or loss	(298,851)	(265,142)
Interest expense	7,288,417	8,915,024
Interest income	(9,742,639)	(10,620,242)
Dividend income	(595,160)	(372,507)
Share-based payments	2,692	164
Share of loss of associates accounted for using equity method	39,462	44,627
Loss on disposal of property, plant and equipment	286,863	190,655
Property, plant and equipment transferred to expense	1,915	30,648
Gain on disposal of investments	-	(215,319)
Loss (gain) on disposal of investments accounted for using equity method	99,778	(428)
Impairment loss on non-financial assets	35,641	657,404
Realized profit from sales	-	(5,446)
Loss on lease modification	251	516
Other adjustments	-	(2,600)
Total adjustments to reconcile profit	8,676,142	9,528,349
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	445,811	(2,176,320)
Accounts receivable	(106,916,546)	24,644,752
Other receivables	(148,992)	13,177
Inventories	(138,075,762)	103,234,130
Other current assets	459,878	250,251
Other financial assets	(84)	(4,875)
Total changes in operating assets	(244,235,695)	125,961,115
Changes in operating liabilities:		
Contract liabilities	8,824,362	(5,101,135)
Accounts payable	114,346,452	(47,380,377)
Other payables	3,322,274	(1,068,432)
Provisions	9,407	15,846
Other financial liabilities	5,181,016	(467,310)
Other current liabilities	1,964,674	(134,775)
Net defined benefit liabilities	9,728	(12,418)
Total changes in operating liabilities	133,657,913	(54,148,601)
Total changes in operating assets and liabilities	(110,577,782)	71,812,514
Total adjustments	(101,901,640)	81,340,863

See accompanying notes to financial statements.

QUANTA COMPUTER INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023****(AMOUNTS EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	For the Years Ended December 31,	
	2024	2023
Cash (outflow) inflow generated from operations	(28,734,991)	133,072,335
Interest received	10,492,757	9,922,878
Dividends received	595,160	372,507
Interest paid	(7,650,859)	(8,823,181)
Income taxes paid	(10,032,372)	(9,541,605)
Net cash flows (used in) from operating activities	(35,330,305)	125,002,934
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,114,933)	(38,725)
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,814	80
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	23,175
Acquisition of financial assets measured at amortized cost	(1,147,844)	(476,224)
Acquisition of financial assets at fair value through profit or loss	-	(28,588,330)
Proceeds from disposal of financial assets at fair value through profit or loss	2,919,798	-
Acquisition of investments accounted for using equity method	(114,600)	(37,295)
Proceeds from disposal of investments accounted for using equity method	-	7,633
Proceeds from disposal of subsidiaries	179,508	-
Proceeds from capital reduction of investments accounted for using equity method	25,963	-
Acquisition of property, plant and equipment	(13,132,368)	(8,832,411)
Proceeds from disposal of property, plant and equipment	827,923	536,008
Acquisition of intangible assets	(370,971)	(440,447)
Decrease in other financial assets	693,018	1,220,052
Increase in other non-current assets	(1,079,772)	(985,662)
Net cash flows used in investing activities	(12,290,464)	(37,612,146)
Cash flows from financing activities:		
Decrease in short-term borrowings	(3,117,426)	(46,170,845)
Proceeds from bonds payable	31,909,213	-
Proceeds from long-term borrowings	83,015,273	26,618,628
Repayments of long-term borrowings	(46,118,366)	(67,756,784)
Repayments of principal portion of lease liabilities	(1,398,270)	(1,855,454)
Increase in other financial liabilities	9,052	2,036
(Decrease) increase in other non-current liabilities	(28,989)	12,199
Cash dividends paid	(34,690,667)	(23,764,557)
Change in non-controlling interests	(662,721)	60,930
Cash dividends returned	36	14
Net cash flows from (used in) financing activities	28,917,135	(112,853,833)
Effect of exchange rate changes on cash and cash equivalents	5,461,732	(1,940,181)
Net decrease in cash and cash equivalents	(13,241,902)	(27,403,226)
Cash and cash equivalents at the beginning of period	177,234,068	204,637,294
Cash and cash equivalents at the end of period	\$ 163,992,166	177,234,068

See accompanying notes to financial statements.

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(1) Overview

Quanta Computer Inc. (the “Company”) was incorporated on May 9, 1988, as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 188, Wenhua 2nd Rd., Guishan Dist., Taoyuan City, Taiwan, R.O.C.. The shares of the Company became officially listed and traded on the Taiwan Stock Exchange on January 8, 1999. The Company and its subsidiaries (together referred to as the “Group”) engage primarily in the manufacturing, processing, and sales of laptop computers and telecommunication products.

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2025.

(3) New Standards, Amendments and Interpretations Adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. (FSC) 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 Accounting Standards endorsed by the FSC but not yet effective

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

- Amendments to IAS21 “Lack of Exchangeability”

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- (c) The impact of IFRS Accounting Standards 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:

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

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

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

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

(4) Summary of Material Accounting Policies

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

The 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. (altogether referred to as the “IFRS Accounting Standards” endorsed by the FSC).

(b) Basis of preparation

1. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value; and
- 3) The net defined benefit liabilities assets are measured at fair value of plan assets, net of aggregation of the present value of the defined benefit obligation, with a limit based on a defined benefit asset.

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2. 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 unless otherwise specified, and has been rounded to the nearest thousand.

(c) Basis of consolidation

1. Principle of preparation of the 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.

When the Group loses control over a subsidiary, it derecognizes the carrying amount of assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests on the date of loss of control. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amount at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same accounting basis as would be required if it had directly disposed of the related assets or liabilities.

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2. List of subsidiaries in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Principal Activity	Shareholding		Note
			December 31, 2024	December 31, 2023	
The Company	Quanta International Limited (QIL)	Holding company	100.00 %	100.00 %	
"	QCJ Co., Ltd. (QCJ)	After-sales service of computers	100.00 %	100.00 %	
"	Quanta Computer Technology Investment Corp. (QCTI)	Investment company	100.00 %	100.00 %	
"	Quanta Venture Capital Co., Ltd. (QVC)	Venture capital	100.00 %	100.00 %	
"	Quanta Cloud Technology Inc. (QCTTW)	Sale of computers and peripherals	100.00 %	100.00 %	
"	QMB Co., Ltd. (QMB)	Manufacture and sale of computers, peripherals and consumer products	100.00 %	100.00 %	
"	Quanta Cloud Technology Singapore Pte. Ltd. (QCTS)	Sale and after-sales service of computer peripherals	100.00 %	100.00 %	
"	QADC Corporation (QADC)	Research and development of electronic products	100.00 %	100.00 %	
"	QMH COMPUTER CO. LTD. (QMH)	Manufacture and sale of computers, peripherals and consumer products	100.00 %	100.00 %	
"	QSDC PTE. LTD. (QSDC)	Research and development of electronic products	100.00 %	-	% Invested in September 2024.
The Company and QCTI	Quanta Storage Inc. (QSI)	Manufacture and sale of computer storage devices and peripherals	30.22 %	30.22 %	Note 1
"	RoyalTek Company Ltd. (RTK)	Design, manufacture, processing, distribute, and sale of satellite guided navigation systems and peripherals, navigated maps, and digital maps	37.57 %	37.57 %	Note 1
"	Quanta Microsystem Inc. (QMIT)	Electronic company	100.00 %	100.00 %	
QIL	QCE Computer B.V. (QCE)	Sale and after-sales service of computer peripherals	100.00 %	100.00 %	
"	Access International Company (AIC)	Holding company	100.00 %	100.00 %	
"	Quanta ASIA LTD. (QAL)	Holding company	100.00 %	100.00 %	
"	Quanta Cloud Technology USA LLC (QCT-USA)	Sale of computer peripherals	100.00 %	100.00 %	
"	QCT Inc. (QCTC)	Holding company	100.00 %	100.00 %	
AIC	Quanta Manufacturing Incorporation (QMI)	Assembly and processing of computers and peripherals	100.00 %	100.00 %	
"	Quanta Service Incorporation (QSI-USA)	After-sales service of computers and peripherals	100.00 %	100.00 %	
"	Quanta Computer USA, Inc. (QCA)	After-sales service of computers and peripherals	100.00 %	100.00 %	
"	QCH, Inc., a Nevada corporation (QCH)	Sale of computers and peripherals	100.00 %	100.00 %	
QMI	Quanta Manufacturing Nashville LLC (QMN)	Assembly and processing of computers and peripherals	100.00 %	100.00 %	

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Name of Investor	Name of Subsidiary	Principal Activity	Shareholding		Note
			December 31, 2024	December 31, 2023	
QSI-USA	Quanta Service Nashville LLC (QSN)	After-sales service of computers and peripherals	100.00 %	100.00 %	
QCA	Quanta Computer Nashville LLC (QCN)	After-sales service of computers and peripherals	100.00 %	100.00 %	
QCH	QCH Nashville LLC (QCHN)	Sale of computers and peripherals	100.00 %	100.00 %	
QAL	Quanta Development Ltd. (QDL)	Holding company	100.00 %	100.00 %	
"	Quanta International Technology Ltd. (QIT)	Holding company	100.00 %	100.00 %	
"	Q_Bus International Limited (Q_Bus)	Holding company	100.00 %	100.00 %	
"	QCT (Beijing) Co., Ltd. (QCTBJ)	Software technology development, advisory service, sale of servers and switches	100.00 %	100.00 %	
QCTC	QCT Korea Inc. (QCTK)	Sale of computers and peripherals	100.00 %	100.00 %	
QIT	QCG Computer GmbH (QCG)	Assembly and processing of computers and peripherals	100.00 %	100.00 %	
QDL	Quanta Development (HONG KONG) Limited (QDL(HK))	Sale of computers and peripherals, and investment company	100.00 %	100.00 %	
QDL (HK)	Tech-Front (Shanghai) Computer Co., Ltd. (TFC)	Manufacture and sale of computers and peripherals	100.00 %	100.00 %	
"	Tech-Com (Shanghai) Computer Co., Ltd. (TCC)	Manufacture and sale of computers and peripherals	100.00 %	100.00 %	
"	Tech-Com (Chongqing) Computer Co., Ltd. (TCQ)	Manufacture and sale of computers, mobile communication, storage device, peripherals and accessories	100.00 %	100.00 %	
"	Tech-Trend (Shanghai) Computer Co., Ltd. (TTC)	Sale and after-sales service of computers and peripherals	100.00 %	100.00 %	
"	Tech-Lead (Shanghai) Computer Co., Ltd. (TLC)	After-sales service of computers	100.00 %	100.00 %	
"	Tech-Giant (Shanghai) Computer Co., Ltd. (TGC)	Manufacture and sale of computers and peripherals	100.00 %	100.00 %	
"	Tech-Wave (Shanghai) Logistics Co., Ltd. (TWW)	Storage service	100.00 %	100.00 %	
"	Tech-Full Computer (Changshu) Co., Ltd. (TNC)	Manufacture and sale of computers, mobile communication, storage device, peripherals and accessories	100.00 %	100.00 %	
"	Tech-Front (Chongqing) Computer Co., Ltd. (TFQ)	Processing, manufacture and sale of computers	100.00 %	100.00 %	
"	Tech-Wave (Chongqing) Logistics Co., Ltd. (TWQ)	Storage service	100.00 %	100.00 %	
"	Kenseisha Shanghai P.M.P. Co., Ltd. (KSH)	Manufacture and sale of precision machinery, peripherals and metallic molds	100.00 %	100.00 %	
"	CloudTech (Chongqing) Technology Co., Ltd. (YDCQ)	Sale of servers and switches	100.00 %	100.00 %	
"	Dragon Grand Group Limited (DGDG)	Investment company and trading company	100.00 %	100.00 %	
"	Dongguan Shuang-Ying Photoelectric Technology Co., Ltd. (DSY)	Manufacture and sale of optical equipment and electronic components	25.77 %	25.77 %	Note 2

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

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Name of Investor	Name of Subsidiary	Principal Activity	Shareholding		Note
			December 31, 2024	December 31, 2023	
DGDT	Dragontech Metallic Industry Co., Ltd. (SJDT)	Manufacture and sale of computers and components of peripherals	100.00 %	100.00 %	
Q_Bus	Tech Chain Ltd. (TCL)	Holding company	100.00 %	100.00 %	
TCL	Tech Chain (HONG KONG) Limited (TCLHK)	Holding company	100.00 %	100.00 %	
TCLHK	Zhan Yun (Shanghai) Electronics Co., Ltd. (ZYES)	Manufacture and sale of computers and components of peripherals	100.00 %	100.00 %	
QSI	Quanta Storage International Ltd. (QSI (CAYMAN))	Investment company	100.00 %	100.00 %	
"	Techman Electronics (Thailand) Co., Ltd. (TMT)	Manufacture and sale of computer storage devices and components of peripherals	100.00 %	100.00 %	
"	TM SMT SDN. BHD. (JVM)	Sale of computer storage devices and components of peripherals	51.00 %	51.00 %	
"	Techman Robot Inc. (TRI)	Manufacture and sale of industrial collaborative robots	78.29 %	79.95 %	Note 3
QSI (CAYMAN)	Quanta Storage (BVI) Ltd. (QSL (BVI))	Investment company	100.00 %	100.00 %	
"	E-Forward Technology Ltd. (SAMOA) (E-Forward (SAMOA))	Manufacture and sale of computer storage devices and components of peripherals	- %	100.00 %	The liquidation process was completed in March 2024.
QSL(BVI)	Quanta Storage Holding (Hong Kong) Ltd. (QHH)	Investment company	100.00 %	100.00 %	
"	Techman Electronic (Hong Kong) Limited (QIH)	Investment company	100.00 %	100.00 %	
QHH	Quanta Storage (Shanghai), Ltd. (QSS)	Manufacture and sale of computer storage devices and components of peripherals	100.00 %	100.00 %	
QIH	Techman Electronics (Changshu) Ltd. (Techman)	Manufacture and sale of computer storage devices and components of peripherals	- %	100.00 %	The liquidation process was completed in December 2024.
E-Forward (SAMOA)	Quanta Storage Asia Ltd. (SAMOA) (QSA)	Sale and after-sales service of computer storage devices and components of peripherals	- %	100.00 %	The liquidation process was completed in March 2024.
TRI	Techman Robot (HONG KONG) Ltd. (TRH)	Investment company	100.00 %	100.00 %	
TRH	Techman Robot (Shanghai) Ltd. (TRS)	After-sales service and sale of industrial collaborative robots and components of peripherals	100.00 %	100.00 %	
JVM	TM SMT (Thailand) COMPANY LIMITED. (JVMT)	Sale of computer storage devices and components of peripherals	100.00 %	100.00 %	
RTK	Royaltek International Enterprises Ltd. (RTKI)	Investment company	- %	100.00 %	The liquidation process was completed in November 2024.
QMIT	Quanta Cloud Technology Japan Inc. (QCTJ)	Sale of computer peripherals	100.00 %	100.00 %	
QCTTW	Quanta Cloud Technology Germany GmbH (QCTG)	Sale of computer peripherals	100.00 %	100.00 %	
"	Quanta Cloud Technology Japan K.K. (QCJK)	Sale of computer peripherals	100.00 %	100.00 %	

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- Note 1: Although the Company holds less than half of these companies' voting right, the Company has actual effect to lead these companies' activities, considering the fact that these companies' other equity shares are highly separated and considering the participation of other shareholders from previous shareholders' meetings. In addition, no other sign suggests that any collectively decision-making agreement between other shareholders exist. Therefore, the Company considers these companies as subsidiaries.
- Note 2: Considering that the Group obtained a majority of board seats of DSY, which indicates the Group has an actual effect to lead the relevant activities. Therefore, the Group treats it as a subsidiary.
- Note 3: The Group disposed 1,500 thousand of its shares in TRI which was listed on the Emerging Stock Board on September 26, 2024, resulting in a decrease in its shareholding ratio to 78.29%.

3. Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign Currency

1. Foreign currency transaction

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. Non-monetary 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.

2. 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.

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When a foreign operation is disposed of such that result in the lost control, joint control, or significant influence, 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 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.

(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.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. 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.

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. 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. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

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(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.

1. 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; 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)

Some trade 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.

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

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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.

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. 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) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the business model and the financial assets held within the business model are evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, and the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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5) Impairment of financial assets

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

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

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

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

ECL 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). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a delay or over due;

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- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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 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.

6) Derecognition of financial assets

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

The Group enters into transactions whereby it transfers 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.

2. 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.

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3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

Shares that are held by the Company's subsidiaries are seen as identical to treasury shares.

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) 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.

6) 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.

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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.

7) 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.

3. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on 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.

(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 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 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 significant influence.

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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) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, Plant, and Equipment

1. 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.

2. 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.

3. 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.

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Land is not depreciated.

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

- | | |
|--------------------------------|-------------------|
| 1) buildings | 3 years~ 50 years |
| 2) machine and other equipment | 2 years~ 15 years |

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

4.Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owneroccupied to investment property.

(l) 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.

1.As a lessee

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

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 Group periodically evaluates whether the right-of-use assets are impaired and recognizes any related impairment loss, 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.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercised price or the penalty 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:

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

The Group presents right-of-use assets that do not meet the definition of investment properties and lease liabilities as a separate line item respectively in the statement of financial position.

2.As a lessor

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. The Group recognizes its lease payments received as lease income on a straight-line basis over the lease term.

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(m) Intangible Assets

1. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

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

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

1) Trademarks	4 years~ 18 years
2) Computer software	1 years~ 3 years

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

(n) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets (other than inventories 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. 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.

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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 amount of the other assets in the CGU on a pro rata basis.

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

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, and is based on the historical warranty data and a weighting of all possible outcomes against their associated probabilities.

The Group has periodically assessed all litigation and claims and relative legal costs. If settling present obligation is probable and the amount can be reasonably estimated, the Group recognizes a provision for legal claims.

Provisions recognized are the best estimates of the expenditure for settling the present obligation at each reporting date.

(p) Revenue

Revenue from contracts with customers

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 good

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.

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The Group often recognizes revenue based on the total amount if the sale according to aggregate sales of electronic components is over a 6-months period or over a 12-months period and had a discount agreement previously or its highly possible to have sales discounts in marketing experience. The Group evaluates the amount of discounts at the day of the occurrence of that fact or the date of the balance sheet, offsets sales revenue or recognizes sales allowance, and recognizes the revenue only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the expecting amount paid to customers relating to the unit price discounts and defects of the product is recognized as refund liabilities.

The Group's obligation to provide a refund for faulty electronic components under the standard warranty terms is recognized as a provision for warranty.

The Group provides certain customers who buy product with an extended warranty in addition to the assurance that the product complies with agreed-upon specifications. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Group would sell the product and the extended warranty separately in similar circumstances and to similar customers. The Group recognizes revenue for the service-type warranty on a straight-line basis over the extended warranty period.

2) Services

The Group recognizes. Revenue from providing services in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the services of work performed.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

3) Financing components

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

(q) Employee Benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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2. 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.

3. 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.

(r) Share-based Payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

(s) **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 the global minimum top-up tax – which 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

1. 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;
2. 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
3. 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; or such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

1. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. 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.

(t) Earnings per Share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on 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, including employee compensation and convertible bonds.

(u) Operating Segments

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

(5) Major Sources of Significant Accounting Assumptions, Judgments and Estimation Uncertainties

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.

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

Offsetting of financial assets and liabilities

The Group can presents financial assets and liabilities on a net basis only when the Group has the legally enforceable rights to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Information about estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

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 as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

(6) Explanation of Significant Accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand, demand deposits and checking accounts	\$ 30,941,693	42,395,815
Foreign currency deposits	66,461,225	21,054,705
Time deposits	59,985,414	110,696,780
Short-term notes and bills	<u>6,603,834</u>	<u>3,086,768</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 163,992,166</u>	<u>177,234,068</u>

The Group's currency risk and sensitivity analysis of financial assets and liabilities were disclosed in Note (6)(y).

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

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Financial assets mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Beneficiary certificates	\$ 32,641,661	35,594,837
Stocks in listed companies	264,901	494,094
Stocks in unlisted companies	137,741	100,903
Convertible corporate bonds listed on domestic markets	46,563	20,601
Financial liabilities designated at fair value through profit or loss:		
Embedded derivatives of convertible bonds	(371,838)	-
Held-for-trading financial liabilities:		
Forward foreign exchange contracts	(8,692)	(3,803)
Total	<u>\$ 32,710,336</u>	<u>36,206,632</u>
Current	\$ 30,824,543	34,136,751
Non-current	<u>1,885,793</u>	<u>2,069,881</u>
	<u>\$ 32,710,336</u>	<u>36,206,632</u>

The Group held derivative financial instruments to hedge certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments that did not apply hedge accounting were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

<u>December 31, 2024</u>				
	<u>Amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts				
US dollars sold	USD 36,000	USD against NTD		2025.01.07~2025.02.26
US dollars purchased	USD 19,000	NTD against USD		2025.01.08~2025.01.21
<u>December 31, 2023</u>				
	<u>Amount</u> <u>(in thousands)</u>		<u>Currency</u>	<u>Maturity period</u>
Forward foreign exchange contracts				
US dollars sold	USD 15,000	USD against NTD		2024.01.11~2024.01.29
US dollars purchased	USD 24,000	NTD against USD		2024.01.05~2024.02.06

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1. Convertible corporate bonds

- 1) The Group held unsecured convertible corporate bonds issued by Yulon Finance Corporation with a maturity date of November 20, 2028, and a conversion period from February 21, 2024 to November 20, 2028.
- 2) The Group held unsecured convertible corporate bonds issued by WPG HOLDINGS LTD., with a maturity date of November 11, 2027, and a conversion period from February 12, 2025 to November 11, 2027.
- 3) The Group held unsecured convertible corporate bonds issued by LUNGTEH SHIPBUILDING CO., LTD., with a maturity date of June 25, 2027, and a conversion period from September 26, 2024 to June 25, 2027.
- 4) The Group held unsecured convertible corporate bonds issued by TAI-TECH Advanced Electronics Co., Ltd with a maturity date of October 31, 2026, and a conversion period from February 1, 2024 to October 31, 2026. All of them were sold in 2024.

2. For price risk, please refer to Note (6)(y).

3. The aforesaid financial assets were not pledged as collateral.

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

	December 31, 2024	December 31, 2023
Equity instruments at fair value through other comprehensive income		
Stocks in listed companies	\$ 7,640,236	7,649,102
Stocks in unlisted companies	672,169	749,306
Preferred stocks in unlisted companies	<u>1,461,194</u>	<u>1,409,257</u>
Total	<u><u>\$ 9,773,599</u></u>	<u><u>9,807,665</u></u>

1. Equity investments at fair value through other comprehensive income

The Group designated the equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

For the years ended December 31, 2024 and 2023, the Group has sold its investments in equity instruments measured at fair value through other comprehensive income. The shares sold had a fair value of \$23,814 and \$0. The Group has transferred the aforementioned cumulative loss on disposal of \$4,464 and \$32,800 from other equity to retained earnings.

For the year ended December 31, 2024, the investee, which the Group measured its stocks at fair value through other comprehensive income, completed the liquidation process, and returned the liquidation proceed of \$80. The Group has transferred the cumulative loss of \$7,630 from other equity to retained earnings.

2. For market risk and other price risk, please refer to Note (6)(y).

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3.The aforesaid financial assets were not pledged as collateral.

(d) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Debt commodity investment	\$ <u>1,642,816</u>	<u>476,224</u>

1.Investments in debt instruments measured at amortized cost

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

2.In June, October 2024 and September 2023, the Group purchased corporate bonds issued by Fubon Life Insurance Co., Ltd., with a face value of \$200,000, \$80,000 and \$180,000, respectively. The coupon rate and the effective interest rate were both 3.70%.

3.In June 2024 and October 2023, the Group purchased corporate bonds issued by Nan Shan Life Insurance Co., Ltd., with a face value of \$100,000 and \$90,000, respectively. The coupon rate and the effective interest rate were both 3.75%.

4.In April 2024, the Group purchased a corporate bond issued by Cathay Life Insurance Co., Ltd., with a face value of \$130,000. The coupon rate and the effective interest rate were both 3.70%.

5.In August 2024, the Group purchased a secured corporate bond from Shin Kong Life Insurance Co., Ltd, with a face value of \$200,000. The coupon rate and the effective interest rate were 3.50% and 3.48%, respectively.

6.In August 2024, the Group purchased a secured corporate bond from Shin Kong Life Insurance Co., Ltd, with a face value of \$90,000. The coupon rate and the effective interest rate were 3.50% and 3.49%, respectively.

7.In September 2024, the Group purchased a corporate bond issued by KGI Life Insurance Co., Ltd., with a face value of \$90,000. The coupon rate and the effective interest rate were both 3.75%.

8.In May 2024, the Group purchased a U.S. dollar-denominated corporate bond issued by Cathay Life Insurance Co., Ltd., with a face value of USD8,000 thousand. The coupon rate and the effective interest rate were both 5.80%.

9.In October 2023, the Group purchased a corporate bond of Shin Kong Life Insurance Co., Ltd. with a face value of \$50,000. The coupon rate and the effective interest rate were both 4%.

10.In July and August 2023, the Group purchased U.S. dollar-denominated corporate bonds issued by TSMC GLOBAL LTD., with a face value of USD1,000 thousand. The coupon rates were 2.25% and 1.375%, and the effective interest rates were 4.84% and 4.90%, respectively.

11.In August 2023, the Group purchased a U.S. dollar-denominated corporate bond issued by TSMC Arizona Corporation, with a face value of USD1,000 thousand. The coupon rate and the effective interest rate were 2.50% and 5.02%, respectively.

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12. In July 2023, the Group purchased a U.S. dollar-denominated corporate bond issued by Amazon.com, Inc., with a face value of USD1,000 thousand. The coupon rate and the effective interest rate were 4.05% and 4.80%, respectively.

13. On October 5 and October 20, 2023, the Group purchased a U.S. dollar-denominated corporate bond issued by Apple Inc., with a face value of USD1,000 thousand. The coupon rates were 3.25% and 1.65%, and the effective interest rates were 4.94% and 5.23%, respectively.

14. For fair value information, please refer to Note (6)(y).

15. The aforesaid financial assets were not pledged as collateral.

(e) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable-measured as amortized cost	\$ 307,795,621	200,651,613
Accounts receivable-fair value through other comprehensive income	64,044,217	59,984,273
Less: Allowance for impairment	<u>(594,170)</u>	<u>(728,549)</u>
Net	<u>\$ 371,245,668</u>	<u>259,907,337</u>

The Group has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Therefore, such accounts receivable was measured at fair value through other comprehensive income.

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

	December 31, 2024		
	Accounts receivable carrying amount	Weighted- average expected credit loss rate	Allowance lifetime expected credit loss
Current	\$ 361,173,201	0.05%	169,571
1 to 60 days past due	10,396,498	2.52%	262,497
61 to 120 days past due	127,262	34.01%	43,285
More than 121 days past due	<u>142,877</u>	83.16%	<u>118,817</u>
	<u>\$ 371,839,838</u>		<u>594,170</u>

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	December 31, 2023		
	Accounts receivable carrying amount	Weighted-average expected credit loss rate	Allowance lifetime expected credit loss
Current	\$ 240,027,378	0.04%	102,849
1 to 60 days past due	20,003,018	1.06%	212,268
61 to 120 days past due	292,933	50.04%	146,593
More than 121 days past due	312,557	85.37%	266,839
	<u>\$ 260,635,886</u>		<u>728,549</u>

The movements in the allowance for impairment for accounts receivable were as follows:

	For the Years Ended December 31,	
	2024	2023
Balance as of January 1	\$ 728,549	1,065,121
Impairment loss reversed	(136,402)	(272,038)
Recovery of bad debts previously written off	-	2,720
Bad debts written off	-	(67,187)
Effect of movements in exchange rate	2,023	(67)
Balance as of December 31	<u>\$ 594,170</u>	<u>728,549</u>

The aforesaid financial assets of the Group were not pledged as collateral or borrowings.

The Group signed the accounts receivable factoring agreements without recourse with different financial institutions. According to the agreements, the Group transfers almost all risks and rewards to debtors, thus is eligible for derecognizing the financial assets. The amounts receivable from financial institutions were recognized upon the derecognition of those trade receivables. The relevant information of the unexpired accounts receivable at the reporting date were as follows:

Unit: in thousands

December 31, 2024						
Purchaser	Amount Derecognized	Credit Unused	Credit Advanced	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Financial Institutions	\$ -	US\$ 1,953,461	US\$ -	-	None	None

December 31, 2023						
Purchaser	Amount Derecognized	Credit Unused	Credit Advanced	Amount Recognized in Other Receivables	Range of Interest Rate	Significant Transferring Terms
Financial Institutions	\$ -	US\$ 1,953,567	US\$ -	-	None	None

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The Group signed the accounts receivable factoring agreements with different financial institutions. According to the agreements, the Group bears almost all risks and rewards, and thus is ineligible for derecognizing the financial assets. The carrying amount of the accounts receivable factored but yet derecognized at the reporting date were as follows:

Unit : in thousands

December 31, 2024					
Purchaser	Amount transferred but has yet to be derecognized	Credit Line	Credit Advanced (accounted under short-term borrowings)	Range of Interest Rate	Collateral
Financial Institutions	\$ <u>-</u>	US\$ <u>250,000</u>	US\$ <u>-</u>	None	None

December 31, 2023					
Purchaser	Amount transferred but has yet to be derecognized	Credit Line	Credit Advanced (accounted under short-term borrowings)	Range of Interest Rate	Collateral
Financial Institutions	\$ <u>-</u>	US\$ <u>500,000</u>	US\$ <u>-</u>	None	None

(f) Other receivables

	December 31, 2024	December 31, 2023
Other receivables	\$ 1,692,283	2,181,626
Less: Allowance for impairment	<u>(28,962)</u>	<u>(13,263)</u>
	<u>\$ 1,663,321</u>	<u>2,168,363</u>

As of December 31, 2024 and 2023, the aging analysis of other receivables, which were past due, were as follows:

	December 31, 2024	December 31, 2023
1 to 60 days past due	\$ 13,547	10,050
61 to 120 days past due	10,517	20,192
More than 121 days past due	<u>24,463</u>	<u>4,955</u>
Total	<u>\$ 48,527</u>	<u>35,197</u>

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The movements in the allowance for impairment for other receivables were as follows:

	For the Years Ended December 31,	
	2024	2023
Balance as of January 1	\$ 13,263	7,117
Impairment loss recognized	15,699	6,146
Balance as of December 31	<u>\$ 28,962</u>	<u>13,263</u>

The aforesaid financial assets were not pledged as collateral.

(g) Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$ 133,840,427	45,078,009
Work-in-process	470,205	3,129,279
Raw materials	120,725,284	70,425,158
Inventory in-transit	6,850,403	5,131,461
Total	<u>\$ 261,886,319</u>	<u>123,763,907</u>

For the years ended December 31, 2024 and 2023, the details of operating costs were as follows:

	For the Years Ended December 31,	
	2024	2023
Cost of goods sold	\$ 1,296,743,473	1,000,272,260
Net amount of inventory obsolescence and disposal of scrapping	7,362,653	9,278,159
Reversed of inventory valuation and obsolescence	(3,706,844)	(8,411,464)
Others	(403,631)	(410,862)
Total	<u>\$ 1,299,995,651</u>	<u>1,000,728,093</u>

The factor leading to the net realizable value of inventories lower than the cost no longer exist, resulting in the increase in net realizable value to be recognized as reversal of inventories write-down, recognized as a deduction from operating costs.

The aforesaid inventories were not pledged as collateral.

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(h) Investments accounted for using equity method

The Group's financial information for investments accounted for using equity method that are individually insignificant were as follows:

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associates' equity	\$ <u>435,416</u>	<u>378,396</u>
	For the Years Ended December 31,	
	2024	2023
Attributable to the Group:		
Loss from continuing operation	\$ (39,462)	(44,627)
Other comprehensive income (loss)	<u>9,492</u>	<u>(407)</u>
Total comprehensive loss	\$ <u>(29,970)</u>	<u>(45,034)</u>

The aforesaid investments accounted for using equity method were not pledged as collateral.

Investments were accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been audited.

(i) Property, plant and equipment

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

	Land	Buildings	Machinery and miscellaneous equipment	Equipment to be inspected and construction in progress	Total
Cost or deemed cost:					
Balance as of January 1, 2024	\$ 9,136,885	32,396,040	73,528,248	2,194,011	117,255,184
Additions	-	1,981,502	4,329,800	7,930,677	14,241,979
Disposal and obsolescence	-	(83,154)	(5,503,037)	-	(5,586,191)
Reclassification and effect of movements in exchange rate	<u>88,354</u>	<u>1,723,249</u>	<u>6,367,240</u>	<u>(3,370,513)</u>	<u>4,808,330</u>
Balance as of December 31, 2024	\$ <u>9,225,239</u>	<u>36,017,637</u>	<u>78,722,251</u>	<u>6,754,175</u>	<u>130,719,302</u>
Balance as of January 1, 2023	\$ 9,137,098	31,616,556	71,749,826	2,018,279	114,521,759
Additions	-	119,279	4,297,132	2,671,266	7,087,677
Disposal and obsolescence	-	(15,112)	(4,265,524)	-	(4,280,636)
Reclassification and effect of movements in exchange rate	<u>(213)</u>	<u>675,317</u>	<u>1,746,814</u>	<u>(2,495,534)</u>	<u>(73,616)</u>
Balance as of December 31, 2023	\$ <u>9,136,885</u>	<u>32,396,040</u>	<u>73,528,248</u>	<u>2,194,011</u>	<u>117,255,184</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Machinery and miscellaneous equipment</u>	<u>Equipment to be inspected and construction in progress</u>	<u>Total</u>
Depreciation and impairment loss:					
Balance as of January 1, 2024	\$ -	13,847,544	42,588,069	-	56,435,613
Depreciation for the period	-	1,186,513	7,480,571	-	8,667,084
Impairment losses reversed	-	-	(1,470)	-	(1,470)
Disposal and obsolescence	-	(82,917)	(4,388,488)	-	(4,471,405)
Reclassification and effect of movements in exchange rate	-	715,912	2,312,915	-	3,028,827
Balance as of December 31, 2024	<u>\$ -</u>	<u>15,667,052</u>	<u>47,991,597</u>	<u>-</u>	<u>63,658,649</u>
Balance as of January 1, 2023	\$ -	12,764,035	38,532,346	-	51,296,381
Depreciation for the period	-	1,116,150	7,376,223	-	8,492,373
Disposal and obsolescence	-	(14,918)	(3,539,055)	-	(3,553,973)
Impairment loss recognized	-	-	250,112	-	250,112
Effect of movements in exchange rate	-	(17,723)	(31,557)	-	(49,280)
Balance as of December 31, 2023	<u>\$ -</u>	<u>13,847,544</u>	<u>42,588,069</u>	<u>-</u>	<u>56,435,613</u>
Carrying amount:					
Balance as of December 31, 2024	<u>\$ 9,225,239</u>	<u>20,350,585</u>	<u>30,730,654</u>	<u>6,754,175</u>	<u>67,060,653</u>
Balance as of January 1, 2023	<u>\$ 9,137,098</u>	<u>18,852,521</u>	<u>33,217,480</u>	<u>2,018,279</u>	<u>63,225,378</u>
Balance as of December 31, 2023	<u>\$ 9,136,885</u>	<u>18,548,496</u>	<u>30,940,179</u>	<u>2,194,011</u>	<u>60,819,571</u>

As of December 31, 2024 and 2023, the aforesaid property, plant and equipment were not pledged as collateral.

The Group has been building new factories and expanding production lines in various operating entities since 2021. Since relevant civil engineering and installation projects were still in progress as of December 31, 2024, they were accounted for as construction in progress and equipment to be inspected. Please refer to Note(9)(a) for details of significant unrecognized contractual commitments associated with acquisition of property, plant and equipment.

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(j) Right-of-use assets

The Group leases assets including land, buildings, machinery and equipment, and transportation equipment. The movements in right-of-use assets were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:					
Balance as of January 1, 2024	\$ 1,119,522	6,977,393	22,891	495	8,120,301
Additions	11,102	2,751,012	72,683	-	2,834,797
Reductions	-	(333,333)	(25,942)	-	(359,275)
Effect of movements in exchange rate	51,877	489,496	(1,024)	-	540,349
Balance as of December 31, 2024	<u>\$ 1,182,501</u>	<u>9,884,568</u>	<u>68,608</u>	<u>495</u>	<u>11,136,172</u>
Balance as of January 1, 2023	\$ 477,287	6,976,931	86,166	495	7,540,879
Additions	635,563	362,715	-	-	998,278
Reductions	(2,631)	(355,441)	(65,957)	-	(424,029)
Effect of movements in exchange rate	9,303	(6,812)	2,682	-	5,173
Balance as of December 31, 2023	<u>\$ 1,119,522</u>	<u>6,977,393</u>	<u>22,891</u>	<u>495</u>	<u>8,120,301</u>
Depreciation and impairment loss:					
Balance as of January 1, 2024	\$ 102,989	4,176,381	20,911	193	4,300,474
Depreciation for the period	13,732	1,414,492	15,128	164	1,443,516
Reductions	-	(328,524)	(25,942)	-	(354,466)
Reclassification and effect of movements in exchange rate	3,150	306,544	999	-	310,693
Balance as of December 31, 2024	<u>\$ 119,871</u>	<u>5,568,893</u>	<u>11,096</u>	<u>357</u>	<u>5,700,217</u>
Balance as of January 1, 2023	\$ 56,971	3,252,108	62,495	28	3,371,602
Depreciation for the period	27,486	1,258,936	21,836	165	1,308,423
Reductions	(2,631)	(317,577)	(65,957)	-	(386,165)
Effect of movements in exchange rate	21,163	(17,086)	2,537	-	6,614
Balance as of December 31, 2023	<u>\$ 102,989</u>	<u>4,176,381</u>	<u>20,911</u>	<u>193</u>	<u>4,300,474</u>
Carrying amount:					
Balance as of December 31, 2024	<u>\$ 1,062,630</u>	<u>4,315,675</u>	<u>57,512</u>	<u>138</u>	<u>5,435,955</u>
Balance as of January 1, 2023	<u>\$ 420,316</u>	<u>3,724,823</u>	<u>23,671</u>	<u>467</u>	<u>4,169,277</u>
Balance as of December 31, 2023	<u>\$ 1,016,533</u>	<u>2,801,012</u>	<u>1,980</u>	<u>302</u>	<u>3,819,827</u>

Please refer to Note(9)(a) for details of significant unrecognized contractual commitments associated with acquisition of right-of-use assets.

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(k) Investment property

Investment property comprises factories that are leased to third parties under operating leases, as well as properties that are owned by the Group. The rent income of the leases of investment properties is fixed.

	Land and land improvement	Buildings	Total
Cost or deemed cost:			
Balance as of January 1, 2024	\$ 124,215	42,372	166,587
Balance as of December 31, 2024	<u>\$ 124,215</u>	<u>42,372</u>	<u>166,587</u>
Balance as of January 1, 2023	\$ 124,215	42,372	166,587
Balance as of December 31, 2023	<u>\$ 124,215</u>	<u>42,372</u>	<u>166,587</u>
Depreciation and impairment loss:			
Balance as of January 1, 2024	\$ 71,551	26,959	98,510
Depreciation for the year	-	730	730
Balance as of December 31, 2024	<u>\$ 71,551</u>	<u>27,689</u>	<u>99,240</u>
Balance as of January 1, 2023	\$ 71,551	26,229	97,780
Depreciation for the year	-	730	730
Balance as of December 31, 2023	<u>\$ 71,551</u>	<u>26,959</u>	<u>98,510</u>
Carrying amount:			
Balance as of December 31, 2024	<u>\$ 52,664</u>	<u>14,683</u>	<u>67,347</u>
Balance as of January 1, 2023	<u>\$ 52,664</u>	<u>16,143</u>	<u>68,807</u>
Balance as of December 31, 2023	<u>\$ 52,664</u>	<u>15,413</u>	<u>68,077</u>
Fair Value:			
Balance as of December 31, 2024			<u>\$ 120,438</u>
Balance as of December 31, 2023			<u>\$ 121,168</u>

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As of December 31, 2024 and 2023, the fair value of the investment property was based on the market value acquired in active market and on the reacquiring or reconstructing costs of the properties on the value date, after deducting the accumulated depreciation and other deductible items. The condition, economics, and functions of the properties were also considered when evaluating the fair value.

The aforesaid investment properties were not pledged as collateral.

(l) Intangible assets

The costs of intangible assets and amortization of the Group as of and for the years ended December 31, 2024 and 2023, were as follows:

	<u>Goodwill</u>	<u>Software and trademark</u>	<u>Total</u>
Cost:			
Balance as of January 1, 2024	\$ 407,292	4,495,266	4,902,558
Acquisition	-	365,223	365,223
Disposal and obsolescence	-	(259,966)	(259,966)
Reclassification and effect of movement in exchange rate	<u>-</u>	<u>211,982</u>	<u>211,982</u>
Balance as of December 31, 2024	<u><u>\$ 407,292</u></u>	<u><u>4,812,505</u></u>	<u><u>5,219,797</u></u>
Balance as of January 1, 2023	\$ 407,292	4,194,218	4,601,510
Acquisition	-	427,685	427,685
Disposal and obsolescence	-	(125,049)	(125,049)
Reclassification and effect of movement in exchange rate	<u>-</u>	<u>(1,588)</u>	<u>(1,588)</u>
Balance as of December 31, 2023	<u><u>\$ 407,292</u></u>	<u><u>4,495,266</u></u>	<u><u>4,902,558</u></u>
Amortization and impairment loss:			
Balance as of January 1, 2024	\$ 407,292	3,989,774	4,397,066
Amortization	-	384,303	384,303
Disposal and obsolescence	-	(259,966)	(259,966)
Reclassification and effect of movement in exchange rate	<u>-</u>	<u>199,878</u>	<u>199,878</u>
Balance as of December 31, 2024	<u><u>\$ 407,292</u></u>	<u><u>4,313,989</u></u>	<u><u>4,721,281</u></u>

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	Goodwill	Software and trademark	Total
Balance as of January 1, 2023	\$ -	3,732,433	3,732,433
Amortization	-	388,451	388,451
Impairment loss	407,292	-	407,292
Disposal and obsolescence	-	(125,049)	(125,049)
Reclassification and effect of movement in exchange rate	-	(6,061)	(6,061)
Balance as of December 31, 2023	<u>\$ 407,292</u>	<u>3,989,774</u>	<u>4,397,066</u>
Carrying amount:			
Balance as of December 31, 2024	<u>\$ -</u>	<u>498,516</u>	<u>498,516</u>
Balance as of January 1, 2023	<u>\$ 407,292</u>	<u>461,785</u>	<u>869,077</u>
Balance as of December 31, 2023	<u>\$ -</u>	<u>505,492</u>	<u>505,492</u>

1. Amortization

The amortization of intangible assets for the years ended December 31, 2024 and 2023 are included in the statement of comprehensive income in the following accounts:

	For the Years Ended December 31,	
	2024	2023
Operating costs	\$ 57,210	57,731
Operating expenses	327,093	330,720
Total	<u>\$ 384,303</u>	<u>388,451</u>

Based on the value-in-use calculation using cash flow projections, the Group recognized the goodwill impairment loss of satellite navigation amounted to \$407,292 for the year ended December 31, 2023.

(m) Short-term borrowings

	December 31, 2024	December 31, 2023
Credit loan	<u>\$ 157,066,979</u>	<u>156,978,475</u>
Range of interest rates	<u>2.22%~5.85%</u>	<u>2.10%~6.30%</u>

The Group's currency risk, interest risk and sensitivity analysis of financial assets and liabilities were disclosed in Note (6)(y).

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The Group has agreements with different financial institutions to offset its financial assets and liabilities. The following table lists the netting information of these financial assets and liabilities as of December 31, 2024 and 2023:

December 31, 2024			
Property	Financial assets/ liabilities recognized	Financial assets/ liabilities offset in the statement of financial position	Net financial assets/ liabilities reported in the statement of financial position
Bank deposits / Bank borrowings	\$ <u>79,968,652</u>	<u>79,968,652</u>	<u>-</u>
December 31, 2023			
Property	Financial assets/ liabilities recognized	Financial assets/ liabilities offset in the statement of financial position	Net financial assets/ liabilities reported in the statement of financial position
Bank deposits / Bank borrowings	\$ <u>183,844,234</u>	<u>183,844,234</u>	<u>-</u>

(n) Long-term borrowings

Names of financial institution	Amount			Collateral or Guarantee
	Non-current portion	Current portion	Total	
December 31, 2024				
Syndicated agreement with Mega International Commercial Bank and other 17 participating banks (vii)	\$ -	20,654,550	20,654,550	None
Syndicated agreement with Taipei Fubon Bank and other 22 participating banks (i)	21,310,250	-	21,310,250	None
National development agreement with TaiShin International Bank (ii)	156,250	375,000	531,250	None
National development agreement with Mega International Commercial Bank (iii)	159,184	318,367	477,551	None
National development agreement with Taipei Fubon Bank (iv)	197,916	375,000	572,916	None
National development agreement with E.SUN Commercial Bank (v)	250,000	500,000	750,000	None
National development agreement with CTBC Bank (vi)	125,000	250,000	375,000	None
Total	\$ 22,198,600	22,472,917	44,671,517	

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Names of financial institution	Amount			Collateral or Guarantee
	Non-current portion	Current portion	Total	
December 31, 2023				
Syndicated agreement with Taipei Fubon Bank and other 22 participating banks (i)	\$ 3,224,025	-	3,224,025	None
National development agreement with TaiShin International Bank (ii)	531,250	375,000	906,250	None
National development agreement with Mega International Commercial Bank (iii)	477,551	318,367	795,918	None
National development agreement with Taipei Fubon Bank (iv)	572,917	375,000	947,917	None
National development agreement with E.SUN Commercial Bank (v)	750,000	500,000	1,250,000	None
National development agreement with CTBC Bank (vi)	375,000	250,000	625,000	None
Total	\$ 5,930,743	1,818,367	7,749,110	

- (i) Effective August 2023, the Company and its subsidiary, QIL, entered into syndicated credit agreements with Taiwan Fubon Bank and other 22 participating financial institutions. The agreements included two trenches, A and B. In trench A, the term facility and revolving facility available to the company amounted to USD1,000,000 thousand. In trench B, the term facility and revolving facility available to QIL amounted to USD500,000 thousand. The agreement amounted to USD1,500,000 thousand with floating interest rate for a period of 3 years. The borrowing duration is allowed to be extended for 2 years, but the extension is limited to one time only. According to the agreements, the Company takes joint and several liabilities for QIL's repayments.
- (ii) Effective June 2019, the Company entered into credit agreement with TaiShin International Bank. The loan facility of agreement amounted to \$1,500,000 with floating interest rates for a period of 7 years. The agreement started on June 4, 2019.
- (iii) Effective June 2019, the Company entered into credit agreement with Mega International Commercial Bank. The loan facility of agreement amounted to \$1,300,000 with floating interest rates for a period of 7 years. The agreement started on June 19, 2019.
- (iv) Effective June 2019, the Company entered into credit agreement with Taipei Fubon Bank. The loan facility of agreement amounted to \$1,500,000 with floating interest rates for a period of 7 years. The agreement started on June 4, 2019.
- (v) Effective June 2019, the Company entered into credit agreement with E.SUN Commercial Bank. The loan facility of agreement amounted to \$2,000,000 with floating interest rates for a period of 7 years. The agreement started on July 3, 2019.

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- (vi) Effective June 2019, the Company entered into credit agreement with CTBC Bank. The loan facility of agreement amounted to \$1,000,000 with floating interest rates for a period of 7 years. The agreement started on July 4, 2019.
- (vii) Effective October 2020, the Company and its subsidiary, QIL, entered into syndicated credit agreement with Mega International Commercial Bank and other 17 participating financial institutions. Under which, the Company and QIL will share the term facility and revolving facility amounted to USD1,200,000 thousand with floating interest rates for a period of 3 years. The borrowing duration is extended for 2 years with Mega International Commercial Bank and other 17 participating financial institutions in November 2023. According to the agreements, the Company takes joint and several liabilities for QIL's repayments.
- (viii) Effective January 2024, QMH entered into credit agreement with CTBC Bank. The loan facility of agreement amounted to USD70,000 thousand with floating interest rates for a period of 5 years. The agreement started on March 22, 2024. The loan was settled upon maturity.
- (ix) Under the agreements with QIL and the agreement of QMH, the Company shall adhere to certain financial provisions such as consolidated current ratios, leverage ratios, interest coverage ratios and tangible net worth at the end dates of the semi-annual and the annual accounting periods (June 30 and December 31). Otherwise, the borrowings will be considered due and payable immediately. As of December 31, 2024, the Company was in compliance with the above financial covenants, thus, the loan is classified as a non-current liability. Moreover, the Group expects to comply with the covenants at the end dates of the semi-annual and the annual accounting periods for at least 12 months after the reporting date.
- (x) The interest rates for all aforementioned credit facilities were 0.7200%~5.3782% and 0.5950%~6.1158% as of December 31, 2024 and 2023, respectively.
- (xi) The Group's currency risk, interest risk and sensitivity analysis of financial assets and liabilities were disclosed in Note (6)(y).
- (o) Bonds Payable

The details of the Group's unsecured convertible bonds were as follows:

	December 31, 2024
Total convertible bonds issued	\$ 32,055,000
Unamortized discounted bonds payable	(3,270,761)
Cumulative converted amount	-
Convertible bonds issued balance at year-end	<u><u>\$ 28,784,239</u></u>
Embedded derivative – call and put options, included in financial liabilities at fair value through profit or loss	<u><u>\$ 371,838</u></u>
Equity component – conversion options, included in capital surplus– stock options	<u><u>\$ 2,887,623</u></u>

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The amounts recognized in profit or loss from convertible bonds were as follows:

	For the Years Ended December 31, 2024
Embedded derivative - gain and losses of re-measurement of call and put options based on fair value (recorded under other gains and losses)	\$ <u>57,699</u>
Interest expense	\$ <u>192,186</u>

The Company's fourth five-year unsecured convertible bonds were listed on the Singapore Exchange on September 17, 2024, amounting to US\$1,000,000 thousand, at zero coupon rate, with the maturity date set on September 16, 2029, based on a resolution approved during its Board of Directors held on August 9, 2024, with approval No.1130355869 from the Financial Supervisory Commission on September 9, 2024. The bonds will be converted to NTD at a fixed rate of 32.055. Upon maturity, repurchase, or early redemption, the fixed NTD amount will be converted to an equivalent amount in USD for payment using the prevailing exchange rate at the time of transaction.

Except for early redemption, repurchases and cancellations, exercise of conversion rights by the bondholders and the cessation of conversion period, from the day following the three months after the issuance of the bonds to (1) ten days before the maturity date or (2) the fifth business day prior to the repurchase date if the bondholders exercise their put option or the date of early redemption of the bonds (excluding the maturity date), the bondholders may request the issuing company to convert the bonds into shares of common stocks in accordance with the provisions of the relevant laws and the Trust Deed.

The convertible bonds may be redeemed in advance by the Company from the day following the third anniversary of the issuance until the maturity date. If the closing price of the Company's common stock on the Taiwan Stock Exchange reaches 130% of the amount obtained by multiplying the amount of early redemption using the conversion price, and dividing it by the face value for twenty trading days out of thirty consecutive business days (adjusted for any ex-rights or ex-dividend events), the Company may redeem all or part of the bonds at the early redemption amount.

Except for the following circumstances, bondholders may not request the Company to redeem all or part of their bonds before maturity: (1) Unless the bonds have been redeemed early, repurchased and canceled, or converted, bondholders may request the Company to redeem all or part of the bonds at face value, plus interest compensation, without an annual rate, calculated on a semi-annual basis (hereinafter referred to as the "early redemption amount"), on the third anniversary of the bond issuance; (2) If the Company's common stock is delisted from the Taiwan Stock Exchange, bondholders may request the Company to redeem all or part of the bonds at the early redemption amount; (3) If a change of control event as defined in the Trust Deed occurs, bondholders may request the Company to redeem all or part of the bonds at the early redemption amount.

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The conversion price of the bonds was set at a premium based on the closing price of the Company's common stock on the Taiwan Stock Exchange on the pricing date, September 9, 2024, with the initial conversion price at issuance of NT\$356.25, which shall be adjusted in accordance with the relevant antidilution provisions of the contract after the issuance of the bonds.

(p) Lease liabilities

The carrying amount of the Group's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	<u>\$ 1,497,289</u>	<u>1,151,455</u>
Non-current	<u>\$ 3,267,107</u>	<u>1,871,183</u>

For the maturity analysis, please refer to Note (6)(y).

The amounts recognized in profit or loss were as follows:

	For the Years Ended December 31, 2024	2023
Interests expenses on lease liabilities	<u>\$ 105,934</u>	<u>83,421</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 133,184</u>	<u>351,289</u>
Expenses relating to short-term leases	<u>\$ 423,126</u>	<u>393,321</u>

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

	For the Years Ended December 31, 2024	2023
Total cash outflow for leases	<u>\$ 2,064,348</u>	<u>2,667,688</u>

1. Land and Building leases

The Group leases land and buildings for its office space, warehouse and staff dormitory. The leases typically run for a period of 1 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

2. Other leases

The Group leases machinery and office equipment, which are short-term items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

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(q) Employee benefits

1. Defined benefit plans

The Group determined the movement in the present value of the defined benefit obligations and fair value of plan assets as follows:

	December 31, 2024	December 31, 2023
Present value of benefit obligations	\$ 1,605,735	1,624,794
Fair value of plan assets	<u>(1,451,709)</u>	<u>(1,327,283)</u>
Recognized liabilities for defined benefit obligations	<u>\$ 154,026</u>	<u>297,511</u>

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

The pension system applicable to employees of the Group's subsidiary in Thailand also adopts a defined benefit plan, which is calculated in accordance with local labor laws and regulations.

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 \$1,451,709 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.

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2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations of the Group for the years ended December 31, 2024 and 2023, were as follows:

	For the Years Ended December 31,	
	2024	2023
Defined benefit obligation at January 1	\$ 1,624,794	1,848,833
Current service costs and interest	26,350	34,251
Remeasurement on the net defined benefit liabilities		
— Actuarial gains arising from experience adjustments	20,177	(38,787)
— Actuarial losses arising from changes in population assumption	19	314
— Actuarial losses arising from changes in financial assumptions	(53,705)	(165,802)
Benefit paid	(39,868)	(50,467)
Effect of the curtailment of plan	(316)	(3,548)
Other	28,284	-
Defined benefit obligation at December 31	<u><u>\$ 1,605,735</u></u>	<u><u>1,624,794</u></u>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets of the Group for the years ended December 31, 2024 and 2023, were as follows:

	For the Years Ended December 31,	
	2024	2023
Fair value of plan assets at January 1	\$ 1,327,283	1,323,537
Interest income	15,595	16,844
Remeasurement on the net defined benefit liabilities		
— Return on plan assets (excluding current interest)	119,629	11,092
Contribution made	29,070	29,279
Benefit paid	(39,868)	(50,467)
Payment for the curtailment of plan assets	-	(3,002)
Fair value of plan assets at December 31	<u><u>\$ 1,451,709</u></u>	<u><u>1,327,283</u></u>

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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 costs	\$ 7,375	10,786
Net interest of net defined benefit liabilities	3,380	6,621
Past service credit and settlement gains	(316)	(546)
	\$ 10,439	16,861
Operating costs	\$ 1,013	2,120
Selling expenses	530	450
General and administrative expenses	5,370	8,973
Research and development expenses	3,526	5,318
	\$ 10,439	16,861

5) Actuarial assumptions

The following are the Group's principal actuarial assumptions of present value of defined benefit obligations:

	For the Years Ended December 31,	
	2024	2023
Discount rate	1.60%~2.65%	1.20%~1.60%
Future salary increases rate	2.61%~5.00%	2.61%~3.00%

The Group will pay the defined benefit plans amounting to \$29,663 within one year after the reporting date in 2024.

The weighted average duration of the defined benefit obligation is 8~28 years.

6) Sensitivity analysis

As of December 31, 2024 and 2023, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2024		
Discount rate	\$ (33,385)	34,406
Future salary increasing rate	34,126	(33,131)

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	Influences of defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2023		
Discount rate	\$ (35,618)	36,849
Future salary increasing rate	36,244	(35,221)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023.

2. Defined contribution plans

The Group's Taiwan subsidiaries allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Group's pension costs under the defined contribution method were \$640,990 and \$604,429 for the years ended December 31, 2024 and 2023, respectively. Payment was made to the Bureau of the Labor Insurance.

3. The Group's pension expenses of foreign subsidiaries companies in accordance with local laws and regulations were \$2,620,049 and \$2,669,120 for the years ended December 31, 2024 and 2023, respectively.

(r) Income taxes

1. Income tax expense

The details of income tax expense for the years ended December 31, 2024 and 2023, were as follows:

	For the Years Ended December 31,	
	2024	2023
Current tax expense		
Current period	\$ 13,444,054	9,690,758
Adjustment for prior period	(2,487,970)	(1,285,899)
	<u>10,956,084</u>	<u>8,404,859</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>1,927,634</u>	<u>2,838,027</u>
Income tax expense from continuing operations	<u><u>\$ 12,883,718</u></u>	<u><u>11,242,886</u></u>

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The details of income tax recognized in other comprehensive income for the years ended December 31, 2024 and 2023, were as follows:

	For the Years Ended December 31,	
	2024	2023
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ <u>(28,135)</u>	<u>(43,073)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	\$ <u>(49,261)</u>	<u>20</u>

Reconciliations between income tax and profit before tax for the years ended December 31, 2024 and 2023, were as follows:

	For the Years Ended December 31,	
	2024	2023
Profit before tax	\$ 73,166,649	51,731,472
Income tax using the Company's domestic tax rate	\$ 17,969,275	14,706,413
Overseas withholding tax	-	(117,811)
Adjustment in tax rate	10,973	8,475
Permanent differences	(50,277)	(119,128)
Tax-exempt income	(149,474)	(77,342)
Research and development tax incentives	(643,128)	(685,849)
Changes in temporary differences	(863,480)	(1,580,260)
Prior year income tax adjustment	(2,487,970)	(1,285,899)
Additional income tax on unappropriated earnings	79,964	399,976
Income basic tax	748	536
Investment tax credit	(944,619)	(6,225)
Loss carryforward	(38,294)	-
Total	\$ <u>12,883,718</u>	<u>11,242,886</u>

2. Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized were as follows:

	December 31,	December 31,
	2024	2023
Tax effect of deductible temporary differences	\$ 1,749,785	2,424,030
Tax losses	1,311,297	1,131,742
	\$ <u>3,061,082</u>	<u>3,555,772</u>

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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

	<u>Estimated contract liabilities</u>	<u>Unrealized gross profit from sales</u>	<u>Unrealized losses on inventories</u>	<u>Other unrealized losses and expense</u>	<u>Total</u>
Deferred tax assets :					
Balance as of January 1, 2024	\$ 2,737,065	205,769	789,938	2,779,563	6,512,335
Recognized in profit or loss	355,322	1,204,494	(116,688)	139,533	1,582,661
Recognized in other comprehensive income	-	-	-	(29,119)	(29,119)
Effect in exchange rate	2,424	-	1,124	23,484	27,032
Balance as of December 31, 2024	<u>\$ 3,094,811</u>	<u>1,410,263</u>	<u>674,374</u>	<u>2,913,461</u>	<u>8,092,909</u>
Balance as of January 1, 2023	\$ 2,271,043	1,687,706	910,858	2,628,091	7,497,698
Recognized in profit or loss	466,073	(1,481,937)	(120,908)	198,464	(938,308)
Recognized in other comprehensive income	-	-	-	(43,053)	(43,053)
Effect in exchange rate	(51)	-	(12)	(3,939)	(4,002)
Balance as of December 31, 2023	<u>\$ 2,737,065</u>	<u>205,769</u>	<u>789,938</u>	<u>2,779,563</u>	<u>6,512,335</u>
			<u>Unrealized gains on investment</u>	<u>Others</u>	<u>Total</u>
Deferred tax liabilities :					
Balance as of January 1, 2024			\$ 4,805,630	204,527	5,010,157
Recognized in profit or loss			2,130,292	1,380,003	3,510,295
Recognized in other comprehensive income			-	48,277	48,277
Effect in exchange rate			-	13,604	13,604
Balance as of December 31, 2024			<u>\$ 6,935,922</u>	<u>1,646,411</u>	<u>8,582,333</u>
Balance as of January 1, 2023			\$ 3,106,937	5,249	3,112,186
Recognized in profit or loss			1,696,595	203,124	1,899,719
Effect in exchange rate			2,098	(3,846)	(1,748)
Balance as of December 31, 2023			<u>\$ 4,805,630</u>	<u>204,527</u>	<u>5,010,157</u>

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3. As of December 31, 2024, the Group's unused prior years loss carryforward and the expiry years of the loss carryforward were as follows:

<u>Year of loss</u>	<u>Unused amount</u>	<u>Year of expiry</u>
2016	\$ 135,402	2026
2017	229,425	2027
2018	49,351	2028
2019	544,804	2024~2029
2020	1,125,370	2025~2030
2021	1,344,020	2026~2031
2022	744,738	2027~2032
2023	475,744	2028~2033
2024	1,244,727	2029~2034
	<u>\$ 5,893,581</u>	

4. Income tax approval

The Company's tax returns through 2022 have been assessed and approved by the Tax Authority.

5. Global minimum top-up tax

Some countries that the Group operates in have enacted new legislation to implement the global minimum top-up tax. The Group is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax in the countries which it operates in. As of December 31, 2024, the application of this new tax law was assessed to have no material impact on the Group. The Group recognizes the supplemental tax as current income tax when it is actually incurred, and the Group applies the temporary mandatory relief from deferred tax related to the supplemental tax.

6. The Group's income tax returns must be filed individually by each entity instead of on a consolidated basis; consequently, the Group's income taxes were calculated using the local tax rate applicable to each entity.

(s) Share capital and other equity

1. Share capital

As of December 31, 2024 and 2023, the Company's authorized capital consisted of \$46,000,000 and issued shares amounted to 3,862,627 thousand shares, with par value of \$10 (NT dollars) per share.

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Reconciliations of shares outstanding for 2024 and 2023 were as follows :

(Unit: thousand shares)

	Common Stock	
	For the Years Ended December 31,	
	2024	2023
Balance as of January 1	3,862,627	3,862,627
Balance as of December 31	<u>3,862,627</u>	<u>3,862,627</u>

2. Capital surplus

The details of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Surplus from issuing shares in excess of par value:		
Additional paid-in capital arising from issuing shares	\$ 5,832,239	5,832,239
Additional paid-in capital arising from bond conversion	7,017,671	7,017,671
Additional paid-in capital arising from treasury stock transactions	412,951	339,971
Additional paid-in capital arising from employee share options	961,566	961,566
Donated assets received	44	44
Issue of convertible bonds	2,887,623	-
The movement of net stockholders of associates and joint ventures entity for using equity method	151,541	143,340
Difference between consideration and carrying amount of subsidiaries acquired or disposed	45,693	-
	<u>\$ 17,309,328</u>	<u>14,294,831</u>

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.

3. Retained earnings

According to the Articles of Incorporation, wherein Article 27-2 stipulated that the Company's earnings distribution or loss off-setting may be made after the end of each half of the fiscal year in accordance with Article 228-1 of the Company Act. Earnings distributed in the form of cash shall be approved by the Board of Directors.

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According to the amended Articles of Incorporation, after-tax earnings are initially used to offset cumulative losses, and 10% of the remainder is set aside as a legal reserve, except when the legal reserve of the Company reaches its paid-in capital. Special reserve may be appropriated if necessary, and then any remaining profit together with any undistributed retained earnings shall be distributed in accordance with the relevant laws or regulations, or as outlined by the Articles of Incorporation.

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 Ruling issued by the Financial Supervisory Commission, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal to the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The 2024 earnings to be appropriated were resolved by the Board of Directors as follows:

	The date the resolution was approved by the Board of Directors	Dividend per share (NTD)— cash	Amount
Dividends distributed to ordinary shareholders			
The first half of 2024	August 9, 2024	\$ -	-
The second half of 2024	February 27, 2025	13.00	<u>50,214,156</u>
Total		\$	<u><u>50,214,156</u></u>

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The 2023 earnings to be appropriated were resolved by the Board of Directors as follows:

	The date the resolution was approved by the Board of Directors	Dividend per share (NTD)— cash	Amount
Dividends distributed to ordinary shareholders			
The first half of 2023	August 11, 2023	\$ -	-
The second half of 2023	March 15, 2024	9.00	34,763,647
Total			<u>\$ 34,763,647</u>

The 2022 earnings to be appropriated were resolved by the Board of Directors as follows:

	The date the resolution was approved by the Board of Directors	Dividend per share (NTD)— cash	Amount
Dividends distributed to ordinary shareholders			
The first half of 2022	August 12, 2022	\$ -	-
The second half of 2022	March 15, 2023	6.00	23,175,765
Total			<u>\$ 23,175,765</u>

4. Treasury stock

The Company's shares held by its subsidiaries were as follows:

	December 31, 2024		
	Shares (in thousands)	Cost	Market price
RTK	<u>8,109</u>	<u>\$ 333,094</u>	<u>2,327,250</u>
	December 31, 2023		
	Shares (in thousands)	Cost	Market price
RTK	<u>8,109</u>	<u>\$ 333,094</u>	<u>1,820,445</u>

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5. Other equity after tax

	Exchange differences on translation of foreign financial statement	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2024	\$ 5,685,783	(7,469,239)	(1,783,456)
Exchange differences on translation of foreign financial assets	9,188,588	-	9,188,588
Exchange differences on associates accounted for using equity method	9,492	-	9,492
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(1,188,324)	(1,188,324)
Disposal of investments measured at fair value through other comprehensive income	-	11,315	11,315
Balance as of December 31, 2024	<u>\$ 14,883,863</u>	<u>(8,646,248)</u>	<u>6,237,615</u>
Balance as of January 1, 2023	\$ 6,464,433	(8,586,298)	(2,121,865)
Exchange differences on translation of foreign financial assets	(778,243)	-	(778,243)
Exchange differences on associates accounted for using equity method	(407)	-	(407)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	1,084,259	1,084,259
Disposal of investments measured at fair value through other comprehensive income	-	32,800	32,800
Balance as of December 31, 2023	<u>\$ 5,685,783</u>	<u>(7,469,239)</u>	<u>(1,783,456)</u>

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6. Non-controlling interests after tax

	For the Years Ended December 31,	
	2024	2023
Balance as of January 1	\$ 7,685,215	7,365,327
Shares attributed to non-controlling interests		
Net profit	581,134	812,192
Exchange differences on translation of foreign financial statement	208,072	(19,379)
Actuarial gains from defined benefit plans	8,724	232
Unrealized gains from financial assets measured at fair value through other comprehensive income	63,197	77,788
Changes of ownership in subsidiaries	-	55,559
Changes in non-controlling interests	(631,816)	(606,514)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	105,555	-
Others	25	10
Balance as of December 31	<u><u>\$ 8,020,106</u></u>	<u><u>7,685,215</u></u>

(t) Share-based payment

QSI's subsidiary, TRI, resolved to issue 3,000 thousand shares of employee stock options during the Board of Directors meeting held on August 29, 2023. The employee stock options have been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. The resolution was approved during the Board of Directors meeting held on October 25, 2023, to issue the employee stock options in installments. As of December 31, 2024 and 2023, the share-based payment transactions of the Group were as follows:

	Equity-settled	
	Employee stock options	Employee stock options
Grant date	July 1, 2024	November 1, 2023
Number of shares granted (In thousands of shares)	1,176	1,824
Contract term	27 months	27 months

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	Equity-settled	
	Employee stock options	Employee stock options
Vesting conditions	Two years after the employee stock options were issued to the employees, the stock option holders may exercise in part or in full of the stock option rights within 3 months from the next day of the expiration period. Failure to exercise the stock option rights within the expiration period will be deemed to give up the stock option rights.	Two years after the employee stock options were issued to the employees, the stock option holders may exercise in part or in full of the stock option rights within 3 months from the next day of the expiration period. Failure to exercise the stock option rights within the expiration period will be deemed to give up the stock option rights.

1. Determining the fair value of equity instruments granted

QSI's subsidiary, TRI, used Black-Scholes-option valuation model to estimate the fair value of the share-based payment at the grant date. The inputs to the model were as follows:

	For the Years Ended December 31,	
	2024	2023
	Employee stock options	Employee stock options
Fair value at grant date	4.6623	1.4073
Exercise price	\$60	\$60
Expected volatility (%)	18.1883%	15.875%
Expected life (years)	27 months	27 months
Risk-free interest rate (%)	1.3917%	1.0498%

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2.Information on employee stock options

(Unit : Thousands)

	For the Years Ended December 31,			
	2024		2023	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at January 1	\$ 60.00	1,824	-	-
Granted during the year	60.00	1,176	60.00	1,824
Outstanding at December 31	60.00	<u>3,000</u>	60.00	<u>1,824</u>
Exercisable at December 31	60.00	<u>-</u>	60.00	<u>-</u>

3.Expense recognized in profit or loss

QSI's subsidiary, TRI, incurred expenses of share-based payment for the years ended December 31, 2024 and 2023, were as follows:

	For the Years Ended December 31,	
	2024	2023
Expenses resulting from employee stock options	\$ <u>2,692</u>	<u>164</u>

(u) Earnings per share

For the years ended December 31, 2024 and 2023, the basic and diluted earnings per share were calculated as follows:

1.Basic earnings per share

	For the Years Ended December 31,	
	2024	2023
Profit attribute to ordinary shareholders of the Company	\$ <u>59,701,797</u>	<u>39,676,394</u>

Unit : thousand shares

	For the Years Ended December 31,	
	2024	2023
Weighted average number of ordinary shares (basic)	<u>3,854,519</u>	<u>3,854,519</u>

2.Diluted earnings per share

	For the Years Ended December 31,	
	2024	2023
Profit attributable to owners of the Company (basic)	\$ 59,701,797	39,676,394
Interest expense and other gains and losses on convertible bonds, net of tax	96,050	-
Profit attributable to ordinary shareholders of the Company	\$ <u>59,797,847</u>	<u>39,676,394</u>

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Unit : thousand shares

	For the Years Ended December 31,	
	2024	2023
Weighted average number of ordinary shares (basic)	3,854,519	3,854,519
Effect of employee stock compensation	23,313	24,813
Effect of conversion of convertible bonds	26,305	-
Weighted average number of ordinary shares (diluted)	3,904,137	3,879,332

(v) Revenue from contracts with customers

1. Disaggregation of Revenue

	For the Years Ended December 31,	
	2024	2023
Primary geographical markets:		
America	\$ 918,948,990	620,480,302
Mainland China	85,737,641	100,707,596
Netherlands	38,927,939	44,218,210
Japan	56,182,571	54,019,965
Other countries	310,958,518	266,184,979
	\$ 1,410,755,659	1,085,611,052
Major products:		
Electronic products	\$ 1,406,299,353	1,081,733,676
Other products	4,456,306	3,877,376
	\$ 1,410,755,659	1,085,611,052

2. Contract balances

	December 31,	December 31,	January 1,
	2024	2023	2023
Contract liabilities	\$ 89,567,799	80,743,437	85,844,572

For details on trade receivables and allowance for impairment, please refer to Note (6)(e).

The amounts of revenue recognized for the years ended December 31, 2024 and 2023 that were included in the contract liability balance at the beginning of the periods were \$27,103,665 and \$44,924,296, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

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(w) 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 remuneration and less than 2% as directors' 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 recipients of shares and cash may include 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 \$5,751,896 and \$3,887,479, and directors' remuneration for both years amounting to \$14,000. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. The amount of employee's remuneration and directors' remuneration resolved by the Board of Directors were identical to that of the estimation stated in the consolidated financial statements for 2024 and 2023. The information is available on the Market Observation Post System website.

(x) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the Years Ended December 31,	
	2024	2023
Interest income from bank deposits	\$ 9,583,148	10,540,174
Others interest income	159,491	80,068
Total interest income	<u>\$ 9,742,639</u>	<u>10,620,242</u>

2. Other income

The details of other income were as follows:

	For the Years Ended December 31,	
	2024	2023
Dividend income	<u>\$ 595,160</u>	<u>372,507</u>

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3. Other gains and losses

The details of other gains and losses were as follows:

	For the Years Ended December 31,	
	2024	2023
Loss on disposal of property, plant and equipment	\$ (286,863)	(190,655)
(Loss) gain on disposal of investment and financial liabilities	(99,778)	215,747
Loss on lease modification	(251)	(516)
Net gain on financial assets (liabilities) at fair value through profit or loss	298,851	265,142
Impairment loss on non-financial assets	(37,111)	-
Reversal of impairment recognized (loss) in profit or loss, property, plant and equipment	1,470	(250,112)
Impairment loss on intangible assets	-	(407,292)
Fee expense arising from sale of receivables	(178,485)	(157,796)
Subsidy	695,194	789,078
Foreign exchange gain	6,476,717	5,770,189
Others	1,664,949	114,992
Net	<u>\$ 8,534,693</u>	<u>6,148,777</u>

4. Financial costs

The details of financial costs were as follows:

	For the Years Ended December 31,	
	2024	2023
Interest expenses	<u>\$ 7,288,417</u>	<u>8,915,024</u>

(y) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amount of financial assets represented the maximum credit risk exposure of the Group. As of December 31, 2024 and 2023, the maximum exposure to credit risks amounted to \$583,468,214 and \$488,462,461 respectively.

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2. Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2024							
Non-derivative financial liabilities							
Long-term and short-term borrowings	\$ 201,738,496	204,704,674	160,325,823	25,629,975	18,748,876	-	-
Payables	345,815,574	345,815,574	345,080,615	170,606	564,353	-	-
Lease liabilities	4,764,396	5,120,600	846,629	772,517	1,767,947	1,191,913	541,594
Bonds payable	28,784,239	32,055,000	-	-	-	32,055,000	-
Derivative financial liabilities							
Other forward foreign exchange contract:							
Outflow	10,191	10,191	10,191	-	-	-	-
Inflow	(1,499)	(1,499)	(1,499)	-	-	-	-
	<u><u>\$ 581,111,397</u></u>	<u><u>587,704,540</u></u>	<u><u>506,261,759</u></u>	<u><u>26,573,098</u></u>	<u><u>21,081,176</u></u>	<u><u>33,246,913</u></u>	<u><u>541,594</u></u>
December 31, 2023							
Non-derivative financial liabilities							
Long-term and short-term borrowings	\$ 164,727,585	166,137,851	154,741,786	4,921,862	1,834,596	4,639,607	-
Payables	223,332,744	223,332,744	222,514,096	570,534	248,114	-	-
Lease liabilities	3,022,638	3,132,382	636,133	568,649	1,390,928	515,400	21,272
Derivative financial liabilities							
Other forward foreign exchange contract:							
Outflow	26,496	26,496	26,496	-	-	-	-
Inflow	(22,693)	(22,693)	(22,693)	-	-	-	-
	<u><u>\$ 391,086,770</u></u>	<u><u>392,606,780</u></u>	<u><u>377,895,818</u></u>	<u><u>6,061,045</u></u>	<u><u>3,473,638</u></u>	<u><u>5,155,007</u></u>	<u><u>21,272</u></u>

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

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3.Currency risks

1) Exposure to foreign currency risks

			December 31, 2024	
Functional currency	Exchange rate	Currency	Foreign currency (in thousands)	Carrying amount (NTD)
Financial assets				
Monetary items				
NTD	32.7850	USD	\$ 14,796,924	485,104,858
NTD	0.2099	JPY	5,799,405	1,217,295
NTD	34.1400	EUR	111,766	3,815,683
USD	0.0007	KRW	162,315,128	3,620,069
USD	0.0063	JPY	5,379,846	1,117,528
USD	0.1391	CNY	4,240,125	19,338,449
Financial liabilities				
Monetary items				
NTD	32.7850	USD	9,838,121	321,658,863
NTD	34.1400	EUR	98,329	3,385,185
USD	0.0063	JPY	5,510,361	1,144,711
USD	0.1391	CNY	3,422,911	15,611,280

			December 31, 2023	
Functional currency	Exchange rate	Currency	Foreign currency (in thousands)	Carrying amount (NTD)
Financial assets				
Monetary items				
NTD	30.7050	USD	\$ 10,090,628	309,831,062
NTD	33.9800	EUR	68,235	2,318,624
USD	0.1410	CNY	4,665,859	20,314,187
Financial liabilities				
Monetary items				
NTD	30.7050	USD	6,351,682	194,824,466
NTD	33.9800	EUR	83,699	2,806,748
USD	0.1410	CNY	4,901,210	21,247,779

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2) Sensitivity analysis

The Group's foreign exchange 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, other financial assets, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. Assuming other variables remain the same, a 1% depreciation or appreciation of the NTD against foreign currency for the years ended December 31, 2024 and 2023, would have increased or decreased the net profit after tax by \$1,379,311 and \$908,679, respectively. The analysis is performed on the same basis for both periods.

3) Gains or losses on foreign exchange

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 the years ended December 31, 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to \$6,476,717 and \$5,770,189, respectively.

4. Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate 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 is outstanding throughout the year.

If the interest rate increases or decreases by 0.25% (25 basis points), the Group's net income would have decreased or increased by \$56,426 and \$1,042 for the years ended December 31, 2024 and 2023, due to the Group's bank time deposits and borrowings at variable rates. This analysis assumes that all other variables remain constant.

5. Other price risks

If the equity and the debt instrument prices change at the reporting date, and they are based on the same basis for both years and assume that all other variables remain the same, the impact to the comprehensive income will be as follows:

	For the Years Ended December 31,			
	2024		2023	
	Other comprehensive income after-tax	Profit (loss) after-tax	Other comprehensive income after-tax	Profit (loss) after-tax
Equity price on the reporting date				
Stock — Increase 7%	\$ <u>684,152</u>	<u>31,444</u>	<u>686,537</u>	<u>43,092</u>
Stock — Decrease 7%	\$ <u>(684,152)</u>	<u>(31,444)</u>	<u>(686,537)</u>	<u>(43,092)</u>

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Equity price on the reporting date	For the Years Ended December 31,			
	2024		2023	
	Other comprehensive income after-tax	Profit (loss) after-tax	Other comprehensive income after-tax	Profit (loss) after-tax
Beneficiary certificates				
— Increase 1%	\$ -	326,417	-	355,948
Beneficiary certificates				
— Decrease 1%	\$ -	(326,417)	-	(355,948)

6. Fair value information

1) The categories and fair values of financial instruments

The measurement basis of the financial assets and liabilities at fair value through profit or loss and the financial assets at fair value through other comprehensive income is repetitive. 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				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	\$ 33,090,866	31,094,357	-	1,996,509	33,090,866
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	7,640,236	7,640,236	-	-	7,640,236
Stocks in unlisted companies	2,133,363	-	-	2,133,363	2,133,363
Accounts receivable	64,044,217	-	-	-	-
Sub-total	73,817,816	7,640,236	-	2,133,363	9,773,599
Financial assets measured at amortized cost					
Cash and cash equivalents	163,992,166	-	-	-	-
Debt commodity investments	1,642,816	-	1,648,010	-	1,648,010
Accounts receivable	307,201,451	-	-	-	-
Other receivables	1,663,321	-	-	-	-
Other financial assets	2,059,778	-	-	-	-
Sub-total	476,559,532	-	1,648,010	-	1,648,010
Total	\$ 583,468,214	38,734,593	1,648,010	4,129,872	44,512,475

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	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Forward foreign exchange contracts \$	8,692	-	8,692	-	8,692
Convertible bonds - embedded derivatives	371,838	-	-	371,838	371,838
Sub-total	380,530	-	8,692	371,838	380,530
Financial liabilities measured at amortized cost					
Short-term borrowings	157,066,979	-	-	-	-
Accounts payable and other payables	331,156,982	-	-	-	-
Convertible bonds – debt component	28,784,239	-	-	-	-
Long-term borrowings	44,671,517	-	-	-	-
Other financial liabilities	14,658,592	-	-	-	-
Lease liabilities	4,764,396	-	-	-	-
Sub-total	581,102,705	-	-	-	-
Total	<u>\$ 581,483,235</u>	<u>-</u>	<u>8,692</u>	<u>371,838</u>	<u>380,530</u>
December 31, 2023					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	\$ 36,210,435	34,631,261	-	1,579,174	36,210,435
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	7,649,102	7,649,102	-	-	7,649,102
Stocks in unlisted companies	2,158,563	-	-	2,158,563	2,158,563
Accounts receivable	59,984,273	-	-	-	-
Sub-total	69,791,938	7,649,102	-	2,158,563	9,807,665
Financial assets measured at amortized cost					
Cash and cash equivalents	177,234,068	-	-	-	-
Debt commodity investments	476,224	-	533,765	-	533,765
Accounts receivable	199,923,064	-	-	-	-
Other receivables	2,168,363	-	-	-	-
Other financial assets	2,658,369	-	-	-	-
Sub-total	382,460,088	-	533,765	-	533,765
Total	<u>\$ 488,462,461</u>	<u>42,280,363</u>	<u>533,765</u>	<u>3,737,737</u>	<u>46,551,865</u>

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	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Forward foreign exchange contracts \$	3,803	-	3,803	-	3,803
Financial liabilities measured at amortized cost					
Short-term borrowings	156,978,475	-	-	-	-
Accounts payable and other payables	213,860,797	-	-	-	-
Long-term borrowings	7,749,110	-	-	-	-
Other financial liabilities	9,471,947	-	-	-	-
Lease liabilities	3,022,638	-	-	-	-
Sub-total	391,082,967	-	-	-	-
Total	<u>\$ 391,086,770</u>	<u>-</u>	<u>3,803</u>	<u>-</u>	<u>3,803</u>

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

A. Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

B. Financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data are used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

The fair value of financial instruments traded in an active market is based on quoted market price. The quotation, which is published by the main exchange center, is included in the fair value of the listed securities instruments.

The Group holds the financial instruments with the active market, the categories and characteristics of fair value are listed as follow:

Certificates-open-end mutual funds, stocks of public quoted companies and debt investments with quoted market price are the financial instruments with standard terms and conditions and traded in an active market. These fair values are based on market quoted price.

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The Group holds the financial instrument without active market, the categories and characteristics of fair value are listed as follows:

Debt instrument without quoted prices: The discounted cash flow method is used to estimate the fair value. The main assumption for the model is to discount the expected future cash flow by using a discount rate that reflects the time value of money and risks.

Equity instrument without quoted prices: The market price method and the net asset value method are used to estimate the fair value. The market price method uses recent financing activity of investment target or market price of similar financial instrument, including consider market condition, to estimate fair value. The main assumption for the net asset value method is using the net asset value per share as the measuring basis.

B. 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.

4) For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2.

5) Changes in level 3 of the fair value

	<u>At fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>
	<u>Non-derivative financial assets mandatorily measured at fair value through profit or loss</u>	<u>Unquoted equity instruments</u>
Balance as of January 1, 2024	\$ 1,579,174	2,158,563
Total gains and losses recognized		
In profit or loss	(26,043)	-
In other comprehensive income	-	8,419
Acquisition	443,378	967,649
Disposal / Redemption	-	(7,630)
Balance as of December 31, 2024	<u>\$ 1,996,509</u>	<u>3,127,001</u>

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	<u>At fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments
Balance as of January 1, 2023	\$ 1,088,022	2,253,678
Total gains and losses recognized		
In profit or loss	(46,683)	-
In other comprehensive income (loss)	-	(71,860)
Reclassification and effect of movements in exchange rate	(4)	-
Acquisition	538,629	-
Disposal / Redemption	(790)	(23,255)
Balance as of December 31, 2023	<u>\$ 1,579,174</u>	<u>2,158,563</u>

The aforementioned total gains and losses were recognized in “other gains and losses” and “unrealized gains and losses from financial assets at fair value through other comprehensive income”. The details of the assets which the Group still held as of December 31, 2024 and 2023, were as follows:

	<u>For the Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Total gains and losses recognized		
In profit or loss (accounted as “other gains and losses”)	(26,043)	(46,683)
In other comprehensive income (loss) (accounted as “unrealized gains and losses from financial assets at fair value through other comprehensive income”)	8,419	(71,860)

6) Quantified information for significant unobservable inputs (level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income-equity investments.

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Quantified information of significant unobservable inputs were as follows:

Item	Valuation techniques	Significant non-observable inputs	The relationship between significant Non-observable inputs and fair values
Financial assets at fair value through profit or loss-debt instruments without active market	Comparable companies approach	·Market value ratio (27.90 as of December 31, 2024) ·Liquidity discount rate (31.70% as of December 31, 2024)	The estimated fair value would increase if the market value ratio were higher. The estimated fair value would increase if the lack of liquidity discount rate were lower.
Financial assets at fair value through profit or loss-equity instruments without active market	Net asset value method	·Net asset value	The estimated fair value would increase if the net asset value were higher.
Financial assets at fair value through other comprehensive income-equity instruments without active market	Net asset value method	·Net asset value	The estimated fair value would increase if the net asset value were higher.
Financial assets at fair value through other comprehensive income-equity instruments without active market	Comparable companies approach	·Market value ratio(18.80 as of December 31, 2024) ·Liquidity discount rate (20.00% as of December 31, 2024)	The estimated fair value would increase if the market value ratio were higher. The estimated fair value would increase if the lack of liquidity discount rate were lower.
Financial liabilities at fair value through profit or loss-embedded derivative	Binomial Tree Convertible Bond Pricing Model	·Volatility (44.02% as of December 31, 2024)	The estimated fair value would increase if the volatility changes upward were higher.

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(z) Financial risk management

1. Overview

The Group has exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group's 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 report.

2. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The general manager, which reports to the Board of Directors, is responsible for the development of the Group-wide risk management policy and related systems and controls.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

3. Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group. As of reporting date, the potential loss due to unfulfilled obligations of the counterparty and financial guarantee provided by the Group is mainly from:

- 1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- 2) The amount of liabilities as a result from the Group providing financial guarantee.

Credit risk is the risk of financial losses due to clients or counter parties to a financial instrument fail to comply their contractual obligations. The primary potential credit risk is from financial instruments like cash and accounts receivables. The Group only transacts with creditworthy financial institutions and by monitoring and managing credit risk exposure related to each financial institution. Therefore, the Group believes that there is no significant credit risk on cash.

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If the financial instrument transactions concentrates on one counterparty, or on a few counterparties who involve in similar business activities, have similar economical characteristics, and the ability to meet their contractual obligations would be affected during similar economical or other situations, the circumstance of credit risk concentration exists. The Group has built a procedure of risk valuation and managing to monitor the credit risks of clients regularly.

For the years ended December 31, 2024 and 2023, the Group's three largest customers accounted for 66.92% and 61.93% of revenue, respectively. The Group believes that the concentration of credit risk is insignificant for the remaining revenue.

The Group's policy is to provide financial guarantees only to subsidiaries. Please refer to Note (13)(a) for the information of guarantees and endorsements for subsidiaries as of December 31, 2024.

4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, and credit spreads will affect the Group's 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.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors and Shareholders with the supervision of Internal Audit Department. Information concerning all market risks of the Group was as follows:

1) Currency risk

The Group is exposed to the currency risks arising from changes in foreign exchange rates, and utilizes some bank debts and derivative financial instruments to reduce the related risks. Vitality in profit or loss arising from changes in foreign exchange rates of foreign currency assets and liabilities can be naturally hedged. Transaction of derivatives can help the Group to reduce the effects partially.

The Group monitors respective exposure parts of foreign currency assets and liabilities periodically, and hedge the exposed parts with derivatives.

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2) Interest rate risk

The Group's interest rate risk arises mainly from the short-term and long-term bank borrowings bearing floating interest rates and bank deposits. Future cash flow will be affected by a change in effective interest rate.

3) Please refer to Note (6)(y) for the risk of price changing in equity instrument.

(aa) Capital Management

The Board of Director's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other 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 Board of Directors may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Board of Directors uses the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total 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, other equity and non-controlling interest. The Group's debt-to-equity ratio at the reporting date was as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 702,140,566	496,227,719
Less: cash and cash equivalents	<u>(163,992,166)</u>	<u>(177,234,068)</u>
Net liabilities	<u>\$ 538,148,400</u>	<u>318,993,651</u>
Total equity	<u>\$ 230,305,899</u>	<u>193,892,326</u>
Debt-to-equity ratio	<u>233.67 %</u>	<u>164.52 %</u>

The debt-to-equity ratio increased on December 31, 2024, due to the rise in net debt caused by accounts payable, borrowings, and bonds payable.

(ab) Financing activities not affecting current cash flow

For the years ended December 31, 2024 and 2023, the Group's financing activities which did not affect the current cash flow were acquisition of right-of-use assets from leasing. Please refer to Note (6)(j).

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Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Others	Movements in exchange rate	
Long-term borrowings	\$ 7,749,110	36,896,907	-	25,500	44,671,517
Short-term borrowings	156,978,475	(3,117,426)	-	3,205,930	157,066,979
Lease liabilities	3,022,638	(1,398,270)	2,830,239	309,789	4,764,396
Bonds Payable	-	31,909,213	(3,124,974)	-	28,784,239
Total liabilities from financing activities	<u>\$ 167,750,223</u>	<u>64,290,424</u>	<u>(294,735)</u>	<u>3,541,219</u>	<u>235,287,131</u>

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Others	Movements in exchange rate	
Long-term borrowings	\$ 49,337,452	(41,138,156)	-	(450,186)	7,749,110
Short-term borrowings	204,712,153	(46,170,845)	-	(1,562,833)	156,978,475
Lease liabilities	3,934,559	(1,855,454)	958,330	(14,797)	3,022,638
Total liabilities from financing activities	<u>\$ 257,984,164</u>	<u>(89,164,455)</u>	<u>958,330</u>	<u>(2,027,816)</u>	<u>167,750,223</u>

(7) Related Party Transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Quanta Culture & Education Foundation	Same chairman (other related parties)
Quanta Computer Employee Welfare Committee	Same chairman (other related parties)
Quanta Arts Foundation	Same chairman (other related parties)
Quanta Medical Technology Foundation	Same chairman (other related parties)
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Company's chairman is a member of the council of CNAIC. (other related parties)
SINOCON Industrial Standards Foundation (SINOCON)	The Company's chairman is a member of the council of SINOCON. (other related parties)
Lung Yingtai Cultural Foundation(LYCF)	The Company's chairman is a member of the Board of LYCF. (other related parties)
Institute for Biotechnology and Medicine Industry (IBMI)	The Company's chairman is a member of the council of IBMI. (other related parties)
OMRON Corporation	The Group's other related parties
Omron Robotics and Safety Technologies, Inc.	The Group's other related parties

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<u>Name of related party</u>	<u>Relationship with the Group</u>
EBN Technology Corporation	An investee company accounted for using equity method (Affiliates)
Guangsheng (Tianjin) Technology Co., Ltd.	An investee company accounted for using equity method (Affiliates)
aetherAI Co., Ltd.	An investee company accounted for using equity method (Affiliates)
LIONS Taiwan Technology Inc.	An investee company accounted for using equity method (Affiliates)

(b) Significant transactions with related parties

1.Revenues from related parties

The amounts of significant sales between the Group and related parties were as follows:

	<u>For the Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Affiliates	\$ 34,190	931,353
Other related parties	541,503	516,886
	<u>\$ 575,693</u>	<u>1,448,239</u>

Prices sold to related parties were negotiated, which do not have counter parties to compare with.

2.Purchases from related parties

The amounts of purchases between the Group and related parties were as follows:

	<u>For the Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Affiliates	\$ 13	14

Prices sold to related parties were negotiated, which do not have counter parties to compare with.

3.Receivables from related parties

Receivables from related parties were as follows:

<u>Account</u>	<u>Category of related party</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Accounts receivable	Affiliates	\$ 145	2,356
Accounts receivable	Other related parties	88,424	78,900
Other receivables	Other related parties	3,664	3,978
		<u>\$ 92,233</u>	<u>85,234</u>

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4. Payables to related parties

Payables to related parties were as follows:

<u>Account</u>	<u>Category of related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables	Affiliates	\$ -	1,605
Other payables	Other related parties	65,443	33,763
		<u>\$ 65,443</u>	<u>35,368</u>

5. Unearned revenue

<u>Account</u>	<u>Category of related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Contract liabilities	Affiliates	\$ 6,144	4,449

6. Others

	<u>For the Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Affiliates</u>		
Other income	\$ 206	1,226
Other expenses	7,817	4,876
<u>Other related parties</u>		
Rental income	14,112	28,047
Other income	4,909	4,672
Donation expenses	59,122	61,249
Employee benefits	621,785	460,221
Other expenses	74	140

(c) Transactions with key management personnel

Compensation for key management personnel includes:

	<u>For the Years Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 1,193,131	922,044
Post-employment benefits	2,988	2,879
	<u>\$ 1,196,119</u>	<u>924,923</u>

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(8) Assets Pledged as Security

The carrying amount of assets pledged as security were as follows:

<u>Assets pledged as security</u>	<u>Object</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Pledged time deposits	Customs collateral and deposits for factory lease, etc.	\$ 72,515	64,018
Other financial assets-current	Deposits for government project and bid	29,847	10,453
Guarantee deposits paid	Deposits for office and factory lease, and long-term material purchase contracts, etc.	967,966	809,434
		<u>\$ 1,070,328</u>	<u>883,905</u>

(9) Significant Commitments and Contingencies**(a) Unrecognized contractual commitments :**

1.The contractual commitments for the acquisition of property, plant and equipment and right-of-use assets not recognized by the Group were as follows:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Property, plant and equipment	\$ 8,367,609	4,271,421
Right-of-use assets	840,675	-
	<u>\$ 9,208,284</u>	<u>4,271,421</u>

2.Promissory notes issued as guarantee for purchasing, borrowings, foreign exchange forward contracts and import or export bills advance were as follows:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
NTD	\$ 54,060,426	52,860,000
USD (in thousands)	10,570,450	10,437,583

(b) As of December 31, 2024 and 2023, the guarantee notes received from outsourcing, vendor performance, and construction contracts amounted to \$610,523 and \$501,389, respectively.

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(c) Significant litigation:

1.Litigation 1:

In October 2017, QSI received the investigation result from the Court of Justice of the European Union on the first instance antitrust remedy and the fine of EUR 7,146 thousand. QSI filed for an appeal in September 2019. On June 16, 2022, the Court of Final Appeal of the European Union handed down its judgment, which upheld the previous court's decision to impose a fine of EUR 7,146 thousand on QSI and ruled that QSI may claim half of the costs related to the first instance litigation and the full amount of the costs related to the second instance litigation from the European Commission. QSI had recognized the estimated full amount of the fine in 2017, and there is no significant impact on the business operation of the Group.

2.Litigation 2:

QSI's subsidiary, TMT, and World Electric (Thailand) Ltd., completed the registration of ownership transfer for Chonburi plant in Thailand in 2021. However, the seller claimed that some of its assets remain stored in the plant after the transfer of ownership. The seller then filed a lawsuit on July 11, 2022, demanding that TMT should pay compensation amounting to THB 9,440 thousand for denying seller's entry to the plant to retrieve its assets. In November 2023, TMT received the first formal notice for the payment of the compensatory damage of THB 2,186 thousand. Thereafter, it has filed for an appeal to the court. In December, 2024, the second instance upheld the previous court's decision. The compensatory damage payment was fully recognized and has no significant impact on the business operation of the Group.

3.Litigation 3:

QMN, a subsidiary of QMI, received a labor lawsuit, wherein a mediation was held in August, 2023; consequently, the related expenses were reasonably estimated. Both parties reached a settlement and the amount was paid in 2024. There is no significant impact on the business operation of the Group.

4.Litigation 4:

QMN, a subsidiary of QMI, received a salary lawsuit filed by employees against the company in November 2023. QMN has therefore appointed an external attorney on this case.

5.Litigation 5:

In June 2024, QSI received a lawsuit filed by plaintiffs (three employees, including Mr. Lu) in the Civil Litigation Division of Taiwan Taoyuan District Court, against the payment of severance fee and other matters, demanding that QSI should pay compensation amounting to \$3,490. The Civil Litigation Division of Taiwan Taoyuan District Court's ruled in favor of QSI in September 2024.

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The Group will evaluate the reasonableness of recognized expenses during every financial reporting period based on the nature of the case, the expected loss and materiality of the amount, the progress of the case, and the comments of the professional consultants. Also, the Group have made necessary adjustments in a manner deemed appropriate. However, the final amount will not be set until the termination of related cases. Although the Group will actively defend the aforementioned cases which have not yet reconciled and which are still in progress, the potential losses (if any) cannot be calculated accurately at the present time due to the unpredictability nature of legal cases. The Group cannot rule out the possibility that they fail to win or settle all the related cases. The related fines, judgement amounts, or reconciliation might have material negative impact on the business, operations, and prospects of the Group.

(10) Losses Due to Major Disasters : None.

(11) Subsequent Events

The Company intends to participate in cash capital increase of Rigetti Computing Inc. as specific entity in order to meet its business needs, with a maximum investment amount of USD 35,000 thousand. Since Rigetti Computing Inc. is a US listed company(NASDAQ:RGTI), the investment should be processed in accordance with the relevant regulations of the local regulatory authorities.

(12) Others

- (a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

By item	By function	For the Years Ended December 31, 2024			For the Years Ended December 31, 2023		
		Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits							
Salary		22,650,150	25,207,254	47,857,404	21,523,443	19,976,960	41,500,403
Labor and health insurance		2,247,235	1,545,109	3,792,344	2,492,564	1,467,427	3,959,991
Pension		2,225,645	1,045,833	3,271,478	2,320,692	969,718	3,290,410
Others		1,764,100	813,541	2,577,641	1,460,127	656,194	2,116,321
Depreciation		8,584,319	1,527,011	10,111,330	7,982,029	1,819,497	9,801,526
Amortization		1,127,071	440,075	1,567,146	1,207,085	428,276	1,635,361

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(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 for the year ended December 31, 2024:

1. Fund financing to other parties:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period (Foreign Currencies in Thousands)	Ending balance (Foreign Currencies in Thousands)	Actual usage amount during the period (Foreign Currencies in Thousands)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short -term financing	Loss allowance	Collateral		Individual funding loan limits (Note 3)	Maximum limit of fund financing (Note 3)
													Name	Value		
0	The Company	QCH	Other receivables	Yes	173,760,500 (USD 5,300,000)	173,760,500 (USD 5,300,000)	78,627,107 (USD 2,398,264)	-	1	603,355,084	Business contact	-		-	222,285,793	222,285,793
0	The Company	QMH	"	"	163,925 (USD 5,000)	-	-	5.99 %	2	-	Business operation	-		-	222,285,793	222,285,793

Note 1: The numbers denote the following:

1. 0 is issuer.
2. Investees are listed by names and numbered starting with 1.

Note 2: Purpose of fund financing for the borrower:

1. For those companies with business contact, please fill in 1.
2. For those companies with short-term financing needs, please fill in 2.

Note 3: Maximum limitation on fund financing:

- (1) Limitation on the Company's total fund financing amount and individual party

- 1) The Company's cumulative total of fund financing amount (including business contact and short-term financing), cannot exceed its net asset value.
- 2) For those companies with business contact, the amount of each fund financing cannot exceed the trading amount between the two parties. The trading amount means the higher of sales or purchases.
- 3) The cumulative amount of short-term financing cannot exceed 40% of the net asset value on its most recent financial statements. The amount of each fund financing cannot exceed the borrower's double net asset value, and should be calculated in combination with the amount of guarantees and endorsements for those companies. For subsidiaries not within the territory of the ROC that are 100% directly or indirectly owned by the Company, the amount of fund financing is not restricted to this regulation. However, the cumulative amount still cannot exceed 40% of the Company's net asset value. For each applying for loans due to business contact, the fund financing amount is limited to its amount of business contact in current portion. Before proceeding the fund financing application, each application should be assessed carefully in accordance with the regulations of Article 3, paragraph 1, of this operating procedure. If it complies with the requirements, the current and previous amount of financing should be aggregated. If the aggregate amount exceeds the amount limitation of "business contact", the excess amount should be reclassified as "short-term financing", and the fund financing items and amounts should be listed separately when the Board of Directors reports the resolution.
- 4) The net asset value mentioned above refers to total equity attributable to owners of the parent on the balance sheet which is certified by the external accountant.

- (2) Limitation on the subsidiaries' total fund financing amount and individual party

- 1) The Company's total fund financing amount cannot exceed four times of its net asset value.
- 2) For those companies with business contact, the amount of each fund financing cannot exceed the trading amount between the two parties. The trading amount means the higher of sales or purchases.
- 3) For those companies with short-term financing needs, the amount of each fund financing cannot exceed two times of the borrower's net asset value, and should be calculated together with guarantees and endorsements for those companies. For foreign companies that are 100% directly or indirectly owned by the Company, or foreign companies that are 100% directly or indirectly owned by the Company leading to the Company, the amount of fund financing is not restricted to above 3 items. However, the amount of each fund financing cannot exceed four times of the Company's net asset value.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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2. Guarantees and endorsements for other parties:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Number (Note 1)	Name of the guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period (Foreign Currencies in Thousands)	Balance of guarantees and endorsements as of reporting date (Foreign Currencies in Thousands)	Actual usage amount during the period (Foreign Currencies in Thousands)	Property pledged on guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent company endorsements guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	QIL	2	222,285,793	32,129,300	32,129,300	32,129,300	-	14.45 %	222,285,793	Y	N	N
					(USD 980,000)	(USD 980,000)	(USD 980,000)						
1	QSS	TRS	3	155,031	5,838	5,838	-	-	0.38 %	620,124	N	N	Y

Note 1: The numbers denote the following:

- 0 is issuer.
- Investees are listed by names and numbered starting with 1.

Note 2: Maximum amount for guarantees and endorsements:

- The total amount of guarantees and endorsements cannot exceed 50% of the Company's net asset value for the current year.
- The amount of each guarantee and endorsement cannot exceed 20% of the Company's net asset value for the current year.
- If the amount of each guarantee and endorsement reaches \$10,000, the aggregate of the amount of guarantee and endorsement, long-term investment, and fund financing cannot exceed 30% of the Company's net asset value stated in recent financial statements.
- For guarantees and endorsements to those companies with business contact, the accumulated amount cannot exceed the trading amount between the two parties for the current year.
- For companies that are more than 90% directly or indirectly owned by the Company, the amount of each guarantee and endorsement cannot exceed 10% of the Company's net asset value.
- For companies that are 100% directly or indirectly owned by the Company, the amount of each guarantee and endorsement is not restricted to item 1, but cannot exceed the Company's net asset value for the current year.
- The total amount of guarantees and endorsements of the Company and its subsidiaries cannot exceed 50% of the Company's net asset value for the current year. The amount of guarantees and endorsements of the Company and its subsidiaries for each company cannot exceed 20% of the Company's net asset value for the current year.

Note 3: Relationship with the Company:

- The company has business relationship.
- Subsidiaries in which the Company holds more than 50% of its total outstanding common shares.
- The investee company which is held more than 50% of its total outstanding common shares by the Company and its subsidiaries.
- For companies that are 90% directly or indirectly owned by the Company.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

3. Information regarding securities held at balance sheet date (excluding investment in subsidiaries, associates and joint ventures):

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Peak Holding Percentage	Note
				Number of shares	Carrying amount	Percentage of shares	Fair value (Note 1)		
The Company	<u>Beneficiary Certificate</u>								
	UPAMC James Bond Money Market Fund	-	Current financial assets-mandatorily measured at FVTPL	198,210,557	3,447,456	- %	3,447,456	- %	
	Taishin 1699 Money Market Fund	-	"	228,319,937	3,230,156	- %	3,230,156	- %	
	Jih Sun Money Market Fund	-	"	128,123,808	1,982,152	- %	1,982,152	- %	
	Taishin Ta-Chong Money Market Fund	-	"	125,619,625	1,861,607	- %	1,861,607	- %	
	Union Money Market Fund	-	"	81,616,208	1,123,472	- %	1,123,472	- %	
	FSITC Taiwan Money Market Fund	-	"	135,245,988	2,159,446	- %	2,159,446	- %	
	Fubon Chi-Hsiang Money Market Fund	-	"	162,863,976	2,659,846	- %	2,659,846	- %	
	Yuanta De-Li Money Market Fund	-	"	60,460,230	1,028,030	- %	1,028,030	- %	

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Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Peak Holding Percentage	Note
				Number of shares	Carrying amount	Percentage of shares	Fair value (Note 1)		
The Company	CTBC Hwa-win Money Market Fund	-	Current financial assets-mandatorily measured at FVTPL	108,869,220	1,249,307	- %	1,249,307	- %	
"	Franklin Templeton Sinoam Money Market Fund	-	"	9,319,143	100,473	- %	100,473	- %	
"	Capital Money Market Fund	-	"	77,057,408	1,296,129	- %	1,296,129	- %	
"	Hua Nan Phoenix Money Market Fund	-	"	119,066,668	2,019,454	- %	2,019,454	- %	
"	FSITC Money Market Fund	-	"	3,550,590	659,451	- %	659,451	- %	
"	Yuanta Wan Tai Money Market Fund	-	"	64,173,436	1,012,240	- %	1,012,240	- %	
"	Yuanta De-Bao Money Market Fund	-	"	161,963,805	2,027,916	- %	2,027,916	- %	
"	SinoPac TWD Money Market Fund	-	"	52,828,420	766,350	- %	766,350	- %	
	<u>Common Stock</u>								
"	Ever Fortune.AI Co., Ltd.	-	Non-current financial assets-mandatorily measured at FVTPL	2,573,000	185,256	2.65 %	185,256	2.65 %	
"	Amphastar Pharmaceuticals, Inc.	-	"	39,622	48,232	0.08 %	48,232	0.08 %	
"	Plus Automation Inc.	-	"	13,505,692	137,741	0.68 %	137,741	0.68 %	
"	AU Optronics Corporation	-	Current financial assets at FVOCI	355,144,245	5,202,863	4.63 %	5,202,863	4.63 %	
"	High Power Lighting Corp.	-	Non-current financial assets at FVOCI	638,085	14,650	2.75 %	14,650	2.75 %	
"	Intelligo Technology Inc.	-	"	415,516	83,103	1.04 %	83,103	1.04 %	
"	CDIB Bioscience Ventures I, Inc.	-	"	3,545,123	3,039	16.00 %	3,039	16.00 %	
"	CDIB Capital Innovation Accelerator Co., Ltd.	-	"	23,663,143	222,098	17.86 %	222,098	17.86 %	
"	Vuzix, Corp.	-	"	7,692,307	993,638	10.44 %	993,638	10.44 %	
	<u>Others</u>								
"	SBCVC Fund III, L.P.	-	"	-	16,059	- %	16,059	- %	
"	Viscovery (Cayman) Holding Company Ltd.	-	"	1,000,391	-	4.52 %	-	4.52 %	
"	Translink Capital Partners II, L.P.	-	"	-	214,339	- %	214,339	- %	
"	PHI Fund, L.P.	-	Non-current financial assets-mandatorily measured at FVTPL	-	358,323	- %	358,323	- %	
"	Achi Capital Partners Fund L.P.	-	"	-	109,804	- %	109,804	- %	
"	Matter Venture Partners Fund I, L.P.	-	"	-	427,195	- %	427,195	- %	

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Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Peak Holding Percentage	Note
				Number of shares	Carrying amount	Percentage of shares	Fair value (Note 1)		
The Company	<u>Preferred Stock</u>								
	Tier IV, Inc.	-	Non-current financial assets at FVOCI	125,000	262,375	1.77 %	262,375	1.77 %	
	Lumus, LTD.	-	"	93,347	87,588	1.92 %	87,588	1.92 %	
	Lumus, LTD.(C-1)	-	"	317,460	297,874	6.52 %	297,874	6.52 %	
QSI	Cesium Astro, Inc.	-	"	1,116,021	655,700	3.74 %	655,700	3.74 %	
	<u>Common Stock</u>								
	Taiwan Mobile Co., Ltd.	-	Current financial assets at FVOCI	2,556,000	290,106	0.07 %	290,106	0.07 %	
	Far EasTone Telecommunications Co., Ltd.	-	"	3,709,000	331,585	0.10 %	331,585	0.10 %	
	Chuanghwa Telecom Co., Ltd.	-	"	2,720,000	335,920	0.04 %	335,920	0.04 %	
	Far Eastern New Century Corporation	-	"	80,000	2,528	- %	2,528	- %	
	<u>Beneficiary Certificate</u>								
	Fubon Chi-Hsiang Money Market Fund	-	Current financial assets-mandatorily measured at FVTPL	28,587,076	466,875	- %	466,875	- %	
	Taishin 1699 Money Market Fund	-	"	46,926,829	663,897	- %	663,897	- %	
	Franklin Templeton Sinoam Money Market Fund	-	"	20,089,544	216,593	- %	216,593	- %	
	SinoPac TWD Money Market Fund	-	"	10,946,108	158,789	- %	158,789	- %	
	UPAMC James Bond Money Market Fund	-	"	56,632,228	984,999	- %	984,999	- %	
	<u>Debt Commodity Instrument</u>								
	Fubon Life Insurance Co., Ltd. Common Corporate Bonds	-	Non-current financial assets measured at amortized cost	-	290,000	- %	292,211	- %	
	Shin Kong Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	50,000	- %	49,994	- %	
	Shin Kong Life Insurance Co., Ltd. Secured Subordinated Corporate Bonds	-	"	-	200,288	- %	199,970	- %	
	Nan Shan Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	190,000	- %	191,455	- %	
	Cathay Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	100,000	- %	101,458	- %	
	Cathay Life Insurance Co., Ltd. U.S. dollar-denominated Corporate Bonds	-	"	-	196,710	- %	196,640	- %	
	KGI Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	90,000	- %	90,323	- %	

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Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Peak Holding Percentage	Note
				Number of shares	Carrying amount	Percentage of shares	Fair value (Note 1)		
QSI	<u>Convertible Corporate Bonds</u>								
	Yulon Finance Corporation Unsecured Convertible Corporate Bonds	-	Current financial assets-mandatorily measured at FVTPL	100,000	9,500	- %	9,500	- %	
	LUNGTEH SHIPBUILDING CO., LTD., Unsecured Convertible Corporate Bonds	-	"	159,000	16,743	- %	16,743	- %	
"	WPG HOLDINGS LIMITED Unsecured Convertible Corporate Bonds	-	"	200,000	20,320	- %	20,320	- %	
TRI	<u>Beneficiary Certificate</u>								
	Taishin 1699 Money Market Fund	-	"	35,181,696	497,733	- %	497,733	- %	
	<u>Preferred Stock</u>								
"	KGI Financial Holding Co., Ltd. Preferred Shares B	-	"	479,000	3,779	- %	3,779	- %	
"	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Current financial assets at FVOCI	892,000	56,374	- %	56,374	- %	
"	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	"	892,000	54,412	- %	54,412	- %	
"	<u>Debt Commodity Instrument</u>								
	Fubon Life Insurance Co., Ltd. 2023 First Issue of Common Corporate Bonds	-	Non-current financial assets measured at amortized cost	-	90,000	- %	90,886	- %	
	Amazon.com, Inc. U.S. dollar-denominated Corporate Bonds	-	"	-	29,401	- %	27,199	- %	
"	TSMC Arizona Corporation U.S. dollar-denominated Corporate Bonds	-	"	-	28,104	- %	28,085	- %	
"	TSMC GLOBAL LTD. U.S. dollar-denominated Corporate Bonds	-	"	-	55,386	- %	55,059	- %	
"	Apple Inc. U.S. dollardenominated Corporate Bonds	-	"	-	57,270	- %	58,658	- %	
"	Cathay Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	30,000	- %	30,437	- %	
"	Cathay Life Insurance Co., Ltd. U.S. dollar-denominated Corporate Bonds	-	"	-	65,570	- %	65,547	- %	
"	Shin Kong Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	90,087	- %	89,997	- %	
"	Fubon Life Insurance Co., Ltd. 2024 Second Issue of Common Corporate Bonds	-	"	-	80,000	- %	80,091	- %	

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Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Peak Holding Percentage	Note
				Number of shares	Carrying amount	Percentage of shares	Fair value (Note 1)		
QMIT	<u>Beneficiary Certificate</u> Shin Kong Chi-Shin Money Market Fund	-	Current financial assets-mandatorily measured at FVTPL	22,116,874	356,579	- %	356,579	- %	
QVC	<u>Common Stock</u> High Power Lighting Corp.	-	Non-current financial assets at FVOCI	521,117	11,965	2.25 %	11,965	2.25 %	
"	Ostar Meditech Corp.	-	"	834,000	-	9.25 %	-	9.25 %	
"	Amphastar Pharmaceuticals, Inc.	-	Non-current financial assets-mandatorily measured at FVTPL	22,701	27,634	0.05 %	27,634	0.05 %	
"	<u>Preferred Stock</u> Lumus, LTD.	-	Non-current financial assets at FVOCI	168,023	157,657	3.45 %	157,657	3.45 %	
"	<u>Others</u> Translink Capital Partners III L.P.	-	"	-	133,531	- %	133,531	- %	
"	China Renewable Energy Fund, L.P.	-	Non-current financial assets-mandatorily measured at FVTPL	-	963,446	- %	963,446	- %	
QCTI	<u>Beneficiary Certificate</u> Mega Diamond Money Market Fund	-	Current financial assets-mandatorily measured at FVTPL	12,494,581	163,435	- %	163,435	- %	
"	Union Money Market Fund	-	"	5,647,504	77,740	- %	77,740	- %	
"	FSITC Taiwan Money Market Fund	-	"	13,766,423	219,806	- %	219,806	- %	
"	<u>Common Stock</u> High Power Lighting Corp.	-	Non-current financial assets at FVOCI	476,982	10,952	2.06 %	10,952	2.06 %	
RTK	<u>Common Stock</u> The Company	Parent company of RTK	"	8,108,885	2,327,250	0.21 %	2,327,250	0.21 %	
"	Ostar Meditech Corp.	-	"	258,914	-	2.87 %	-	2.87 %	
"	E.SUN Financial Holdings Co., Ltd.	-	"	4,238,376	114,224	0.03 %	114,224	0.03 %	
"	Mega Financial Holdings Co., Ltd.	-	"	2,424,020	93,809	0.02 %	93,809	0.02 %	
"	First Financial Holding Co., Ltd.	-	"	1,906,073	51,655	0.01 %	51,655	0.01 %	
"	Taiwan Cooperative Financial Holdings Co., Ltd.	-	"	3,109,266	75,555	0.02 %	75,555	0.02 %	
QCTTW	<u>Beneficiary Certificate</u> Union Money Market Fund	-	Current financial assets-mandatorily measured at FVTPL	25,641,435	352,962	- %	352,962	- %	

Note 1: The market values for unlisted companies are the net asset values. The net asset values use recent unaudited financial statements of those companies.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital:

(Amounts Expressed in Thousands of New Taiwan Dollars)														
Name of Company	Category and name of security	Account name	Name of counter-party	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Cost	Disposal gain (loss)	Shares/ Units	Amount
The Company	Taishin 1699 Money Market Fund	Current financial assets-mandatorily measured at FVTPL	-	-	315,983,794	4,405,604	854,795,864	12,023,445	942,459,721	13,243,427	13,198,872	44,555	228,319,937	3,230,156
"	Taishin Ta-Chong Money Market Fund	"	-	-	-	-	381,992,159	5,641,314	256,372,534	3,788,793	3,779,781	9,012	125,619,625	1,861,607
"	Yuanta Wan Tai Money Market Fund	"	-	-	-	-	460,277,495	7,220,124	396,104,059	6,210,824	6,207,929	2,895	64,173,436	1,012,240
"	Jih Sun Money Market Fund	"	-	-	266,956,498	4,072,288	317,964,423	4,908,563	456,797,113	7,017,180	6,998,628	18,552	128,123,808	1,982,152
"	Hua Nan Phoenix Money Market Fund	"	-	-	146,318,275	2,447,115	353,039,854	5,968,040	380,291,461	6,410,541	6,395,722	14,819	119,066,668	2,019,454
"	Hua Nan Kirin Money Market Fund	"	-	-	-	-	24,283,240	300,000	24,283,240	300,092	300,000	92	-	-
"	Mega Diamond Money Market Fund	"	-	-	116,204,874	1,498,985	256,077,818	3,308,900	372,282,692	4,820,189	4,807,838	12,351	-	-
"	Union Money Market Fund	"	-	-	202,021,158	2,742,437	389,201,558	5,331,070	509,606,508	6,962,040	6,949,983	12,057	81,616,208	1,123,472
"	Prudential Financial Money Market Fund	"	-	-	9,050,646	147,152	12,260,687	200,000	21,311,333	348,266	347,146	1,120	-	-
"	FSITC Taiwan Money Market Fund	"	-	-	188,075,320	2,960,023	583,323,240	9,263,732	636,152,572	10,088,941	10,064,291	24,650	135,245,988	2,159,446
"	FSITC Money Market Fund	"	-	-	-	-	19,795,640	3,661,982	16,245,050	3,006,702	3,002,559	4,143	3,550,590	659,451
"	Cathay Taiwan Money Market Fund	"	-	-	-	-	43,449,433	557,000	43,449,433	557,178	557,000	178	-	-
"	UPAMC James Bond Money Market Fund	"	-	-	-	-	693,652,578	12,013,418	495,442,021	8,585,525	8,566,100	19,425	198,210,557	3,447,456
"	Fubon Chi-Hsiang Money Market Fund	"	-	-	99,716,988	1,605,782	594,033,345	9,653,622	530,886,357	8,618,835	8,599,623	19,212	162,863,976	2,659,846
"	Shin Kong Chi-Shin Money Market Fund	"	-	-	-	-	219,407,584	3,500,000	219,407,584	3,504,644	3,500,000	4,644	-	-
"	Yuanta De-Li Money Market Fund	"	-	-	-	-	476,381,345	8,044,835	415,921,115	7,021,991	7,016,848	5,143	60,460,230	1,028,030

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Name of Company	Category and name of security	Account name	Name of counter-party	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Cost	Disposal gain (loss)	Shares/ Units	Amount
The Company	Yuanta De-Bao Money Market Fund	Current financial assets-mandatorily measured at FVTPL	-	-	122,853,565	1,516,873	988,527,898	12,311,761	949,417,658	11,813,888	11,800,746	13,142	161,963,805	2,027,916
"	Capital Money Market Fund	"	-	-	194,380,788	3,224,175	325,307,939	5,440,783	442,631,319	7,386,574	7,368,766	17,808	77,057,408	1,296,129
"	SinoPac TWD Money Market Fund	"	-	-	70,112,461	1,002,678	211,845,963	3,058,185	229,130,004	3,303,500	3,294,510	8,990	52,828,420	766,350
"	TCB Taiwan Money Market Fund	"	-	-	-	-	28,657,675	300,000	28,657,675	300,181	300,000	181	-	-
"	CTBC Hwa-win Money Market Fund	"	-	-	238,548,261	2,699,221	708,594,103	8,080,794	838,273,144	9,548,820	9,530,686	18,134	108,869,220	1,249,307
"	Franklin Templeton Sinoam Money Market Fund	"	-	-	126,191,599	1,340,912	154,540,720	1,650,556	271,413,176	2,900,861	2,890,946	9,915	9,319,143	100,473
"	Cesium Astro, Inc.	Non-current financial assets at FVOCI	-	-	-	-	1,116,021	646,350	-	-	-	-	1,116,021	655,700
"	Vuzix, Corp.	"	-	-	-	-	7,692,307	321,300	-	-	-	-	7,692,307	993,638
QSI	Union Money Market Fund	Current financial assets-mandatorily measured at FVTPL	-	-	-	-	56,238,316	765,346	56,238,316	766,382	765,346	1,036	-	-
"	Jih Sun Money Market Fund	"	-	-	107,178,500	1,634,954	30,821,099	471,670	137,999,599	2,117,787	2,104,514	13,273	-	-
"	Fubon Chi-Hsiang Money Market Fund	"	-	-	22,016,766	354,545	72,035,969	1,168,698	65,465,659	1,060,501	1,057,305	3,196	28,587,076	466,875
"	Franklin Templeton Sinoam Money Market Fund	"	-	-	-	-	55,978,474	598,915	35,888,930	385,672	383,658	2,014	20,089,544	216,593
"	SinoPac TWD Money Market Fund	"	-	-	-	-	63,328,010	916,013	52,381,902	759,322	757,547	1,775	10,946,108	158,789
"	UPAMC James Bond Money Market Fund	"	-	-	-	-	56,632,228	984,264	-	-	-	-	56,632,228	984,999
TRI	Jih Sun Money Market Fund	"	-	-	20,883,435	318,566	9,813,751	150,000	30,697,186	470,764	468,241	2,523	-	-
RTK	Nomura Taiwan Money Market Fund	"	-	-	-	-	14,878,278	250,000	14,878,278	250,415	250,000	415	-	-
"	CTBC Hwa-win Money Market Fund	"	-	-	-	-	42,467,351	484,000	42,467,351	486,111	484,000	2,111	-	-
QCTTW	Union Money Market Fund	"	-	-	17,563,552	238,425	39,104,906	536,700	31,027,023	424,400	422,608	1,792	25,641,435	352,962

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5. Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital :

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of company	Type of property	Transaction date	Transaction amount	Status of payment	Counterparty	Relationship	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition		Others
							Owner	Relationship with the company	Date of transfer	Amount				
QSI	Construction in progress	2024/02/19	1,018,980	264,935	XU YUAN Construction Co., Ltd.	Non-related	-	-	-	-	Bargain	Construction of headquarters building	None	
QSI	Construction in progress	2024/10/31	418,952	-	CTCI Smart Engineering Corporation	Non-related	-	-	-	-	Bargain	Construction of headquarters building - Mechanical and electrical engineering	None	
QMH	Construction in progress	2023/07/25~2024/02/01	675,000	Based on the terms in the contract	Visicons construction and investment joint stock company	Non-related	-	-	-	-	Bargain	Construction for the new factory	None	
QMN	Construction in progress	2023/10/06	2,479,000	Based on the terms in the contract	McLamey construction, Inc.	Non-related	-	-	-	-	Bargain	Construction for the new factory	None	
QMH	Construction in progress	2023/11/10	605,000	Based on the terms in the contract	Visicons construction and investment joint stock company	Non-related	-	-	-	-	Bargain	Construction for the new factory	None	
QMB	Construction in progress	2024/08/06	780,000	Based on the terms in the contract	Cheer You Construction (Thailand) Co., Ltd.	Non-related	-	-	-	-	Bargain	Construction for the new factory	None	
QMB	Construction in progress	2024/11/14	620,000	Based on the terms in the contract	China State Construction Engineering (Thailand) Co., Ltd.	Non-related	-	-	-	-	Bargain	Construction for the factory - Mechanical and electrical engineering	None	

6. Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.

7. Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

(Amounts Expressed in Thousands of New Taiwan Dollars)											
Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total accounts/ notes receivable (payable)	
The Company	QCH	Associate	Sales	(603,355,084)	(49.57)%	Net 120 days	-	-	124,446,118	35.80 %	
"	QCTJ	"	"	(1,464,837)	(0.12)%	"	-	-	1,143,718	0.33 %	
"	QCTK	"	"	(4,396,425)	(0.36)%	"	-	-	3,756,072	1.08 %	
"	QCT-USA	"	"	(4,228,247)	(0.35)%	"	-	-	1,000,585	0.29 %	
"	QDL(HK)	"	"	(3,533,601)	(0.29)%	"	-	-	776,579	0.22 %	
"	QCTS	The same ultimate parent company	"	(504,379)	(0.04)%	"	-	-	472,131	0.14 %	

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Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total accounts/notes receivable (payable)	
The Company	TTC	Associate	Sales	(137,328)	(0.01)%	Net 120 days	-	-	-	-	%
"	TFQ	"	"	(184,091)	(0.02)%	"	-	-	-	-	%
"	QCTTW	The same ultimate parent company	"	(186,844)	(0.02)%	"	-	-	46,586	0.01	%
"	TCC	Associate	Purchases	325,170,143	29.06 %	Net 45~120 days	-	-	(23,729,954)	(16.87)%	
"	TFC	"	"	9,920,122	0.89 %	"	-	-	(8,169,803)	(5.81)%	
"	TFQ	"	"	504,935,823	45.13 %	"	-	-	(31,286,463)	(22.24)%	
"	QMB	The same ultimate parent company	"	91,076,391	8.14 %	"	-	-	-	-	%
"	QCH	Associate	"	34,862,883	3.12 %	"	-	-	-	-	%
"	QDL(HK)	"	"	6,543,202	0.58 %	"	-	-	-	-	%
"	QMH	The same ultimate parent company	"	2,272,860	0.20 %	"	-	-	-	-	%
QSI	TMT	Associate	Sales	(178,706)	(2.60)%	Net 90 days	-	-	37,691	1.74	%
"	"	"	Purchases	3,156,217	54.07 %	"	-	-	(1,187,887)	(49.74)%	
"	QSS	"	"	2,648,570	45.37 %	"	-	-	(1,085,384)	(45.45)%	
QSS	QSI	The same ultimate parent company	Sales	(2,648,570)	(99.87)%	"	-	-	1,085,384	100.00	%
TMT	"	"	"	(3,156,217)	(97.72)%	"	-	-	1,187,887	100.00	%
"	"	"	Purchases	178,706	6.69 %	"	-	-	(37,691)	(4.37)%	
TRI	TRS	Associate	Sales	(248,945)	(17.17)%	Net 120 days	-	-	141,531	44.90	%
"	ORT	Other related parties	"	(393,189)	(27.12)%	Net 60 days	-	-	62,394	19.79	%
"	OMC	"	"	(146,166)	(10.08)%	"	-	-	26,031	8.26	%
TRS	TRI	Associate	Purchases	248,945	99.35 %	Net 120 days	-	-	(141,531)	(95.08)%	
QCH	The Company	Ultimate parent company	"	603,355,084	77.52 %	"	-	-	(124,446,119)	(54.17)%	
"	"	"	Sales	(34,862,883)	(4.47)%	Net 45~120 days	-	-	-	-	%
"	QSI-USA	Associate	"	(227,117)	(0.03)%	"	-	-	72,943	0.05	%
"	QMN	"	Purchases	7,999,622	1.03 %	Net 120 days	-	-	(1,512,059)	(0.66)%	
QCT-USA	The Company	Ultimate parent company	"	4,228,247	93.45 %	"	-	-	(1,000,585)	(100.00)%	
QCTK	"	"	"	4,396,425	99.84 %	"	-	-	(3,756,072)	(100.00)%	
QCTJ	"	"	"	1,464,837	100.00 %	"	-	-	(1,143,718)	(100.00)%	
QDL(HK)	"	"	Sales	(6,543,202)	(71.00)%	Net 45~120 days	-	-	-	-	%

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Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total accounts/ notes receivable (payable)	
QDL(HK)	TFC	Associate	Sales	(498,946)	(5.41)%	Net 45~120 days	-	-	173	0.01 %	
"	The Company	Ultimate parent company	Purchases	3,533,601	38.35 %	Net 120 days	-	-	(776,579)	(17.34)%	
QSI-USA	QCH	Associate	"	227,117	86.05 %	"	-	-	(72,943)	(94.40)%	
QMB	The Company	Ultimate parent company	Sales	(91,076,391)	(92.05)%	Net 45~120 days	-	-	-	- %	
"	TFC	The same ultimate parent company	"	(112,522)	(0.11)%	"	-	-	-	- %	
"	TFQ	"	"	(124,484)	(0.13)%	"	-	-	4,546	0.02 %	
"	TCC	"	"	(6,776,040)	(6.85)%	"	-	-	971,133	3.39 %	
"	"	"	Purchases	587,546	0.60 %	Net 45 days	-	-	(74,135)	(0.19)%	
"	TFC	"	"	346,683	0.36 %	Net 45~120 days	-	-	(24,387)	(0.06)%	
"	TFQ	"	"	1,764,605	1.81 %	"	-	-	(379,819)	(1.00)%	
QMN	QCH	Associate	Sales	(7,999,622)	(100.00)%	Net 120 days	-	-	1,512,059	99.37 %	
QCTTW	The Company	Ultimate parent company	Purchases	186,844	99.94 %	"	-	-	(46,586)	(100.00)%	
TLC	TFC	Associate	Sales	(263,890)	(45.67)%	Net 45~120 days	-	-	44,925	41.77 %	
"	TCC	"	Purchases	127,686	22.64 %	Net 60~120 days	-	-	(16,396)	(43.37)%	
TCC	The Company	Ultimate parent company	Sales	(325,170,143)	(91.10)%	Net 45~120 days	-	-	23,729,954	61.13 %	
"	TLC	Associate	"	(127,686)	(0.04)%	Net 60~120 days	-	-	16,396	0.04 %	
"	TTC	"	"	(30,828,192)	(8.64)%	Net 45 days	-	-	8,951,355	23.06 %	
"	QMH	The same ultimate parent company	"	(205,811)	(0.06)%	Net 45~120 days	-	-	134,550	0.35 %	
"	QMB	"	"	(587,546)	(0.16)%	Net 45 days	-	-	74,135	0.19 %	
"	"	"	Purchases	6,776,040	1.93 %	Net 45~120 days	-	-	(971,133)	(1.55)%	
"	TFC	Associate	"	255,882	0.07 %	"	-	-	(145,649)	(0.23)%	
"	TFQ	"	"	243,194	0.07 %	"	-	-	(104,274)	(0.17)%	
TFC	The Company	Ultimate parent company	Sales	(9,920,122)	(84.65)%	"	-	-	8,169,803	75.63 %	
"	TTC	Associate	"	(157,912)	(1.35)%	"	-	-	67	- %	
"	YDCQ	"	"	(110,116)	(0.94)%	Net 120 days	-	-	2,946	0.03 %	
"	QMB	The same ultimate parent company	"	(346,683)	(2.96)%	Net 45~120 days	-	-	24,387	0.23 %	

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Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total accounts/notes receivable (payable)	
TFC	TCC	Associate	Sales	(255,882)	(2.18)%	Net 45~120 days	-	-	145,649	1.35 %	
"	TLC	"	Purchases	263,890	2.36 %	"	-	-	(44,925)	(1.67)%	
"	QDL(HK)	"	"	498,946	4.45 %	"	-	-	(173)	(0.01)%	
"	QMB	The same ultimate parent company	"	112,522	1.00 %	"	-	-	-	- %	
TFQ	The Company	Ultimate parent company	Sales	(504,935,823)	(97.96)%	"	-	-	31,286,463	52.59 %	
"	TCC	Associate	"	(243,194)	(0.05)%	"	-	-	104,274	0.18 %	
"	YDCQ	"	"	(723,820)	(0.14)%	"	-	-	-	- %	
"	QMB	The same ultimate parent company	"	(1,764,605)	(0.34)%	Net 45 days	-	-	379,819	0.64 %	
"	"	"	Purchases	124,484	0.02 %	"	-	-	(4,546)	(0.01)%	
"	KSH	Associate	"	430,387	0.08 %	"	-	-	(22,584)	(0.05)%	
"	The Company	Ultimate parent company	"	184,091	0.04 %	Net 120 days	-	-	-	- %	
KSH	TFQ	Associate	Sales	(430,387)	(14.46)%	Net 45 days	-	-	22,584	1.88 %	
YDCQ	TFC	"	Purchases	110,116	12.93 %	Net 120 days	-	-	(2,946)	(29.41)%	
"	TFQ	"	"	723,820	85.00 %	"	-	-	-	- %	
TTC	TCC	"	"	30,828,192	99.05 %	Net 45 days	-	-	(8,951,355)	(99.84)%	
"	TFC	"	"	157,912	0.51 %	Net 45~120 days	-	-	(67)	- %	
"	The Company	Ultimate parent company	"	137,328	0.44 %	Net 120 days	-	-	-	- %	
QCTS	"	"	"	504,379	98.45 %	"	-	-	(472,131)	(100.00)%	
QMH	"	"	Sales	(2,272,860)	(99.92)%	Net 45~120 days	-	-	-	- %	
"	TCC	The same ultimate parent company	Purchases	205,811	7.36 %	Net 45 days	-	-	(134,550)	(4.03)%	

Note 1: The purchase/sale prices listed above are not comparable to the one for other trading partners. There is no significant difference in terms and conditions of the agreed payment terms and general purchasing terms.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

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8. Receivables from related parties with amount exceeding the lower of \$100 million or 20% of capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of related party	Related-party	Nature of relationship	Ending balance	Turnover rate	Past-due receivables from related party		Amount received in subsequent period	Loss allowance
					Amount	Action taken		
The Company	QCH	Associate	124,446,118	6.88	-	-	2,273,631	-
"	"	"	78,627,107	-	-	-	-	-
"	QCTJ	"	1,143,718	2.01	-	-	146,144	-
"	QCTK	"	3,756,072	2.21	-	-	149,631	-
"	QCT-USA	"	1,000,585	5.26	-	-	573,381	-
"	QDL(HK)	"	776,579	9.10	-	-	-	-
"	QCTS	"	472,131	2.05	-	-	-	-
"	QMB	"	2,159,859	-	-	-	956	-
"	QMH	"	691,430	-	-	-	648,312	-
QSS	QSI	The same ultimate parent company	1,085,384	2.13	-	-	-	-
TMT	"	"	1,187,887	3.04	-	-	268,490	-
TRI	TRS	Associate	141,531	2.31	42,194	Subsequently collected	42,194	-
TCC	The Company	Ultimate parent company	23,729,954	16.46	-	-	-	-
"	TTC	Associate	8,951,355	3.69	-	-	-	-
"	QMH	The same ultimate parent company	134,550	3.06	-	-	-	-
TFQ	TCC	Associate	104,274	1.25	-	-	-	-
"	The Company	Ultimate parent company	31,286,463	32.28	-	-	-	-
"	QMB	The same ultimate parent company	379,819	7.27	-	-	-	-
TFC	TCC	Associate	145,649	3.50	-	-	-	-
"	The Company	Ultimate parent company	8,169,803	1.87	-	-	-	-
QMN	QCH	Associate	1,512,059	7.05	-	-	-	-
QCN	QSN	"	403,886	0.17	-	-	-	-
QMB	TCC	The same ultimate parent company	971,133	7.52	-	-	-	-
QSI-USA	QCA	Associate	175,291	-	-	-	-	-
QIL	QCH	The same ultimate parent company	28,690,745	-	-	-	-	-

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

9. Derivative transactions:

Please refer to Notes (6)(b) and (6)(y) for related information.

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10. Business relationships and significant inter-company transactions:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Number (Note 1)	Name of the company	Name of the counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 3)
0	The Company	QCH · QCT-USA · QDL(HK) · QCTK · QCTJ · QCTS · TFQ · QCTTW · TTC	1	Sales	617,990,836	Terms not comparable to other general trading partners	43.81 %
0	"	TFC · TCC · TFQ · QMB · QDL(HK) · QCH · QMH	1	Purchases	974,781,424	Terms not comparable to other general trading partners	69.10 %
0	"	QCH · QCT-USA · QCTJ · QCTK · QDL(HK) · QCTS	1	Accounts receivable	131,595,203	The same as the term for other general trading partners	14.11 %
"	"	QMB · QMH	1	Other accounts receivable	2,851,289	The same as the term for other general trading partners	0.31 %
"	"	QCH	1	Long-term receivables	78,627,107	The same as the term for other general trading partners	8.43 %
"	"	TCC · TFC · TFQ	1	Accounts payable	63,186,220	The same as the term for other general trading partners	6.78 %

Note 1: The numbers denote the following:

- 0 represents the Company.
- Subsidiaries are listed by names and numbered starting with 1.

Note 2: Relationship with the listed companies:

- The Company to subsidiary
- Subsidiary to the Company
- Subsidiary to subsidiary

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

(b) Information on investees:

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Balance as of December 31, 2024			Highest percentage of ownership during the year	Net income (loss) of the investee	Investment income (loss)	Note
				December 31, 2024	December 31, 2023	Shares	Ratio of shares	Carrying amount				
The Company	QCJ	Japan	After-sales service and sale of computers and telecommunication products	3,115	3,115	200	100.00 %	2,104	100.00 %	25	25	
"	QIL and its subsidiaries	Cayman, U.S.A., etc.	Investment company, holding company, sale, manufacture and after- sales service of computer peripherals	44,455,717	36,869,073	135,597,733	100.00 %	74,779,618	100.00 %	12,331,927	12,044,805	Note 1
"	QSI and its subsidiaries	Taiwan	Manufacture and sale of computer storage devices and peripherals	243,142	243,142	82,881,664	29.78 %	2,518,200	29.78 %	649,021	193,247	
"	QVC	Taiwan	Venture capital	2,000,133	2,000,133	200,000,000	100.00 %	2,195,459	100.00 %	178,252	178,252	

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Balance as of December 31, 2024			Highest percentage of ownership during the year	Net income (loss) of the investee	Investment income (loss)	Note
				December 31, 2024	December 31, 2023	Shares	Ratio of shares	Carrying amount				
The Company	QADC	U.S.A	Research and development of electronic products	32,785	32,785	1,000,000	100.00 %	21,923	100.00 %	(6,235)	(6,235)	
"	QCTI	Taiwan	Investment company	600,000	600,000	60,000,000	100.00 %	644,762	100.00 %	10,064	10,064	
"	QMIT and its subsidiaries	Taiwan	Electronic company and import and export business and wholesale of electronic products	232,750	232,750	17,500,000	75.19 %	360,940	75.19 %	(1,146)	(862)	
"	Plenty Link Technology Co., Ltd	Cayman	Overseas investment and trade company	-	103,273	-	- %	-	17.50 %	2,489	436	
"	RTK and its subsidiaries	Taiwan	Design, manufacture, processing, distribute and sale of satellite guided navigation systems and peripherals, navigated maps, and digital maps	807,586	807,586	18,603,598	36.76 %	184,514	36.76 %	148,291	(18,467)	Note 2
"	QCTTW and its subsidiaries	Taiwan	Sale of computers and peripherals	741,995	741,995	48,200,000	100.00 %	147,037	100.00 %	5,827	5,855	
"	EBN Technology Corporation	Taiwan	Manufacture of electronic components	125,625	125,625	8,375,000	25.00 %	-	25.00 %	(5,103)	-	
"	QT Medical, Inc.	U.S.A	Research and development and manufacture of medical equipment	131,101	131,101	2,192,315	10.83 %	102,172	11.34 %	(48,479)	(5,414)	
"	QMB	Thailand	Manufacture and sale of computers, peripherals and consumer products	3,203,695	3,203,695	599,999,997	100.00 %	4,654,197	100.00 %	1,328,589	1,275,667	Note 1
"	QCTS	Singapore	Sale and after-sales service of computer peripherals	81,963	81,963	2,500,000	100.00 %	(6,719)	100.00 %	(20,908)	(20,908)	
"	aetherAI Co., Ltd.	Taiwan	Research and development and manufacture of medical equipment	341,894	227,294	13,352,858	15.03 %	204,518	15.83 %	(114,112)	(17,512)	
"	LIONS Taiwan Technology Inc.	Taiwan	Sale of computers and peripherals	173,632	173,632	4,574,146	16.67 %	106,925	20.38 %	(95,264)	(17,417)	
"	QMH	Vietnam	Manufacture and sale of computers, peripherals and consumer products	2,294,950	1,639,250	-	100.00 %	1,502,160	100.00 %	(769,111)	(769,118)	Note 1
"	QSDC	Singapore	Research and development of electronic products	48,285	-	1,500,000	100.00 %	47,521	100.00 %	363	363	
QSI	QSI (CAYMAN)	Cayman	Investment company	1,328,448	1,715,311	-	100.00 %	1,595,620	100.00 %	(90,567)	(89,803)	Note 1 and Note 4
"	NU Inc.	Taiwan	Wholesale and retail of computers and peripherals	86,709	86,709	3,862,227	29.80 %	21,801	29.80 %	1,040	9	
"	EBN Technology Corporation	Taiwan	Manufacture of electronic components	10,978	10,978	1,001,000	2.98 %	-	2.98 %	(5,103)	-	
"	TMT	Thailand	Manufacture and sale of computer storage devices and components of peripherals	1,446,975	1,446,975	15,999,998	100.00 %	2,280,261	100.00 %	92,955	108,752	Note 1

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Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Balance as of December 31, 2024			Highest percentage of ownership during the year	Net income (loss) of the investee	Investment income (loss)	Note
				December 31, 2024	December 31, 2023	Shares	Ratio of shares	Carrying amount				
QSI	TRI	Taiwan	Manufacture and sale of industrial collaborative robots	616,960	796,420	70,457,000	78.29 %	1,358,751	79.95 %	93,775	68,914	Note 1
"	JVM	Malaysia	Sale of computer storage devices and components of peripherals	15,214	15,214	2,040,000	51.00 %	23,185	51.00 %	4,517	2,304	
QSI (CAYMAN)	QSL (BVI)	BVI	Investment company	1,000,598	1,262,878	-	100.00 %	1,571,293	100.00 %	(92,222)	Note 3	Note 6
"	E-Forward (SAMOA)	SAMOA	Manufacture and sale of computer storage devices and components of peripherals	-	32,785	-	- %	-	100.00 %	212	"	Note 5
QSL (BVI)	QHH	Hong Kong	Investment company	908,101	908,101	-	100.00 %	1,562,062	100.00 %	24,286	"	
"	QIH	Hong Kong	Investment company	108,443	583,140	-	100.00 %	2,847	100.00 %	(116,735)	"	Note 6
E-Forward (SAMOA)	QSA	SAMOA	Sale and after-sales service of computer storage devices and components of peripherals	-	32,785	-	- %	-	100.00 %	230	"	Note 5
TRI	TRH	Hong Kong	Investment company	120,943	120,943	-	100.00 %	25,731	100.00 %	(9,092)	"	
JVM	JVMT	Thailand	Sale of computer storage devices and components of peripherals	5,028	5,028	-	100.00 %	4,666	100.00 %	(8)	"	
RTK	RTKI	SAMOA	Investment company	-	48,069	-	- %	-	- %	16	48	Note 7
QCTI	QSI and its subsidiaries	Taiwan	Manufacture and sale of computer storage devices and peripherals	33,526	33,526	1,212,000	0.44 %	41,524	0.44 %	649,021	2,826	
"	RTK and its subsidiaries	Taiwan	Design, manufacture, processing, distribute and sale of satellite guided navigation systems and peripherals, navigated maps, and digital maps	8,571	8,571	409,194	0.81 %	27,509	0.81 %	148,291	1,199	
"	QMIT and its subsidiaries	Taiwan	Electronic company and import and export business and wholesale of electronic products	115,500	115,500	5,775,000	24.81 %	120,008	24.81 %	(1,146)	(284)	
QVC	Plenty Link Technology Co., Ltd	Cayman	Overseas investment and trade company	-	103,273	-	- %	-	17.50 %	2,489	436	

Note 1: The difference between the investee's net income and the investor's recognized income mainly derived from the unrealized gross profit from sales.

Note 2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 3: The net income (loss) of the investee is included in the net income (loss) of the investment company.

Note 4: On February 19, 2024 and November 26, 2024, the Board of Directors of QSI (CAYMAN) resolved a capital reduction of USD 3,800 thousand and USD 8,000 thousand, respectively. The above amount of capital reduction was fully remitted back, and the change of registration procedure was completed on February 23, 2024 and November 27, 2024, respectively, and approved by the Investment Commission, MOEA.

Note 5: The liquidation process of E-Forward (SAMOA) and QSA was completed on March 5, 2024 and March 6, 2024, respectively.

Note 6: On November 26, 2024, the Board of Directors of QSL(BVI) and QIH resolved a capital reduction of USD8,000 thousand. The above amount of capital reduction has been fully remitted back, and the registration of the change has been completed on November 27, 2024, and approved by the Investment Commission, MOEA.

Note 7: The difference between the investee's net income and the investor's recognized income derived from the liquidation process of foreign currencies exchange.

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(c) Information on investment in Mainland China:

1. The names of investees in Mainland China, the main business and products, and other information:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of the investee in Mainland China (Note 2)	Main business and products	Total amount of capital surplus	Method of investment (Note 1)	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 (loss) of the investee	Direct /indirect shareholding (%) by the Company	Highest Holding Percentage	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated remittance of earnings in current period
					Outflow	Inflow							
The Company													
TFC (2)1) (Note 4)	Manufacture and sale of computers and peripherals	3,935,839	(2)	2,010,029	-	-	2,010,029	42,775	100.00 %	100.00 %	42,775	12,092,752	2,320,050
TCC (2)1)	Manufacture and sale of computers and peripherals	4,199,759	(2)	3,827,486	-	-	3,827,486	2,496,469	100.00 %	100.00 %	2,496,469	15,349,053	15,056,061
TTC (2)1)	Sale and after-sales service of computers and peripherals	732,417	(2)	781,857	-	-	781,857	428,099	100.00 %	100.00 %	428,099	2,473,367	944
TLC (2)1)	After-sales service of laptop computers	262,384	(2)	259,002	-	-	259,002	39,440	100.00 %	100.00 %	39,440	1,793,388	13,456
TGC (2)1)	Manufacture and sale of computers and peripherals	324,676	(2)	321,293	-	-	321,293	25,547	100.00 %	100.00 %	25,547	984,532	46,999
TWW (2)1)	Storage service	311,458	(2)	311,458	-	-	311,458	25,392	100.00 %	100.00 %	25,392	983,907	-
TFQ (2)1)	Processing, manufacture and sale of computers	9,769,930	(2)	9,769,930	-	-	9,769,930	6,144,234	100.00 %	100.00 %	6,144,234	33,760,259	-
TWQ (2)3)	Storage service	163,925	(2)	163,925	-	-	163,925	17,395	100.00 %	100.00 %	17,395	401,724	-
TNC (2)1)	Manufacture and sale of computers, mobile communication storage device peripherals and accessories	8,851,294	(2)	8,851,294	-	-	8,851,294	10,584	100.00 %	100.00 %	10,584	1,574,416	-
TCQ (2)1)	Manufacture and sale of computers, mobile communication storage device peripherals and accessories	1,639,250	(2)	1,639,250	-	-	1,639,250	93,723	100.00 %	100.00 %	93,723	2,328,041	-
KSH (2)1)	Manufacture and sale of precision machinery, peripherals and metallic molds	590,130	(2)	258,674	-	-	258,674	3,787	100.00 %	100.00 %	3,787	1,237,834	-
YDCQ (2)1)	Sale of servers and switches	32,785	(2)	32,785	-	-	32,785	7,866	100.00 %	100.00 %	7,866	347,589	-

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Name of the investee in Mainland China (Note 2)	Main business and products	Total amount of capital surplus	Method of investment (Note 1)	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 (loss) of the investee	Direct /indirect shareholding (%) by the Company	Highest Holding Percentage	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated remittance of earnings in current period
					Outflow	Inflow							
DSY (2)3	Manufacture and sale of optical equipment and electronic components	88,480	(2)	22,804	-	-	22,804	20,908	25.77 %	25.77 %	5,388	28,943	-
QCTBJ (2)1	Software technology development, advisory service, sale of servers and switches	4,561	(2)	4,561	-	-	4,561	1,515	100.00 %	100.00 %	1,515	8,422	-
ZYES (2)1	Manufacture and sale of computers and components of peripherals	2,721,155	(2)	2,907,046	-	-	2,907,046	(18,140)	100.00 %	100.00 %	(18,140)	106,603	-
SJDT (2)3	Manufacture and sale of computers and components of peripherals	236,052	(2)	44,850	-	-	44,850	(333)	100.00 %	100.00 %	(333)	324,472	-
DSY (2)3	Manufacture and sale of optical equipment and electronic components	-	(2)	66,390	-	10,228	56,162	352	- %	17.50 %	62	-	-
<u>QSI</u>													
QSS (2)1	Manufacture and sale of computer storage devices and components of peripherals	655,700	(2)	655,700	-	-	655,700	23,828	100.00 %	100.00 %	23,828	1,550,311	3,316,471
Techman (2)1	Manufacture and sale of computer storage devices and components of peripherals	-	(2)	262,280	-	262,280	-	(21,859)	- %	100.00 %	(21,859)	-	687,906
TRS (2)1	After-sales service and sale of industrial collaborative robots and components of peripherals	131,140	(2)	131,140	-	-	131,140	(9,092)	100.00 %	100.00 %	(9,092)	25,731	-
<u>QVC</u>													
DSY (2)3	Manufacture and sale of optical equipment and electronic components	-	(2)	66,390	-	10,228	56,162	352	- %	17.50 %	62	-	-
Guangsheng (Tianjin) Technology Co., Ltd.(2)3	Computer software development and related consulting and technical services; sale of computer hardware and software and electronic products	68,412	(2)	13,682	-	-	13,682	-	20.00 %	20.00 %	-	-	-

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2. Limitation on investment in Mainland China:

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Company	Accumulated Investment in Mainland China as of December 31, 2024 (Foreign Currencies in Thousands)	Investment Amounts Authorized by Investment Commission MOEA (Foreign Currencies in Thousands)	Limitation on Investment in Mainland China Authorized by Investment Commission MOEA (Note 3)
The Company	31,122,740 (USD 949,298)	39,334,647 (USD 1,199,776)	-
QSI	786,840 (USD 24,000)	819,625 (USD 25,000)	-
QVC	80,072 (USD 2,461)	1,065,048 (USD 32,486)	1,317,275

Note 1: Investments in Mainland China are differentiated by the following three methods:

- (1) Direct investment in Mainland China with remittance through a third region.
- (2) Indirect investment in Mainland China through an existing investee company in a third region.
- (3) Other methods

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:

- (1) If the corporation is in the set-up phase, notes are required.
- (2) Recognition basis of investment gains or losses is determined by the following three types, and related notes are required.
 - 1) Financial statements of the investee company were audited and certified by an international firm in cooperation with an R.O.C. accounting firm.
 - 2) Financial statements of the investee company were audited and certified by the external accountant of the parent company.
 - 3) Others

Note 3:(1) Maximum limitation of the Company and QSI: In accordance with the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China revised on August 29, 2008, the Company obtained the certificate of qualified operating headquarters issued by the Industrial Development Bureau, Ministry of Economic Affairs, and therefore no limitations on investment in Mainland China.

- (2) Maximum limitation of QVC: the maximum limitation is the higher of \$80,000 for small and medium size enterprises or sixty percent of these companies' net asset value or consolidated net asset value.

Note 4: The difference between the issued capital and cumulative investment amount is the difference between the price paid and the cost of the machinery equipment.

Note 5: Viscosity (Cayman) Holding Company Limited, an investee of the Company, holds investments in Mainland China. Therefore, the Company has increased USD72 thousand investment amount authorized by the Investment Commission, MOEA.

Note 6: China Renewable Energy Fund, L.P. (CREF), an investee of QVC, holds investments in Mainland China. Therefore, QVC has increased USD29,399 thousand investment amount authorized by the Investment Commission, MOEA.

Note 7: PHI Fund, L.P., an investee of the Company, holds investments in Mainland China. Therefore, the Company has increased USD4,720 thousand investment amount authorized by the Investment Commission, MOEA.

Note 8: Achi Capital Partners Fund L.P., an investee of the Company, holds investments in Mainland China. Therefore, the Company has increased USD214 thousand investment amount authorized by the Investment Commission, MOEA.

Note 9: DSY, which the Company and QVC indirectly reinvested in, has completed its liquidation process and applied for investment cancellation. All the processes above had obtained the record letters from the Investment Commission, MOEA, on November 4, 2024, resulting in the Company's investment amount to decrease by USD312 thousand.

3. 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".

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(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
CIANYU INVESTMENT LTD.		572,401,374	14.81 %
Barry Lam		415,738,138	10.76 %

Note: (1)The information of major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation based on the last business day at the end of each quarter, disclosing shareholders with more than 5% of the Company's ordinary shares and preferred shares that have been delivered without physical registration (including treasury shares). As for the share capital reported in the Company's financial statements and the Company's actual number of shares delivered without physical registration, there may be differences due to different calculation bases.

(2)In a situation where a shareholder entrusted the holdings, the individual account of the settlor opened by the trustee was disclosed. As for the shareholder's declaration of insider's equity holding more than 10% of the shares in accordance with the Securities and Exchange Act, his shareholding includes his own shareholding plus the shares delivered to the trust and the right to use the trust property, etc. For information on insider equity declaration, please refer to the website of Market Observation Post System.

(14) Segment Information

(a) General information:

The management of the group identifies the entity's operating segments based on the decision of the chief operating decision maker. The Group's main operating activities are manufacturing, processing, and sales of laptop computers and telecommunication products. In accordance with the Financial Accounting Standards, the Group's electronic segment is a reportable segment collectively because it reaches the quantization threshold. Other segments, such as repair or new business investment, are not disclosed as reportable segments because the amounts are insignificant.

(b) Information about reportable segments and their measurement and reconciliations:

The Company uses the income from operations as the measurement for segment profit and the basis of performance assessment. There was no material differences between the accounting policies of the operating segment and the accounting policies described in Note (4).

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The Group's operating segments financial information and reconciliation were as follows:

For the Years Ended December 31, 2024	Electronic department	Other department	Adjustment and elimination	Total
Operating revenue:				
Revenue from external customers	\$ 1,406,299,353	4,456,306	-	1,410,755,659
Inter-segment revenue	1,645,611,596	1,809,483	(1,647,421,079)	-
Interest revenue	9,419,474	325,732	(2,567)	9,742,639
Total	\$ 3,061,330,423	6,591,521	(1,647,423,646)	1,420,498,298
Interest expense	\$ (7,020,634)	(270,435)	2,652	(7,288,417)
Share of profit (loss) of associates and joint ventures accounted for using equity method	21,965,698	32,280,086	(54,285,246)	(39,462)
Reportable segment profit (loss)	\$ 59,460,934	1,462,101	(640,104)	60,282,931
For the Years Ended December 31, 2023	Electronic department	Other department	Adjustment and elimination	Total
Operating revenue:				
Revenue from external customers	\$ 1,081,733,676	3,877,376	-	1,085,611,052
Inter-segment revenue	1,270,629,980	1,619,383	(1,272,249,363)	-
Interest revenue	10,348,403	271,839	-	10,620,242
Total	\$ 2,362,712,059	5,768,598	(1,272,249,363)	1,096,231,294
Interest expense	\$ (8,574,664)	(340,378)	18	(8,915,024)
Share of profit (loss) of associates and joint ventures accounted for using equity method	19,611,522	30,949,714	(50,605,863)	(44,627)
Reportable segment profit (loss)	\$ 41,605,497	(1,321,038)	204,127	40,488,586

(c) Geographical information

Geographical information	December 31, 2024	December 31, 2023
Non-current assets :		
China	\$ 26,297,037	30,042,875
Taiwan	20,287,820	20,593,216
Other countries	28,220,436	16,299,119
Total	\$ 74,805,293	66,935,210

Geographical revenue information please refer to Note (6)(v).

Non-current assets include property, plant and equipment, investment properties, intangible assets, right-of-use assets, and other assets, but do not include financial instruments, deferred tax assets, and pension fund assets.

(ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE)

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(d) Major customers (More than 10% of revenue)

	For the Years Ended December 31,	
	2024	2023
A	\$ 441,130,847	254,246,484
B	292,109,877	352,059,386
C	210,884,425	53,830,641