TRANSCEND INFORMATION, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT THEREON

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 24000580

To the Board of Directors and Shareholders of Transcend Information, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Transcend Information, Inc. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 *Independent 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Valuation of inventories

Description

Refer to Notes 4(14), 5(2) and 6(5) to the consolidated financial statements for the information on the Group's inventory accounting policy, estimates and assumptions and allowance for inventory valuation losses.

The percentage of the Group's inventories to total assets is material and the Group applies judgements and estimates in determining the net realizable value of inventories at the balance sheet date. The Group mainly produces DRAM and flash memory. As these products have a short life cycle and belong to a highly competitive industry, the market prices change frequently. Since the Group's inventories and the allowance for inventory valuation losses are material to the financial statements, the valuation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding of the Group's operations and industry. Assessed the reasonableness of the policy and procedures to recognize allowance for inventory valuation losses.

B. Obtained an understanding of the Group's inventory control procedures. Reviewed annual inventory count plan and observed the annual physical count of material inventory storage location in order to assess the effectiveness of internal controls over inventory.

C. Obtained relevant evaluation reports of inventory and tested the logic and accuracy of information to assess the reasonableness of allowance for inventory valuation losses.

Estimation of allowance for sales discounts

Description

In consideration of business volume, the Group provides a variety of business incentives to specific customers or products, and based on that, the Group can estimate the allowance for sales discounts monthly. Refer to Notes 4(27) and 6(4) to the consolidated financial statements for the information on the estimation of allowance for sales discounts.

Since the contracts are numerous and the result could affect the net revenue in the consolidated financial statements, the estimation of allowance for sales discounts has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding of the Group's operations, industry and the procedures to recognize allowance for sales discounts.

B. Obtained an understanding of the Group's sales procedures and interviewed management to assess the appropriateness of sales allowance contracts and internal control over estimation of allowance.

C. Obtained the evaluation list of allowance for sales discounts, and tested material sales allowance contracts and recalculated it to assess the reasonableness of allowance determined by the Group.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Transcend Information, Inc. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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.

Independent auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance 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 judgement and professional skepticism throughout the audit. We also:

A. 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.

B. 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.

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

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

E. 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.

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

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

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

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

Chen, Ching Chang	Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,970,580	9	$ 1,858,719	8
1110	Financial assets at fair value through profit or loss - current	6(2)	1,457,699	7	-	-
1136	Financial assets at amortised cost - current	6(3)	4,286,788	20	8,130,839	37
1150	Notes receivable, net	6(4)	-	-	323	-
1170	Accounts receivable, net	6(4)	1,237,431	6	1,247,331	6
1200	Other receivables		52,288	-	113,104	1
130X	Inventories	6(5)	5,424,702	26	5,003,689	22
1479	Other current assets		19,457	-	41,262	-
11XX	**Total current assets**		14,448,945	68	16,395,267	74
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,135,236	5	461,734	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	1,028,444	5	626,628	3
1535	Financial assets at amortised cost - non-current	6(3)	322,570	1	301,602	1
1550	Investments accounted for using equity method	6(7)	81,781	-	105,138	-
1600	Property, plant and equipment	6(8), 7 and 8	1,558,755	7	1,509,348	7
1755	Right-of-use assets	6(9) and 7	121,367	1	168,708	1
1760	Investment property, net	6(11)	2,538,589	12	2,580,696	12
1840	Deferred income tax assets	6(24)	116,552	1	80,796	-
1900	Other non-current assets	6(12)	48,026	-	59,364	-
15XX	**Total non-current assets**		6,951,320	32	5,894,014	26
1XXX	**Total assets**		$ 21,400,265	100	$ 22,289,281	100

(Continued)

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2170	Accounts payable		$ 769,307	4	$ 1,791,770	8
2180	Accounts payable - related parties	7	32,748	-	39,913	-
2200	Other payables		239,796	1	301,355	2
2230	Current income tax liabilities		190,604	1	494,669	2
2280	Lease liabilities - current	7	54,438	-	52,944	-
2300	Other current liabilities		13,494	-	22,189	-
21XX	**Total current liabilities**		1,300,387	6	2,702,840	12
	Non-current liabilities					
2570	Deferred income tax liabilities	6(24)	187,573	1	173,377	1
2580	Lease liabilities - non-current	7	53,134	-	101,640	1
2600	Other non-current liabilities	6(13)	36,157	-	42,714	-
25XX	**Total non-current liabilities**		276,864	1	317,731	2
2XXX	**Total liabilities**		1,577,251	7	3,020,571	14
	Equity attributable to shareholders of parent					
	Share capital	6(15)				
3110	Common stock		4,298,547	20	4,290,617	19
	Capital surplus	6(16)				
3200	Capital surplus		2,897,800	13	3,044,619	13
	Retained earnings	6(17)				
3310	Legal reserve		5,503,030	26	5,303,693	24
3320	Special reserve		230,363	1	357,817	2
3350	Unappropriated retained earnings		6,920,154	33	6,502,327	29
	Other equity interest	6(18)				
3400	Other equity interest		(26,880)	-	(230,363)	(1)
3XXX	**Total equity**		19,823,014	93	19,268,710	86
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 21,400,265	100	$ 22,289,281	100

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	2024 AMOUNT	2024 %	2023 AMOUNT	2023 %
4000	Operating revenue	6(19) and 7	$ 10,083,525	100	$ 10,496,172	100
5000	Operating costs	6(5)(23) and 7	(6,991,338)	(69)	(7,451,567)	(71)
5900	Gross profit		3,092,187	31	3,044,605	29
	Operating expenses	6(23) and 7				
6100	Sales and marketing expenses		(754,842)	(8)	(742,597)	(7)
6200	Administrative expenses		(289,653)	(3)	(279,454)	(3)
6300	Research and development expenses		(142,058)	(1)	(132,973)	(1)
6450	Expected credit impairment (loss) gain	6(4)	(80)	-	65	-
6000	Total operating expenses		(1,186,633)	(12)	(1,154,959)	(11)
6900	Operating profit		1,905,554	19	1,889,646	18
	Non-operating income and expenses					
7100	Interest income	6(3)(20)	315,368	3	394,761	4
7010	Other income	6(6)(10)(11)(21)	72,254	1	78,703	1
7020	Other gains and losses	6(2)(22)	562,815	5	133,172	1
7050	Finance costs	6(9)	(3,055)	-	(3,320)	-
7060	Share of loss of associates and joint ventures accounted for using the equity method	6(7)	(23,185)	-	(22,128)	-
7000	Total non-operating income and expenses		924,197	9	581,188	6
7900	**Profit before income tax**		2,829,751	28	2,470,834	24
7950	Income tax expense	6(24)	(515,319)	(5)	(485,999)	(5)
8200	**Profit for the year**		$ 2,314,432	23	$ 1,984,835	19
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(13)	$ 2,243	-	($ 2,159)	-
8316	Unrealized gain on financial assets at fair value through other comprehensive income	6(6)(18)	332,219	4	173,465	1
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	6(7)	(172)	-	1,524	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	32,722	-	(46,041)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(18)(24)	(6,544)	-	9,208	-
8300	**Other comprehensive income for the year**		$ 360,468	4	$ 135,997	1
8500	**Total comprehensive income**		$ 2,674,900	27	$ 2,120,832	20
	Net profit attributable to:					
8610	Shareholders of parent		$ 2,314,432	23	$ 1,984,835	19
	Comprehensive income attributable to:					
8710	Shareholders of parent		$ 2,674,900	27	$ 2,120,832	20
	Earnings per share (in dollars)	6(25)				
9750	Basic earnings per share		$	5.39	$	4.63
9850	Diluted earnings per share		$	5.39	$	4.62

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to shareholders of the parent											
			Capital Reserves				Retained Earnings			Other Equity Interest			
	Notes	Common stock	Additional paid-in capital	Donated assets received	Net assets from merger	Restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total equity
For the year ended December 31, 2023													
Balance at January 1, 2023		$ 4,290,617	$ 3,348,183	$ 4,470	$ 35,128	$ -	$ 5,057,967	$ 190,514	$ 6,981,474	($ 197,218)	($ 160,599)	$ -	$ 19,550,536
Net income for the year		-	-	-	-	-	-	-	1,984,835	-	-	-	1,984,835
Other comprehensive income (loss)	6(6)(18)	-	-	-	-	-	-	-	(635)	(36,833)	173,465	-	135,997
Total comprehensive income (loss)		-	-	-	-	-	-	-	1,984,200	(36,833)	173,465	-	2,120,832
Appropriations and distribution of 2022 earnings	6(17)												
Legal reserve		-	-	-	-	-	245,726	-	(245,726)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(2,059,496)	-	-	-	(2,059,496)
Special reserve		-	-	-	-	-	-	167,303	(167,303)	-	-	-	-
Cash payment from capital surplus		-	(343,249)	-	-	-	-	-	-	-	-	-	(343,249)
Net gain on disposal of financial assets at fair value through other comprehensive income	6(6)(18)	-	-	-	-	-	-	-	9,178	-	(9,178)	-	-
Expired unclaimed dividends recognized as capital surplus		-	-	87	-	-	-	-	-	-	-	-	87
Balance at December 31, 2023		$ 4,290,617	$ 3,004,934	$ 4,557	$ 35,128	$ -	$ 5,303,693	$ 357,817	$ 6,502,327	($ 234,051)	$ 3,688	$ -	$ 19,268,710
For the year ended December 31, 2024													
Balance at January 1, 2024		$ 4,290,617	$ 3,004,934	$ 4,557	$ 35,128	$ -	$ 5,303,693	$ 357,817	$ 6,502,327	($ 234,051)	$ 3,688	$ -	$ 19,268,710
Net income for the year		-	-	-	-	-	-	-	2,314,432	-	-	-	2,314,432
Other comprehensive income	6(6)(18)	-	-	-	-	-	-	-	2,071	26,178	332,219	-	360,468
Total comprehensive income		-	-	-	-	-	-	-	2,316,503	26,178	332,219	-	2,674,900
Appropriations and distribution of 2023 earnings	6(17)												
Legal reserve		-	-	-	-	-	199,337	-	(199,337)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(1,930,778)	-	-	-	(1,930,778)
Reversal of special reserve		-	-	-	-	-	-	(127,454)	127,454	-	-	-	-
Cash payment from capital surplus		-	(214,531)	-	-	-	-	-	-	-	-	-	(214,531)
Expired unclaimed dividends recognised as capital surplus		-	-	147	-	-	-	-	-	-	-	-	147
Dividends claimed after expiration		-	-	(10)	-	-	-	-	-	-	-	-	(10)
Net gain on disposal of financial assets at fair value through other comprehensive income	6(6)(18)	-	-	-	-	-	-	-	103,927	-	(103,927)	-	-
Share-based payment transactions	6(14)(15)(18)	7,930	7	-	-	67,568	-	-	58	-	-	(50,987)	24,576
Balance at December 31, 2024		$ 4,298,547	$ 2,790,410	$ 4,694	$ 35,128	$ 67,568	$ 5,503,030	$ 230,363	$ 6,920,154	($ 207,873)	$ 231,980	($ 50,987)	$ 19,823,014

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 2,829,751	$ 2,470,834
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(22)	(276,030)	(38,186)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	23,185	22,128
Expected credit impairment loss (gain)	6(4)	80	(65)
(Gain) loss on disposal of property, plant and equipment	6(22)	(26)	2
Depreciation	6(23)	134,901	158,441
Interest income	6(20)	(315,368)	(394,761)
Interest expense	6(9)	3,055	3,320
Dividend income	6(6)(21)	(19,758)	(21,134)
Share-based payments	6(14)(23)	24,576	-
Changes in asstets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss-current		(1,450,000)	-
Notes receivable		323	544
Accounts receivable		9,812	(29,347)
Other receivables		55,745	(28,291)
Inventories		(421,013)	(1,860,625)
Other current assets		21,805	(24,552)
Changes in liabilities relating to operating activities			
Accounts payable		(1,022,463)	1,319,093
Accounts payable - related parties		(7,165)	12,471
Other payables		(61,559)	29,407
Other current liabilities		(8,695)	(3,159)
Net defined benefit liability		(1,139)	(884)
Cash (outflow) inflow generated from operations		(479,983)	1,615,236
Dividends received		18,938	19,874
Interest received		320,710	388,531
Income tax paid		(847,488)	(709,760)
Net cash flows (used in) provided by operating activities		(987,823)	1,313,881
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		386,517	-
Acquisition of financial assets at fair value through profit or loss - non-current		(791,688)	(372,085)
Proceeds from disposal of financial assets at amortised cost		6,080,880	4,592,690
Acquisition of financial assets at amortised cost		(2,236,829)	(4,413,471)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	488,749	71,776
Acquisition of financial assets at fair value through other comprehensive income		(558,346)	-
Proceeds from disposal of property, plant and equipment		95	-
Acquisition of property, plant and equipment	6(26)	(75,980)	(24,173)
Decrease in guarantee deposits paid		160	1,893
Acquisition of investment property	6(11)	-	(489)
Decrease (increase) in other non-current assets		658	(11,978)
Dividends received	6(7)	-	10,968
Net cash flows provided by (used in) investing activities		3,294,216	(144,869)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in guarantee deposits received		(3,175)	(291)
Cash dividends paid (including cash payment from capital surplus)	6(17)	(2,145,309)	(2,402,745)
Payment of lease liabilities		(56,225)	(49,430)
Expired unclaimed dividends recognized as capital surplus		147	87
Dividends claimed after expiration		(10)	-
Net cash flows used in financing activities		(2,204,572)	(2,452,379)
Effect of exchange rate changes		10,040	(45,226)
Net increase (decrease) in cash and cash equivalents		111,861	(1,328,593)
Cash and cash equivalents at beginning of year		1,858,719	3,187,312
Cash and cash equivalents at end of year		$ 1,970,580	$ 1,858,719

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Transcend Information, Inc. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in August 1989. The main activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are manufacturing, processing and sales of computer software and hardware, peripheral equipment and other computer components. The Securities and Futures Commission of the Republic of China had approved the Company’s shares to be listed on the Taiwan Stock Exchange and the shares started trading on May 3, 2001.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 6, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB has issued the amendments to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligations.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the shareholders of the parent and to the non-controlling interests. Total comprehensive income is attributed to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of Investor	Name of Subsidiary	Main Business Activities	December 31, 2024	December 31, 2023	Description
Transcend Information, Inc.	Saffire Investment Ltd. (Saffire)	Investment holdings	100	100	
	Transcend Japan Inc. (Transcend Japan)	Import and wholesale of computer memory modules	100	100	
	Transcend Information Inc. (Transcend USA)	Import and wholesale of computer memory modules	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Description
Transcend Information, Inc.	Transcend Korea Inc. (Transcend Korea)	Import and wholesale of computer memory modules	100	100	
Saffire Investment Ltd.	Memhiro Pte. Ltd. (Memhiro)	Investment holdings	100	100	
	Transcend Information Europe B.V. (Transcend Europe)	Import and wholesale of computer memory modules	100	-	Note 3
Memhiro Pte. Ltd.	Transcend Information Europe B.V. (Transcend Europe)	Import and wholesale of computer memory modules	-	100	Note 3
	Transcend Information Trading GmbH (Transcend Germany)	Import and wholesale of computer memory modules	-	100	Note 2
	Transcend Information (Shanghai), Ltd. (Transcend Shanghai)	Manufacture and sales of blank medium such as memory expansion cards and external storage devices, and other disk drives and lease of self-owned buildings	-	100	Note 1
	Transtech Trading (Shanghai) Co., Ltd. (Transtech Shanghai)	Wholesale, retail, manufacture, import and export, agent and related services of computer software and hardware and auxiliary equipment, and non- residential real estate leasing	100	100	Note 1
	Transcend Information (H.K) Ltd. (Transcend HK)	Import and wholesale of computer memory modules	100	100	
Transcend Information Europe B.V.	Transcend Information Trading GmbH (Transcend Germany)	Import and wholesale of computer memory modules	100	-	Note 2

Note 1: The effective date of the merger of Transcend Shanghai and Transtech Shanghai was March 29, 2024, with Transtech Shanghai as the surviving company and Transcend Shanghai as the dissolved company, and the procedures of related merger was completed in February 2025.

Note 2: In the third quarter of 2024, the Group adjusted its investment structure. Transcend Germany's 100% equity interest is then held by Transcend Europe.

Note 3: In the fourth quarter of 2024, the Group adjusted its investment structure. Transcend Europe's 100% equity interest is then held by Saffire Investment.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustment for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

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

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

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.
(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost and accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on actual operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

(16) <u>Property, plant and equipment</u>

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8 ~ 50 years
Machinery and equipment	2 ~ 10 years
Transportation equipment	3 ~ 5 years
Office equipment and others	2 ~ 5 years

(17) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

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

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 ~ 55 years.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognized.

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Offsetting financial assets and liabilities

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

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(25) Share capital

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

B. Where the Company repurchases the Company's shares that have been issued, the consideration paid, excluding any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells computer software and hardware, computer peripheral equipment, and computer component products. When the right of control is transferred to the customer, sales revenue is recognized. 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, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales revenue is recognized based on contract price, net of sales returns, volume discounts and estimated sales discounts. The goods are often sold with volume discounts based on aggregate sales over a one-month period. Sales discounts and allowances are estimated and provided for based on customer contracts, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date and recognized as allowance for sales discounts. No element of financing is deemed present as the sales are made with a credit term of 30-60 days after monthly billing, which is consistent with market practice.

(c) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairmen of the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own use portion accounts for an insignificant portion of the property.

(2) Critical accounting estimates and assumptions

Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. The valuation of inventories is based on recent market price and demand of products in the future specific period, thus there might be significant changes in the valuation.

As of December 31, 2024, the carrying amount of inventories was $5,424,702.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 457	$ 441
Checking accounts and demand deposits	1,130,333	1,603,099
Time deposits	839,790	255,179
	$ 1,970,580	$ 1,858,719

A. The aforementioned time deposits pertain to high liquidity investments with maturity within three months.

B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 1,450,000	$ -
Valuation adjustments	7,699	-
	$ 1,457,699	$ -
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 851,626	$ 433,566
Valuation adjustments	283,610	28,168
	$ 1,135,236	$ 461,734

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2024	2023
Financial assets measured at fair value through profit or loss		
Beneficiary certificates	$ 276,030	$ 38,186

B. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Time deposits with original maturity of more than three months	$ 4,286,788	$ 8,130,839
Non-current items:		
Corporate bonds	$ 322,570	$ 301,602

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

	For the years ended December 31,	
	2024	2023
Interest income	$ 239,263	$ 352,396

B. The Group has no financial assets at amortised cost pledged to others as collateral.

C. The Group transacts time deposits with reputable domestic and foreign banks. The issuers of ordinary corporate bonds which the Group invested are well-known domestic and foreign enterprises. The Group's counterparties have good credit quality, so the Group expects that the probability of counterparty default is remote. The impairment loss is assessed using a 12-month expected credit loss approach.

(4) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ -	$ 323
Accounts receivable	$ 1,237,981	$ 1,247,793
Less: Loss allowance	(550)	(462)
	$ 1,237,431	$ 1,247,331

A. As of December 31, 2024 and 2023, the estimated sales discounts and allowances were $113,703 and $105,415, respectively. Since the sales discounts and allowances met the requirements for offset of financial liabilities and financial assets, the net amounts were shown under accounts receivable.

B. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2024	December 31, 2023
Not past due	$ 1,016,356	$ 1,009,865
Up to 30 days	201,172	225,142
31 to 90 days	6,523	1,701
91 to 180 days	4,697	2,687
Over 180 days	9,233	8,721
	$ 1,237,981	$ 1,248,116

The above ageing analysis was based on past due date.

C. The Group has credit insurance that covers accounts receivable from major customers. Should bad debts occur, the Group will receive 90% of the losses resulting from non-payment.

D. As of December 31, 2024 and 2023, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of notes receivable and accounts receivable from contracts with customers amounted to $1,219,313.

E. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $0 and $323, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $1,237,431 and $1,247,331, respectively.

F. The Group classifies customers' accounts receivable in accordance with the credit rating of the customer. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.

G. The Group wrote-off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Group has no written-off financial assets that are still under recourse procedures.

H. The Group used forecastability, historical and timely information to assess the loss rate of accounts receivable. As of December 31, 2024 and 2023, the provision matrix is as follows:

	Not past due	1-180 days past due	Over 180 days past due	Total
December 31, 2024				
Expected loss rate	0.001%~0.158%	0.008%~36%	25%~100%	
Total book value	$ 1,016,356	$ 212,392	$ 9,233	$ 1,237,981

	Not past due	1-180 days past due	Over 180 days past due	Total
December 31, 2023				
Expected loss rate	0.002%~0.384%	0.011%~38%	25%~100%	
Total book value	$ 1,009,542	$ 229,530	$ 8,721	$ 1,247,793

I. The balance of allowance for loss and movements are as follows:

	2024	2023
At January 1	$ 462	$ 510
Provision for (Reversal of) impairment	80	(65)
Effect of exchange rate changes	8	17
At December 31	$ 550	$ 462

J. The Group does not hold any collateral as security.

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 4,790,363	($ 313,841)	$ 4,476,522
Work in progress	399,171	(1,585)	397,586
Finished goods	556,024	(5,430)	550,594
	$ 5,745,558	($ 320,856)	$ 5,424,702

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 4,107,777	($ 119,316)	$ 3,988,461
Work in progress	423,938	(511)	423,427
Finished goods	594,886	(3,085)	591,801
	$ 5,126,601	($ 122,912)	$ 5,003,689

A. The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2024	2023
Cost of goods sold	$ 6,793,394	$ 7,816,029
Loss on (gain on reversal of) decline in market value of inventory	197,944	(364,462)
	$ 6,991,338	$ 7,451,567

The gain on reversal of decline in market value of inventory for the year ended December 31, 2023 arose from the clearance of certain inventories which were previously provided with allowance and the recovery in the net realizable value of certain inventories.

B. No inventories were pledged to others.

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

Items	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Listed stocks	$ 715,339	$ 621,815
Others	81,125	1,125
	796,464	622,940
Valuation adjustments	231,980	3,688
	$ 1,028,444	$ 626,628

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $1,028,444 and $626,628 as at December 31, 2024 and 2023, respectively.

B. For the years ended December 31, 2024 and 2023, the Group disposed equity investments whose fair value were $488,749 and $71,776, respectively, and the cumulative gains on disposal were transferred to retained earnings in the amount of $103,927 and $9,178, respectively.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31	
	2024	2023
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 332,219	$ 173,465
Cumulative gains reclassified to retained earnings due to derecognition	$ 103,927	$ 9,178
Dividend income recognized in profit or loss		
Held at end of year	$ 15,808	$ 18,584
Derecognized during the year	3,950	2,550
	$ 19,758	$ 21,134

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(7) Investments accounted for using equity method

Investee Company	December 31, 2024	December 31, 2023
Taiwan IC Packaging Corporation	$ 81,781	$ 105,138

A. The basic information of the associate that is material to the Group is as follows:

		Shareholding ratio			
Associate name	Principal place of business	December 31, 2024	December 31, 2023	Nature of relationship	Method of measurement
Taiwan IC Packaging	Taiwan	12.51%	12.51%	Note	Equity method

Note: Taiwan IC Packaging Corporation is engaged in IC packaging and testing and is the upstream supplier in the IT and semiconductor industries. In order to reach synergy of vertical integration, Taiwan IC Packaging Corporation processes the raw materials provided by the Group into relevant semi-finished goods.

B. The Group held a 12.51% equity interest in Taiwan IC Packaging Corporation, and is the company's largest single shareholder. However, the Group does not hold the majority of the voting power during the shareholders' meeting of Taiwan IC Packaging Corporation and the Group does not serve as corporate director of Taiwan IC Packaging Corporation, which indicate that the Group has no control ability to direct the relevant activities of Taiwan IC Packaging Corporation. In addition, the Company's chairman is the same with Taiwan IC Packaging Corporation; hence, the Group has significant influence over Taiwan IC Packaging Corporation.

C. The summarized financial information of the associate that is material to the Group is as follows:

Balance sheet

	Taiwan IC Packaging Corporation	
	December 31, 2024	December 31, 2023
Current assets	$ 856,566	$ 996,963
Non-current assets	1,126,807	1,129,944
Current liabilities	(197,327)	(174,106)
Non-current liabilities	(71,929)	(73,302)
Total net assets	$ 1,714,117	$ 1,879,499
Share in associate's net assets	$ 214,436	$ 235,125
Net equity differences	(132,655)	(129,987)
	$ 81,781	$ 105,138

Statement of comprehensive income

	Taiwan IC Packaging Corporation	
	For the years ended December 31,	
	2024	2023
Revenue	$ 904,163	$ 861,693
Loss for the year from continuing operations	($ 185,384)	($ 176,992)
Total comprehensive loss	($ 176,532)	($ 178,367)
Dividends received from associates	$ -	$ 10,968

D. Share of loss of associates accounted for using the equity method is as follows:

	For the years ended December 31,	
Investee Company	2024	2023
Taiwan IC Packaging Corporation	($ 23,357)	($ 20,604)

E. The Group's investment in Taiwan IC Packaging Corporation has quoted market price. The fair value of Taiwan IC Packaging Corporation was $331,113 and $317,957 as of December 31, 2024 and 2023, respectively.

(8) Property, plant and equipment

	2024						
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
At January 1							
Cost	$ 705,964	$ 1,187,112	$ 194,519	$ 22,360	$ 32,057	$ 7,257	$ 2,149,269
Accumulated depreciation	-	(460,786)	(130,626)	(19,785)	(24,852)	(3,872)	(639,921)
	$ 705,964	$ 726,326	$ 63,893	$ 2,575	$ 7,205	$ 3,385	$ 1,509,348
At January 1	$ 705,964	$ 726,326	$ 63,893	$ 2,575	$ 7,205	$ 3,385	$ 1,509,348
Additions (including transfers)	-	48,393	34,269	1,467	1,921	450	86,500
Disposals	-	-	-	-	(61)	(8)	(69)
Reclassifications	-	31,855	-	-	-	-	31,855
Depreciation charge	-	(34,296)	(29,558)	(1,536)	(3,061)	(1,290)	(69,741)
Net exchange differences	(1,033)	1,829	16	-	50	-	862
At December 31	$ 704,931	$ 774,107	$ 68,620	$ 2,506	$ 6,054	$ 2,537	$ 1,558,755
At December 31							
Cost	$ 704,931	$ 1,336,162	$ 163,580	$ 9,741	$ 26,328	$ 6,703	$ 2,247,445
Accumulated depreciation	-	(562,055)	(94,960)	(7,235)	(20,274)	(4,166)	(688,690)
	$ 704,931	$ 774,107	$ 68,620	$ 2,506	$ 6,054	$ 2,537	$ 1,558,755

	2023						
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
At January 1							
Cost	$ 711,572	$ 1,204,122	$ 345,956	$ 28,079	$ 30,619	$ 20,663	$ 2,341,011
Accumulated depreciation	-	(450,034)	(250,796)	(21,649)	(22,396)	(15,764)	(760,639)
	$ 711,572	$ 754,088	$ 95,160	$ 6,430	$ 8,223	$ 4,899	$ 1,580,372
At January 1	$ 711,572	$ 754,088	$ 95,160	$ 6,430	$ 8,223	$ 4,899	$ 1,580,372
Additions (including transfers)	-	5,510	16,005	-	3,503	2,067	27,085
Disposals	-	-	-	-	(2)	-	(2)
Depreciation charge	-	(31,174)	(47,275)	(3,855)	(4,536)	(3,582)	(90,422)
Net exchange differences	(5,608)	(2,098)	3	-	17	1	(7,685)
At December 31	$ 705,964	$ 726,326	$ 63,893	$ 2,575	$ 7,205	$ 3,385	$ 1,509,348
At December 31							
Cost	$ 705,964	$ 1,187,112	$ 194,519	$ 22,360	$ 32,057	$ 7,257	$ 2,149,269
Accumulated depreciation	-	(460,786)	(130,626)	(19,785)	(24,852)	(3,872)	(639,921)
	$ 705,964	$ 726,326	$ 63,893	$ 2,575	$ 7,205	$ 3,385	$ 1,509,348

A. The relevant assets of the Group recognized as property, plant and equipment are all for self-use.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings, and business vehicles. Rental contracts are typically made for periods of 1 to 11 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise certain store locations and offices. Low-value assets comprise equipment such as printers and water dispensers.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 90,756	$ 128,309
Buildings	29,128	38,288
Transportation equipment (business vehicles)	1,483	2,111
	$ 121,367	$ 168,708

	For the years ended December 31,	
	2024	2023
	Depreciation charge	Depreciation charge
Land	$ 37,552	$ 37,549
Buildings	15,459	16,584
Transportation equipment (business vehicles)	748	785
	$ 53,759	$ 54,918

D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $5,599 and $27,665, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	For the years ended December 31,	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,055	$ 3,320
Expense on short-term lease contracts	4,741	7,653
Expense on leases of low-value assets	1,296	1,334

F. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $62,262 and $58,417, respectively.

(10) Leasing arrangements - lessor

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. For the years ended December 31, 2024 and 2023, the Group recognized rent income in the amounts of $52,496 and $57,569, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2024			December 31, 2023
2025	$ 42,779		2024	$ 37,444
2026	35,327		2025	19,815
2027	10,711		2026	12,518
2028	3,780		2027	776
2029	1,260		2028	-
	$ 93,857			$ 70,553

(11) Investment property

	2024		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 2,268,726	$ 465,607	$ 2,734,333
Accumulated depreciation	-	(153,637)	(153,637)
	$ 2,268,726	$ 311,970	$ 2,580,696
At January 1	$ 2,268,726	$ 311,970	$ 2,580,696
Depreciation charge	-	(11,401)	(11,401)
Reclassifications	-	(31,855)	(31,855)
Net exchange differences	-	1,149	1,149
At December 31	$ 2,268,726	$ 269,863	$ 2,538,589
At December 31			
Cost	$ 2,268,726	$ 371,989	$ 2,640,715
Accumulated depreciation	-	(102,126)	(102,126)
	$ 2,268,726	$ 269,863	$ 2,538,589

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 2,268,726	$ 466,845	$ 2,735,571
Accumulated depreciation	-	(141,640)	(141,640)
	$ 2,268,726	$ 325,205	$ 2,593,931
At January 1	$ 2,268,726	$ 325,205	$ 2,593,931
Additions	-	489	489
Depreciation charge	-	(13,101)	(13,101)
Net exchange differences	-	(623)	(623)
At December 31	$ 2,268,726	$ 311,970	$ 2,580,696
At December 31			
Cost	$ 2,268,726	$ 465,607	$ 2,734,333
Accumulated depreciation	-	(153,637)	(153,637)
	$ 2,268,726	$ 311,970	$ 2,580,696

A. Rental income from the investment property and direct operating expenses arising from investment property are shown below:

	For the years ended December 31,	
	2024	2023
Rental income from investment property	$ 52,496	$ 57,569
Direct operating expenses arising from investment property that generated rental income	$ 11,401	$ 12,400
Direct operating expenses arising from investment property that did not generate rental income	$ -	$ 701

B. The fair value of the investment property held by the Group was $4,829,337 and $5,053,643 as of December 31, 2024 and 2023, respectively. The aforementioned fair values were assessed based on the transaction prices of similar properties in the same area and are categorized within Level 3 in the fair value hierarchy.

C. No investment property was pledged to others.

(12) Other non-current assets

	December 31, 2024	December 31, 2023
Guarantee deposits paid	$ 32,835	$ 32,995
Prepayments for business facilities	160	10,520
Others	15,031	15,849
	$ 48,026	$ 59,364

(13) Pensions

A. Defined benefit plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 39,298	$ 38,359
Fair value of plan assets	(34,014)	(29,693)
Net defined benefit liability	$ 5,284	$ 8,666

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2024			
Balance at January 1	$ 38,359	($ 29,693)	$ 8,666
Current service cost	268	-	268
Interest expense (income)	498	(395)	103
	39,125	(30,088)	9,037
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(2,639)	(2,639)
Change in financial assumptions	(1,195)	-	(1,195)
Experience adjustments	1,591	-	1,591
	396	(2,639)	(2,243)
Pension fund contribution	-	(1,510)	(1,510)
Paid pension	(223)	223	-
Balance at December 31	$ 39,298	($ 34,014)	$ 5,284

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	$ 36,584	($ 29,193)	$ 7,391
Current service cost	493	-	493
Interest expense (income)	512	(419)	93
	37,589	(29,612)	7,977
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(195)	(195)
Change in financial assumptions	397	-	397
Experience adjustments	1,957	-	1,957
	2,354	(195)	2,159
Pension fund contribution	-	(1,470)	(1,470)
Paid pension	(1,584)	1,584	-
Balance at December 31	$ 38,359	($ 29,693)	$ 8,666

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2024	2023
Discount rate	1.600%	1.300%
Future salary increases rate	1.625%	1.625%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 1,010)	$ 1,048	$ 1,023	($ 990)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,005)	$ 1,045	$ 1,015	($ 982)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to $1,517.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 9.96 years.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Transtech Shanghai and Transcend Hong Kong have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages, ranging from 12.5% to 20%. Other than the monthly contributions, the Group has no further obligations.

(c) Transcend Japan, Transcend Korea, Transcend USA, Transcend Europe and Transcend Germany have defined contribution plans. Monthly contributions are based on a certain percentage of employees' monthly salaries and wages and are recognized as pension costs accordingly. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were $41,572 and $40,590, respectively.

(14) Share-based payment

A. As of December 31, 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees (Note 1 and 2)	May 9, 2024	806 thousand shares	2 years	2-year service (Note 3)

Note 1: Except for inheritance, the restricted stocks to employees issued by the Group cannot be sold, pledged, transferred, donated, collateralised, or disposed in any other method during the vesting period. For the employees who do not meet the vesting condition, the Group will redeem at no consideration and retire those stocks. However, the employees are not required to return or pay back the derivative stocks or dividends.

Note 2: The applicable subjects of the share-based payment arrangement are limited to full-time employees of the Company and its domestic and foreign controlled or affiliated companies who have already started working on the date of the new shares are granted.

Note 3: For the employees who are currently working in the Group, whose services have reached 2 years since the allocation of restricted stocks to employees, the vested share ratio is 100%.

B. Details of the share-based payment arrangements are as follows:

	For the years ended December 31,	
	2024	2023
	Quantity (in thousands)	Quantity (in thousands)
Restricted stocks to employees at beginning of year	-	-
Issued during the year	806	-
Retirement during the year	(13)	-
Restricted stocks to employees at end of year	793	-

C. The Group's restricted stocks to employees were issued with a par value of $10 (in dollars) and the issuance price per share was NT$0 (that is, no consideration). In addition, the Group measured the stocks at fair value which is the closing price at NT$98.6 on the grant date.

D. The compensation costs recognized for the above share-based payment transactions for the year ended December 31, 2024, amounted to $24,576.

(15) Share capital

A. As of December 31, 2024, the Company's authorized capital was $5,000,000, consisting of 500 million shares of ordinary stock (including 25 million shares reserved for employee stock options), and the paid-in capital was $4,298,547 with par value of $10 per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

	2024	2023
At January 1	$ 429,062	$ 429,062
Issuance of restricted stocks to employees	806	-
Retirement of the restricted stocks to employees	(13)	-
At December 31	$ 429,855	$ 429,062

B. The shareholders at the shareholders' meeting on June 16, 2023 adopted a resolution to issue restricted stocks to employees for no consideration, and the effective date was authorized to be separately determined by the Board of Directors. The total issuance shares amounted to 3,000 thousand. Except for conversion right of restricted stocks, the rights and benefits of the stocks before employees reach the vesting condition are the same as the issued ordinary shares.

C. The Board of Directors during its meeting on May 9, 2024 adopted a resolution to issue 806 thousand shares of the restricted stocks to employees with effective date set on May 9, 2024, and the registration was completed on June 12, 2024.

D. During the year ended December 31, 2024, as the employees did not meet the conditions for obtaining the new shares with restricted rights, 13,000 shares were withdrawn and capital reduction had been completed.

(16) Capital surplus

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

(17) Retained earnings

A. In accordance with the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and to offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The Company shall also set aside special reserve in accordance with the regulations. On the premise that there is no effect on the Company's normal operations and no violation of regulations, the Company shall reserve certain amount for maintaining stability of dividends. The remainder, if any, is the distributable earnings to be appropriated as resolved by stockholders at the stockholders' meeting. The Board of Directors is authorized by the shareholders to resolve the appropriation of cash dividends and cash payment from capital surplus by a resolution adopted by a majority vote at its meeting attended by two-thirds of the total number of directors, which will then be reported to the shareholders.

B. The Company distributes dividends taking into consideration the Company's economic environment, growth phases, future demands for funds, long-term financial planning and the cash flow needs of shareholders. Cash dividends shall account for at least 5% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

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

E. (a)The appropriations of earnings and cash payment from capital surplus for the years ended December 31, 2023 and 2022 have been resolved by the shareholders during their meeting on June 21, 2024 and June 16, 2023, respectively. Details are summarized below:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 199,337		$ 245,726	
(Reversal of) appropriation for special reserve	(127,454)		167,303	
Cash dividends	1,930,778	$ 4.50	2,059,496	$ 4.80
	$ 2,002,661		$ 2,472,525	

	Amount	Cash payment per share (in dollars)	Amount	Cash payment per share (in dollars)
Cash payment from capital surplus	$ 214,531	$ 0.50	$ 343,249	$ 0.80

Actual distribution of retained earnings for 2023 and 2022 were in agreement with the amounts resolved by the Board of Directors and shareholders.

(b) The appropriations of earnings and cash payment from capital surplus for the year ended December 31, 2024 as proposed by the Board of Directors on March 6, 2025 are as follows:

	For the year ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 242,049	
Reversal of special reserve	(230,363)	
Cash dividends	2,411,485	$ 5.61
	$ 2,423,171	

	Amount	Cash payment per share (in dollars)
Cash payment from capital surplus	$ 210,629	$ 0.49

The appropriation for cash dividends from 2024 earnings and cash payment from capital surplus had been special resolved by the Board of Directors during its meeting on March 6, 2025 but have not yet been reported to the shareholders. The appropriation for legal reserve and reversal of special reserve from 2024 earnings have yet to be resolved at the shareholders' meeting for 2025.

(18) Other equity items

	2024			
	Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Unearned employee compensation	Total
At January 1	$ 3,688	($ 234,051)	$ -	($ 230,363)
Revaluation adjustment	332,219	-	-	332,219
Revaluation transferred to retained earnings	(103,927)	-	-	(103,927)
Currency translation differences	-	32,722	-	32,722
Effect from income tax	-	(6,544)	-	(6,544)
Issuance of restricted stocks to employees	-	-	(75,498)	(75,498)
Compensation cost of restricted stocks to employees	-	-	24,511	24,511
At December 31	$ 231,980	($ 207,873)	($ 50,987)	($ 26,880)

	2023		
	Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1	($ 160,599)	($ 197,218)	($ 357,817)
Revaluation adjustment	173,465	-	173,465
Revaluation transferred to retained earnings	(9,178)	-	(9,178)
Currency translation differences	-	(46,041)	(46,041)
Effect from income tax	-	9,208	9,208
At December 31	$ 3,688	($ 234,051)	($ 230,363)

(19) Operating revenue

	For the years ended December 31,	
	2024	2023
Sales revenue	$ 10,083,525	$ 10,496,172

A. Disaggregation of revenue from contracts with customers

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

	Electronic products					
For the year ended December 31, 2024	Taiwan	Asia	America	Europe	Others	Total
Revenue from external customer contracts	$2,258,670	$ 3,237,620	$ 1,571,713	$ 2,325,093	$ 690,429	$ 10,083,525

	Electronic products					
For the year ended December 31, 2023	Taiwan	Asia	America	Europe	Others	Total
Revenue from external customer contracts	$2,282,102	$ 3,631,219	$ 1,408,222	$ 2,544,180	$ 630,449	$ 10,496,172

B. Contract assets and liabilities

The Group has no revenue-related contract assets and liabilities.

(20) Interest income

	For the years ended December 31,	
	2024	2023
Interest income from bank deposits	$ 37,747	$ 37,351
Interest income from financial assets measured at amortised cost	239,263	352,396
Other interest income	38,358	5,014
	$ 315,368	$ 394,761

(21) Other income

	For the years ended December 31,	
	2024	2023
Rental income	$ 52,496	$ 57,569
Dividend income	19,758	21,134
	$ 72,254	$ 78,703

(22) Other gains and losses

	For the years ended December 31,	
	2024	2023
Net currency exchange gain	$ 271,600	$ 89,591
Net gain on financial assets at fair value through profit or loss	276,030	38,186
Gain (loss) on disposals of property, plant and equipment	26	(2)
Others	15,159	5,397
	$ 562,815	$ 133,172

(23) Expenses by nature

	For the years ended December 31,	
	2024	2023
Wages and salaries	$ 1,095,654	$ 1,094,968
Share-based payments	24,576	-
Labor and health insurance fees	120,520	120,723
Pension costs	41,943	41,176
Other personnel expenses	58,358	53,207
Depreciation charges (including investment property and right-of-use assets)	134,901	158,441

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 0.2% for directors' remuneration.

B. For the years ended December 31, 2024 and 2023, the employees' compensation was accrued at $28,915 and $25,696, respectively, based on not less than 1% distributable profit for the years ended December 31, 2024 and 2023, and recognized in salary expenses; while no directors' remuneration was accrued.

C. The employees' compensation and directors' remuneration as resolved by the Board of Directors on March 6, 2025 were $28,289 and $5,600, respectively, and the employees compensation will be distributed in the form of cash.

D. The differences between employees' compensation and directors' remuneration as resolved by the Board of Directors and the amounts recognized in the 2023 financial statements by $734 and ($2,300), respectively, have been adjusted in profit or loss for 2024. The employees' compensation and directors' remuneration had been fully paid.

E. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31, 2024	For the years ended December 31, 2023
Current income tax:		
Current tax on profits for the year	$ 546,488	$ 626,894
Prior year income tax overestimation	(3,065)	(4,011)
Total current income tax	543,423	622,883
Deferred income tax:		
Origination and reversal of temporary differences	(28,104)	(136,884)
Total deferred income tax	(28,104)	(136,884)
Income tax expense	$ 515,319	$ 485,999

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31, 2024	For the years ended December 31, 2023
Financial statements translation differences of foreign operations	$ 6,544	($ 9,208)

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31, 2024	2023
Income tax calculated by applying statutory rate to the profit before tax	$ 565,335	$ 510,936
Effects from tax exemption and items disallowed by tax regulation	(46,275)	(14,021)
Temporary differences not recognized as deferred tax assets	-	(6,262)
Prior year income tax overestimation	(3,065)	(4,011)
Effect from investment tax credits	(676)	(1,830)
Withholding tax in other countries	-	1,187
Income tax expense	$ 515,319	$ 485,999

C. Amounts of deferred income tax assets or liabilities as a result of temporary differences are as follows:

	2024 At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Deferred income tax assets				
Pension provision amount in excess of appropriation amount	$ 4,632	($ 228)	$ -	$ 4,404
Unused compensated absences	1,424	406	-	1,830
Unrealized sales discounts and allowances	19,018	3,087	-	22,105
Unrealized gross profit from sales	3,232	(1,696)	-	1,536
Unrealized loss on market value decline and obsolete and slow-moving inventories	24,583	39,589	-	64,172
Financial statements translation differences of foreign operations	20,095	-	(6,544)	13,551
Others	7,812	1,142	-	8,954
	$ 80,796	$ 42,300	($ 6,544)	$ 116,552
Deferred income tax liabilities				
Unrealized exchange gain	($ 3,926)	($ 17,029)	$ -	($ 20,955)
Net gain on investment accounted for using equity method	(169,365)	2,955	-	(166,410)
Others	(86)	(122)	-	(208)
	($ 173,377)	($ 14,196)	$ -	($ 187,573)

	2023			
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Deferred income tax assets				
Amount of allowance for bad debts that exceed the limit for tax purpose	$ 282	($ 282)	$ -	$ -
Pension provision amount in excess of appropriation amount	4,809	(177)	-	4,632
Unused compensated absences	1,746	(322)	-	1,424
Unrealized sales discounts and allowances	16,043	2,975	-	19,018
Unrealized gross profit from sales	987	2,245	-	3,232
Unrealized loss on market value decline and obsolete and slow-moving inventories	97,475	(72,892)	-	24,583
Financial statements translation differences of foreign operations	10,887	-	9,208	20,095
Others	5,545	2,267	-	7,812
	$ 137,774	($ 66,186)	$ 9,208	$ 80,796
Deferred income tax liabilities				
Unrealized exchange gain	($ 23,027)	$ 19,101	$ -	($ 3,926)
Net gain on investment accounted for using equity method	(353,332)	183,967	-	(169,365)
Others	(88)	2	-	(86)
	($ 376,447)	$ 203,070	$ -	($ 173,377)

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

(25) Earnings per share

	For the year ended December 31, 2024		
	Profit after tax	Weighted-average common shares outstanding (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,314,432	429,062	$ 5.39
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,314,432	429,062	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	384	
Restricted stocks to employees	-	180	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,314,432	429,626	$ 5.39

	For the year ended December 31, 2023		
	Profit after tax	Weighted-average common shares outstanding (in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,984,835	429,062	$ 4.63
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,984,835	429,062	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	391	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,984,835	429,453	$ 4.62

(26) Supplemental cash flow information

Investing activities with partial cash payments

	For the years ended December 31,	
	2024	2023
Purchase of property, plant and equipment	$ 86,500	$ 27,085
Less: Transfers from prepayment for business facilities	(10,520)	(2,912)
Cash paid during the year	$ 75,980	$ 24,173

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Taiwan IC Packaging Corporation (Taiwan IC Packaging)	Associate accounted for using equity method
Won Chin Investment Inc. (Won Chin)	Other related party
Cheng Chuan Technology Development Inc. (Cheng Chuan)	Other related party
Transcend H.K. Ltd.	Other related party

(2) Significant transactions and balances with related parties

A. Operating revenue

	For the years ended December 31,	
	2024	2023
Sales of goods		
- Taiwan IC Packaging	$ 891	$ 1,100

The sales prices charged to related parties are approximate to those charged to third parties. The credit term to Taiwan IC Packaging is 30 days after delivery. The credit term to third parties is 30 to 60 days after monthly billings.

B. Purchases

	For the years ended December 31,	
	2024	2023
Purchases of goods		
- Taiwan IC Packaging	$ 148,910	$ 195,954

The purchase prices charged by related parties are approximate to those charged by third parties. The payment term from Taiwan IC Packaging is 30 days after monthly billings. The payment term from third parties is 30 to 45 days after monthly billings.

C. Payables to related parties

	December 31, 2024	December 31, 2023
Accounts payable		
- Taiwan IC Packaging	$ 32,748	$ 39,913

The payables to related parties arise mainly from purchase transactions, and information on the payment term is provided in Note 7(2) B. The payables bear no interest.

D. Property transactions – acquisition of property, plant and equipment

	For the years ended December 31,	
	2024	2023
Transcend H.K. Ltd.	$ 42,503	$ -

E. Leasing arrangements – lessee

(a) The Company renewed a land lease contract with its related party, Won Chin and Cheng Chuan, with a lease term of 5 years from June 12, 2022 to June 11, 2027. The annual rental payment is $38,484 (excluding tax), which was determined based on the appraisal results of Yungcheng Real Estate Appraisers Firm and CCIS Real Estate Joint Appraisers Firm and renewed at $1,350 (including tax) in dollar per square feet/month (tax included) after having a three-party negotiation. Rent is paid on the contract date and becomes payable on the same date each following year until the end of the lease. As of December 31, 2024 and 2023, the balance of related right-of-use assets amounted to $90,757 and $128,309 while lease liabilities amounted to $75,976 and $113,163, respectively.

(b) The Group entered into an office lease contract with its related party, Transcend H.K. Ltd., with a lease term of 1 year from June 1, 2022 to May 31, 2023 and renewed the contract to April 30, 2024 on June 1, 2023. The monthly rental payment is HKD $50 in thousand, which was determined by reference to the surrounding market quoted price. The Group recognized rental expenses of $816 and $2,387 for the years ended December 31, 2024 and 2023, respectively. Upon the expiration of the lease term, the Group purchased the office from the related party based on the consideration of operation planning. Details are provided in Note 7(2) E.

(3) Key management compensation

	For the years ended December 31,	
	2024	2023
Salaries and other employee benefits	$ 22,857	$ 20,709
Share-based payments	3,490	-
	$ 26,347	$ 20,709

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

	Book value		
Pledged assets	December 31, 2024	December 31, 2023	Pledge purpose
Property, plant and equipment	$ 106,892	$ 112,175	Collateral for general credit limit granted by financial institutions

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of December 31, 2024, except for the provision of endorsements and guarantees mentioned in Note 13(1) B, there are no other significant commitments.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Information on distribution of 2024 earnings and cash dividends from capital surplus is provided in Note 6(17) E(b).

12. OTHERS

(1) Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group’s own funds are currently sufficient, daily operations can create stable cash inflows, and there are no significant capital expenditure plans in the short term. Except for obtaining loans to reduce the exchange rate exposure, the Group has sufficient funds to cover its own needs. Debt financing is not necessary.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets mandatorily measured at fair value through profit or loss	$ 2,592,935	$ 461,734
Financial assets at fair value through other comprehensive income	1,028,444	626,628
Financial instruments at amortised cost		
Cash and cash equivalents	1,970,580	1,858,719
Financial assets at amortised cost	4,609,358	8,432,441
Notes receivable	-	323
Accounts receivable	1,237,431	1,247,331
Other receivables	52,288	113,104
Guarantee deposits paid	32,835	32,995
	$ 11,523,871	$ 12,773,275
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable (including related parties)	$ 802,055	$ 1,831,683
Other payables	239,796	301,355
Guarantee deposits received	30,873	34,048
	$ 1,072,724	$ 2,167,086
Lease liabilities	$ 107,572	$ 154,584

B. Financial risk management policies

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Group’s businesses involve some non-functional currency operations (the Company’s functional currency: NTD; the subsidiaries’ functional currencies: JPY, KRW, USD, EUR and RMB, etc.). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024			
	Foreign currency	Foreign currency amount (In thousands)	Exchange rate	Book value
Financial assets	USD：NTD	$ 127,145	32.785	$ 4,168,449
	JPY：NTD	754,812	0.2099	158,435
	USD：RMB	4,723	7.3206	154,844
	USD：EUR	1,113	0.9603	36,490
	RMB：NTD	8,020	4.478	35,914
	GBP：EUR	822	1.2065	33,858
	KRW：NTD	1,433,052	0.0225	32,244
Financial liabilities	USD：NTD	$ 20,584	32.785	$ 674,846
	EUR：NTD	5,502	34.14	187,838

	December 31, 2023			
	Foreign currency	Foreign currency amount (In thousands)	Exchange rate	Book value
Financial assets	USD：NTD	$ 192,283	30.710	$ 5,905,011
	RMB：NTD	82,598	4.327	357,402
	USD：EUR	5,849	0.9038	179,623
	JPY：NTD	791,457	0.2172	171,904
	GBP：EUR	4,295	1.1521	168,149
	EUR：NTD	4,182	33.98	142,104
	KRW：NTD	1,669,630	0.0239	39,904
Financial liabilities	USD：NTD	$ 51,792	30.710	$ 1,590,532
	RMB：NTD	62,252	4.327	269,364

iii. The information on total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023 is provided in Note 6(22).

iv. Sensitivity analysis relating to foreign exchange rate risks is primarily for financial reporting period-end date of foreign currency monetary item. If the New Taiwan dollar exchange rate to the U.S. dollar increases or decreases by 1%, the Group’s net income will decrease or increase by $34,936 and $43,145 for the years ended December 31, 2024 and 2023, respectively.

Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the balance sheet as financial assets at fair value through profit or loss and other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

ii. The Group's investments are listed and unlisted equity securities of domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2024 and 2023 would have increased/decreased by $10,284 and $6,266, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

i. The Group's principal interest-bearing assets are cash and cash equivalents and financial assets at amortised cost. Cash and cash equivalents are due within twelve months. Financial assets at amortised cost are maintained at fixed rates. Therefore, it is assessed that there is no significant cash flow interest rate risk.

ii. The Group has not used any financial instruments to hedge its interest rate risk.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. To control internal risk, the Group assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group determines that the default occurs when the contract payments are past due over 180 days.

iv. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. For details of credit risk in relation to accounts receivable, notes receivable and financial assets at amortised cost for debt instruments, refer to Note 6(3) and 6(4).

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and monetary funds, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2024 and 2023, the Group held money market position of $7,715,067 and $9,989,558, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group's non-derivative financial liabilities are analysed based on the remaining period at the balance sheet date to the contractual maturity date and all the Group's financial liabilities expire within one year.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in non-hedging derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market, financial products and investment property is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, accounts payable (including related parties), other payables, guarantee deposits received, and lease liabilities are approximate to their fair values.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 2,592,935	$ -	$ -	$ 2,592,935
Financial assets at fair value through other comprehensive income				
Equity securities	947,319	-	81,125	1,028,444
	$ 3,540,254	$ -	$ 81,125	$ 3,621,379

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 461,734	$ -	$ -	$ 461,734
Financial assets at fair value through other comprehensive income				
Equity securities	625,503	-	1,125	626,628
	$ 1,087,237	$ -	$ 1,125	$ 1,088,362

E. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily listed stocks classified as financial assets at fair value through other comprehensive income and beneficiary certificates classified as financial assets at fair value through profit or loss.

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

G. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

H. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	For the years ended December 31,	
	2024	2023
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	$ 1,125	$ 1,125
Acquired during the year	80,000	-
At December 31	$ 81,125	$ 1,125

I. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently review the fair value.

J. Except for financial products which are income investments whose valuation technique and significant unobservable inputs are judged based on the cash flow of individual contract, the following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to other valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 80,000	Most recent non-active market price	Not applicable	Not applicable	Not applicable
	1,125	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 1,125	Net asset value	Not applicable	Not applicable	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital: Refer to table 3.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to relate parties reaching NT$100 million or 20% of the Company's paid-in capital or more: Refer to table 4.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China):Refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Major shareholders information

Major shareholders information: Refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Chairman of the Board of Directors who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	For the years ended December 31,	
	2024	2023
Segment revenue	$ 10,083,525	$ 10,496,172
Segment income	$ 2,314,432	$ 1,984,835

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

(4) Information on products and services

All external customer revenue comes from sale of electronic products. Refer to Note 6(19)A. for details.

(5) Geographical information

For details of geographical information of the Group's revenue, refer to Note 6(19)A. The information on the Group's non-current assets is as follows:

	December 31, 2024	December 31, 2023
	Non-current assets	Non-current assets
Taiwan	$ 3,958,342	$ 4,030,403
Asia	219,723	195,171
America	51,819	49,261
Europe	36,853	43,281
	$ 4,266,737	$ 4,318,116

(6) Major customer information

There was no revenue from a single customer which accounted for more than 10% of the Group's total revenue for the years ended December 31, 2024 and 2023.

Transcend Information, Inc.

Provision of endorsements and guarantees to others

For the year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2024 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 7)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Transcend Information, Inc.	Transcend Japan Inc.	2	$ 3,964,603	$ 435,400 (JPY2,000,000) (In thousands)	$ 209,900 (JPY1,000,000) (In thousands)	$ -	-	1.06	$ 7,929,206	Y	-	-	-

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

(a) The Company is ‘0’.

(b) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(a) Having business relationship

(b) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(c) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(d) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(e) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(f) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(g) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Not exceeding 20% of the Company’s net asset value. $19,823,014*20%=$3,964,603

Note 4: The maximum outstanding endorsement/guarantee amount and outstanding endorsement/guarantee amount during and as of December 31, 2024 is JPY$2,000,000 and JPY$1,000,000 (In thousands).

Note 5: The amount was approved by the Board of Directors.

Note 6: The actual amount of endorsement drawn down is $0.

Note 7: Not exceeding 40% of the Company’s net asset value. $19,823,014*40%=$7,929,206

Note 8: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary.

Transcend Information, Inc.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2024 Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Transcend Information, Inc.	Stocks							
	Stocks TrendForce Corporation	-	Financial assets at fair value through other comprehensive income - non-current	60,816	$ 1,125	-	$ 1,125	-
	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	"	1,758,000	106,359	-	106,359	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	520,000	559,000	-	559,000	-
	MediaTek Inc.	-	"	150,000	212,250	-	212,250	-
	Fubon Financial Holding Co., Ltd.	-	"	605,203	54,650	-	54,650	-
	Rehear Audiology Company Ltd.	-	"	1,000,000	80,000	5	80,000	-
	Novatek Microelectronics Corporation	-	"	30,000	15,060	-	15,060	-
					$ 1,028,444			
	Beneficiary certificates							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	103,035,773	$ 1,457,699	-	$ 1,457,699	-
	Yuanta/P-shares Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - non-current	3,087,000	$ 604,280	-	$ 604,280	-
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	"	139,000	5,099	-	5,099	-
	Fubon FTSE TWSE Taiwan 50 ETF	-	"	4,565,000	520,866	-	520,866	-
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	-	"	225,000	4,991	-	4,991	-
					$ 1,135,236			
	Corporate bonds							
	TSMC Arizona Corporation U.S. dollar-denominated corporate bonds	-	Financial assets at amortised cost - non-current	1,850,000	$ 60,180	-	$ 58,125	-
	International Business Machines Corporation U.S. dollar-denominated corporate bonds	-	"	2,250,000	73,170	-	71,347	-
	Meta Platforms, Inc. U.S. dollar-denominated corporate bonds	-	"	1,650,000	51,335	-	49,741	-
	PAYPAL HOLDINGS, INC. U.S. dollar-denominated corporate bonds	-	"	1,100,000	35,490	-	34,538	-
	Intel Corporation U.S. dollar-denominated corporate bonds	-	"	2,000,000	64,554	-	60,802	-
	Mercedes-Benz Finance North America LLC U.S. dollar-denominated corporate bonds	-	"	250,000	8,261	-	8,056	-
	Toyota Motor Credit Corporation U.S. dollar-denominated corporate bonds	-	"	900,000	29,580	-	28,547	-
					$ 322,570			

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 ‘Financial instruments’.
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Transcend Information, Inc.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

	Marketable securities					Balance as at January 1, 2024		Addition		Disposal				Balance as at December 31, 2024		
Investor	Type	Name	General ledger account	Counterparty	Relationship with the investor	Number of shares (in shares)/Unit	Amount	Number of shares (in shares)/Unit	Amount	Number of shares (in shares)/Unit	Selling price	Book value	Gain (loss) on disposal	Gains (losses) on valuation (Note 2)	Number of shares (in shares)/Unit	Amount
Transcend Information, Inc.	Beneficiary certificate	Taishin 1699 Money Market Fund	Note 1	None	None	-	$ -	103,035,773	$ 1,450,000	-	$ -	$ -	$ -	$ 7,699	103,035,773	$ 1,457,699

Note 1: Recorded as financial assets at fair value through profit or loss - current.
Note 2: Including gains (losses) on valuation and effect of foreign exchange.

Transcend Information, Inc.

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

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Sales (purchases)	Amount	Percentage of total sales (purchases)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Transcend Information, Inc.	Transtech Trading (Shanghai) Co., Ltd.	Subsidiary of Memhiro	Sales	$ 790,103	8	120 days after monthly billings	No significant difference	30 to 60 days after monthly billings to third parties	$ 35,841	3	-
"	Transcend Japan Inc.	The Company’s subsidiary	"	364,693	4	"	"	"	124,608	12	-
"	Transcend Information Europe B.V.	Subsidiary of Saffire	"	368,683	4	"	"	"	-	-	-
"	Transcend Information Inc.	The Company’s subsidiary	"	577,257	6	"	"	"	17,283	2	-
"	Transcend Korea Inc.	The Company’s subsidiary	"	298,766	3	"	"	"	32,243	3	-
"	Transcend Information Trading GmbH	Subsidiary of Memhiro	"	253,848	3	"	"	"	-	-	-
"	Transcend Information (H.K) Ltd.	Subsidiary of Memhiro	"	115,881	1	"	"	"	45,407	4	-
Transcend Information Europe B.V.	Transcend Information Trading GmbH	Jointly controlled by the ultimate parent company	"	135,998	24	30 days after delivery	"	7 to 60 days after delivery to third parties	2,096	2	-
Transcend Information, Inc.	Taiwan IC Packaging Corporation	Associates accounted for using equity method	(Purchases)	(148,910)	(2)	30 days after monthly billings	No significant difference	30 to 45 days after monthly billings to third parties	(32,748)	(4)	-

Note: The Company’s sales to subsidiaries were equivalent to subsidiaries’ purchases from the Company; accordingly, the Company did not disclose the information on subsidiaries’ purchases from the Company.

Transcend Information, Inc.

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

December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Transcend Information, Inc.	Transcend Japan Inc.	The Company’s subsidiary	$ 124,608	2.59	$ -	-	$ 73,969	$ -

Transcend Information, Inc.

Significant inter-company transactions during the period

For the year ended December 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Transcend Information, Inc.	Transtech Trading (Shanghai) Co., Ltd.	1	Sales	$ 790,103	There is no significant difference in unit price from those to third parties.	8
"	"	Transcend Japan Inc.	"	"	364,693	"	4
"	"	Transcend Information Inc.	"	"	577,257	"	6
"	"	Transcend Korea Inc.	"	"	298,766	"	3
"	"	Transcend Information Europe B.V.	"	"	368,683	"	4
"	"	Transcend Information Trading GmbH	"	"	253,848	"	3
"	"	Transcend Information (H.K) Ltd.	"	"	115,881	"	1
1	Transcend Information Europe B.V.	Transcend Information Trading GmbH	3	"	135,998	"	1

(Individual transactions not exceeding 1% of the consolidated total revenue and total assets are not disclosed.)

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(a) Parent company is "0".

(b) Subsidiaries were numbered from 1.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(a) Parent company to subsidiary.

(b) Subsidiary to parent company.

(c) Subsidiary to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Transcend Information, Inc.

Information on investees (excluding information on investments in Mainland China)

For the year ended December 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2024	Initial investment amount: Balance as at December 31, 2023	Shares held as at December 31, 2024: Number of shares	Shares held as at December 31, 2024: Ownership (%)	Shares held as at December 31, 2024: Book value	Net (loss) profit of the investee for the year ended December 31, 2024	Investment (loss) income recognized by the Company for the year ended December 31, 2024 (Note 1)	Footnote
Transcend Information, Inc.	Saffire Investment Ltd.	B.V.I.	Investment holdings	$ 216,829	$ 216,829	6,600,000	100	$ 861,541	$ 21,767	$ 21,767	Note 2
	Transcend Japan Inc.	Japan	Import and wholesale of computer memory modules and peripheral products	89,103	89,103	6,400	100	99,267	4,342	4,342	Note 2
	Transcend Information Inc.	United States of America	Import and wholesale of computer memory modules and peripheral products	38,592	38,592	625,000	100	189,573	(2,104)	(2,104)	Note 2
	Transcend Korea Inc.	Korea	Import and wholesale of computer memory modules and peripheral products	6,132	6,132	40,000	100	16,154	3,725	3,725	Note 2
	Taiwan IC Packaging Corporation	Taiwan	Packaging of Semi-conductors	354,666	354,666	21,928,036	12.51	81,781	(185,384)	(23,185)	Note 5
Saffire Investment Ltd.	Memhiro Pte Ltd.	Singapore	Investment holdings	169,721	173,702	8,277,609	100	416,978	(29,328)	(29,328)	Note 3
	Transcend Information Europe B.V.	Netherlands	Import and wholesale of computer memory modules and peripheral products	391,140	-	8,850	100	394,804	15,257	48,835	Note 3, Note 7
Memhiro Pte Ltd.	Transcend Information Europe B.V.	Netherlands	Import and wholesale of computer memory modules and peripheral products	-	1,693	-	-	-	15,257	(33,578)	Note 4, Note 7
	Transcend Information Trading GmbH	Germany	Import and wholesale of computer memory modules and peripheral products	-	2,288	-	-	-	4,672	(4,658)	Note 4, Note 6
	Transcend Information (H.K.) Ltd.	Hong Kong	Import and wholesale of computer memory modules and peripheral products	7,636	7,636	2,000,000	100	14,101	2,047	2,047	Note 4
Transcend Information Europe B.V.	Transcend Information Trading GmbH	Germany	Import and wholesale of computer memory modules and peripheral products	140,479	-	-	100	136,941	4,672	9,330	Note 4, Note 6

Note 1: The Company does not directly recognize the investment (loss) income, except for the subsidiaries and associates directly held.

Note 2: Subsidiary of the Company.

Note 3: Subsidiary of Saffire.

Note 4: Subsidiary of Memhiro.

Note 5: Associate of the Company.

Note 6: In the third quarter of 2024, the Group adjusted its investment structure. Transcend Information Trading GmbH’s 100% equity interest is then held by Transcend Information Europe B.V.

Note 7: In the fourth quarter of 2024, the Group adjusted its investment structure. Transcend Information Europe B.V.’s 100% equity interest is then held by Saffire Investment.

Transcend Information, Inc.

Information on investments in Mainland China

For the year ended December 31, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net (loss) profit of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment (loss) gain recognized by the Company for the year ended December 31, 2024 (Note 2)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Transcend Information (Shanghai), Ltd.	Manufacture and sales of computer memory modules, storage products and disks, and lease of self-owned buildings	$ -	2	$ -	$ -	$ -	$ -	($ 1,885)	-	($ 1,885)	$ -	$ 2,281,608	Note 4
Transtech Trading (Shanghai) Co., Ltd.	Wholesale, retail, manufacture, import and export, agent and related services of computer software and hardware and auxiliary equipment, non-residential real estate leasing	167,097	2	167,097	-	-	167,097	7,717	100	7,717	369,969	38,228	Note 4, Note 5

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Transcend Information, Inc.	$ 167,097	$ 167,097	$ 11,893,808

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

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area (Memhiro Pte Ltd.), which then invested in Mainland China.

(3) Others.

Note 2: The gain and loss on investment recognized for the year was based on the financial statements that were not audited by independed auditors.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Transcend Information (Shanghai), Ltd. and Transtech Trading (Shanghai) Co., Ltd. merged on March 29, 2024, with Transtech Trading (Shanghai) Co., Ltd. as the surviving company and Transcend Information (Shanghai), Ltd. as the dissolved company.
On May 6, 2024, the Company’s application of matters relating to the merger of investees in Mainland China had been approved by the Investment Commission, MOEA, and the procedure of related merger in Mainland China was completed in February 2025.

Note 5: On April 11, 2024, Transtech Trading (Shanghai) Co., Ltd. remitted back investment income amounting to NT$38,228 thousand (CNY$8,672 thousand), which was translated into New Taiwan Dollars at the average exchange rate of NT$4.4 to CNY$1.

Transcend Information, Inc.

Major shareholders information

December 31, 2024

Table 9

Name of major shareholders	Shares	
	Number of shares held	Shareholding ratio
Won Chin Investment Inc.	74,783,600	17.39
Capital Tip Customzied Taiwan Select High Dividend ETF	39,998,000	9.30
Wan An Technology Inc.	34,251,854	7.96
Cheng Chuan Technology Development Inc.	32,971,701	7.67
Wan Chuan Investment Inc.	29,505,896	6.86
Wan Min Investment Inc.	29,216,397	6.79